

# SUSTAINABILITY STATEMENT

## INTRODUCTION

The Board of Directors of Kia Lim Berhad (“Kia Lim” or “the Company”) and its subsidiaries (“the Group”) recognises the importance of corporate sustainability as its commitment to grow its business in a sustainable path and respond responsibly to the stakeholders, environment and society by maintaining the balance of ecosystem.

This Sustainability Statement (“the Statement”) outlines the sustainability matters throughout the Group in the environmental, social and governance issues of our business operations, approaches and activities, including our efforts at improving our practices to achieve our long-term goals.

We have identified issues that are material to our organisation from a sustainable perspective, and our best efforts and strategies to address them. Qualitative and quantitative data is provided wherever possible. We will strive to improve our disclosure in future reports and are committed to monitoring and measuring our progress in implementing sustainability throughout the Group.

## REPORTING SCOPE & PERIOD

This Statement covers the sustainability performance for the Company and its subsidiaries’ current manufacturing of bricks and related products. This Statement covers the reporting period from 1 January 2023 to 31 December 2023, which historical data of the preceding years is included for comparison, where available and relevant.

## REPORTING GUIDANCE AND ASSURANCE

This Statement is prepared in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and with reference to the Sustainability Reporting Guide and Toolkits (3rd Edition) by Bursa Securities.

This Statement has been reviewed by the Management and approved by the Board. The Sustainability policies, initiatives and data published in this Statement have been internally collected, processed, verified and validated which are considered reasonably appropriate and acceptable. All of these have been verified by our respective heads of departments within the Group. We have not sought any external assurance for this Statement. The Group however acknowledges the verification credibility by third-party, and will consider to seek external assurance in the future as we continuously enhance our reporting processes.

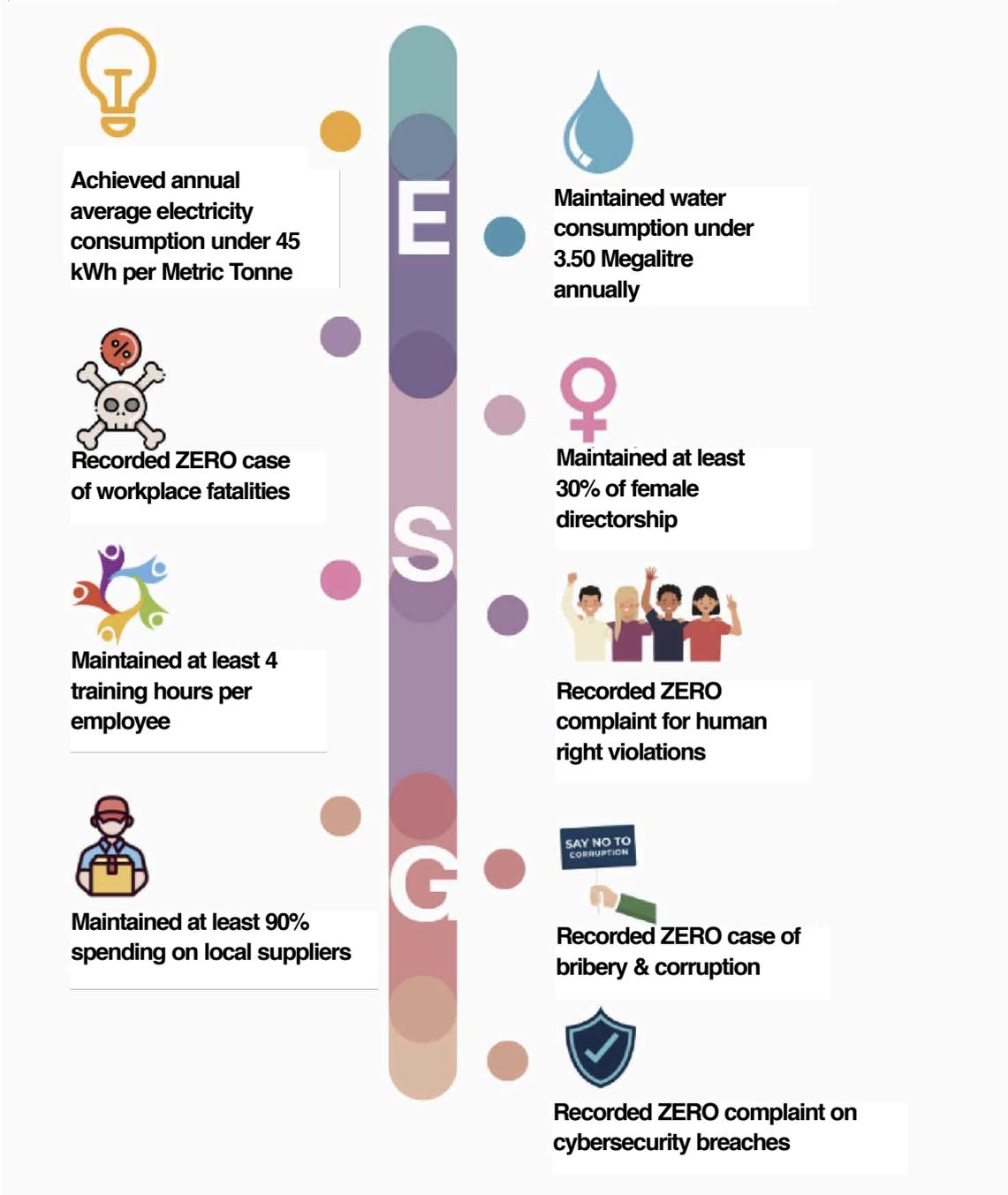
## OUR MILESTONE OF ACCOMPLISHMENTS

In 2023, we have accomplished several remarkable fulfillments of sustainability initiatives under our three (3) pillars of Environment, Social and Governance (“ESG”) to express our persistence in conserving our business operations in a sustainable way.

We are optimistic towards our ESG performance across our business activities, aligning with the global sustainability scorecard and contributing to a sustainable future.

# ESG Scorecard Highlights

## YEAR 2023



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

The sustainability governance structure serves as the foundation for supporting the implementation of sustainability initiative, business performance, determine goals, improve the reporting process, strengthen interrelation with our stakeholders. The importance of sustaining governance is vital to prioritise the well-being of stakeholders in the present as well as in the future.

This objective is to ensure the overall accountability across the organisation with the sustainability measures. The sustainability in the Group is implemented on a top-down approach. The optimum responsibility of the Board is to oversee and promote the embed sustainability align with the Group’s business strategy. The Board is backed by the key management and has set up a Sustainability Working Group (“SWG”) from a diverse department within the organisation to nourish the Group’s inaugural sustainability disclosure.

### Sustainability Governance Structure

The Board has overall responsibility for the Group’s sustainability governance.



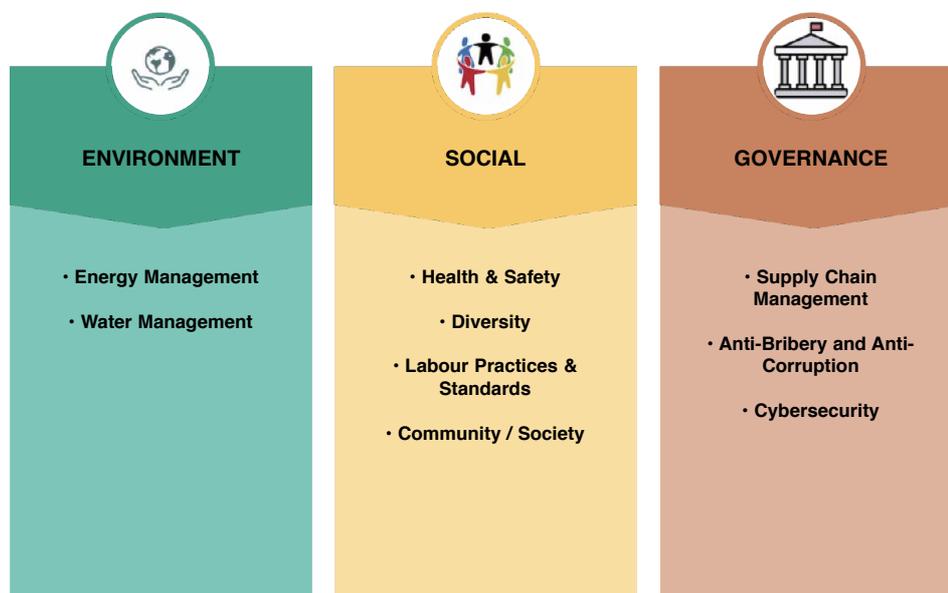
The SWG is chaired by the Chief Executive Officer and assisted by the General Manager. Overseeing the SWG for the Group’s progress in sustainability programmes, and to ensure disclosures are aligned with the Bursa Securities’ Listing Requirements.

The Chief Sustainability Officer (“CSO”) plays the role to develop and implement sustainability strategies, measure and report performance of related sustainability Initiatives. Additionally, CSO is collaborating with members of SWG to integrate sustainability into the overall business strategy.

To enhance sustainability initiatives, the SWG shares the Group’s sustainability objectives with its members, which includes department heads and managers responsible for implementing sustainable practices throughout the Group. These individuals also have a critical role in promoting sustainability awareness among employees.

## SUSTAINABILITY MATTERS

In line with Bursa Securities’ MMLR Amendment dated 26 September 2022, we disclose nine (9) key sustainability matters as required for the first year across the Group by convening the responses from key Executives and members of Management who are deeply involved in the operations. The sustainability matters are identified and how they are being managed by the Group as follows:



**ENVIRONMENT**

The major environmental challenges in business are climate change, scarcity of natural resources, pollution and waste. As such, the Group has initiated an environmental planning and policy that distinctly feature our commitment in ensuring that environmentally hazardous substances or wastes are well managed before discharging from our premises. To achieve this, we implemented various initiatives in energy management and water management for our business operations.

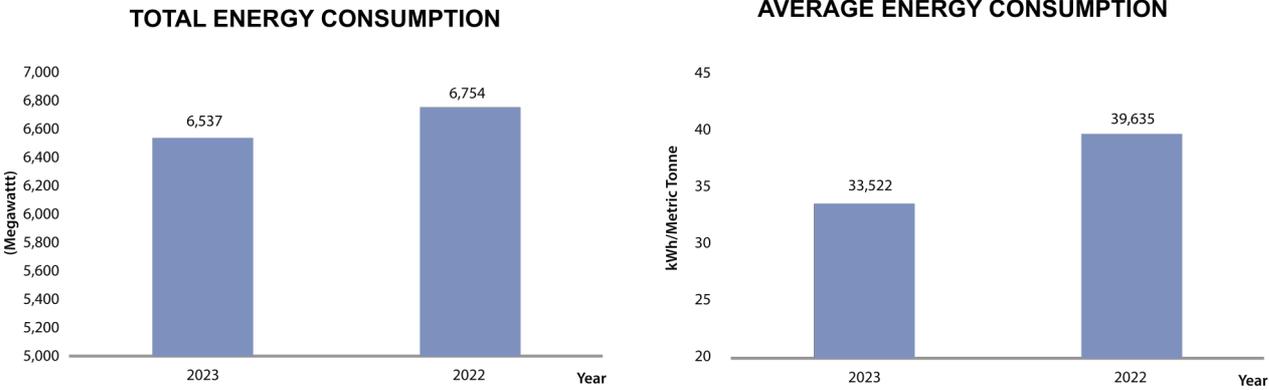
**Energy Management**



The Group is committed to supervise and manage the energy management to optimise efficiency of production in order to reduce the unnecessary energy waste and carbon footprints.

Total Electricity Consumption is based on the combination of electricity usage from the production. Average Electricity Consumption is based on the electricity consumption over the total production in Metric Tonne.

In 2023, the Group consumed 6,537 Megawatt of electricity in comparison to 6,754 Megawatt in 2022. In energy management, we aim to consistently maintain the annual average energy consumption at a level below 45 kWh per Metric Tonne, reflecting our commitment to energy efficiency and sustainable operational practices.



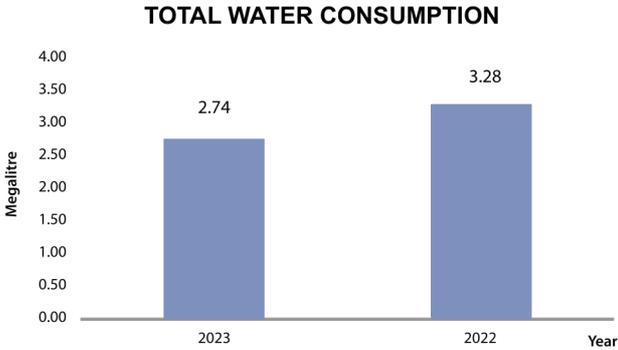
**Water Management**



The Group acknowledges the importance of conserving water resources and persistently exploring sustainable channels by reducing reliance on direct water usage from Ranhill SAJ.

In 2023, the Group reported the utilisation of water at 2.74 Megalitre in total. Notably, the Group significantly reduced 17% in water consumption when comparing to the water usage of 3.28 Megalitre in 2022. Thanks to the alternative water source from rain water harvesting, which is mainly used for cleaning purposes in factory.

The Group has maintained direct water consumption below 3.50 Megalitre, the low consumption of direct water resources indicates our commitment and obligation over sustainable water management and also our efforts in improving the water usage efficiency within the Group. The Group will constantly enforce water conservation measures by prioritising the usage of water responsibly.



## SOCIAL

The Board acknowledges its responsibility to prioritise the safety and wellbeing of our employees, customers, and the communities in which we operate. The social pillar holds significant importance for us as we believe that people are at the core of our business. Hence, we consistently invest in ensuring the safety and health of our employees, deliver excellent customer service, and work towards the betterment of the communities we are committed to.

### Health & Safety

The Group's operating plants comprise of different range of machineries, whereby certain machineries are automated and certain machineries are semi-automated or even manual. For the automated machines, workers will only be required to monitor that the machines are functioning smoothly whereas for the semi-automated and the manual machines, constant attention is required at all times. Possibility of accidents occurring is considered high due to reasons of negligence by workers or safety measures or safe practices are not in place.

Further to that, lack of good health and safety practices and enforcement may lead to occurrences of industrial accidents and stop orders on machine operations. Based on regulations, the Group is susceptible to penalisation or Directors being brought to court by authorities and this will cause unwanted operational stoppage and eventually an adverse effect to the Group's profits. Managing and enforcing the health & safety practices at all operating plants is essential and being constantly emphasised and enforced.

The Group has in place a complete Occupational Safety & Health Policy that highlights its commitment to prevent injury, ensure compliance to laws and regulations in relation to occupational health and safety and promote a culture whereby all employees share the commitment to prevent injury at all cost.



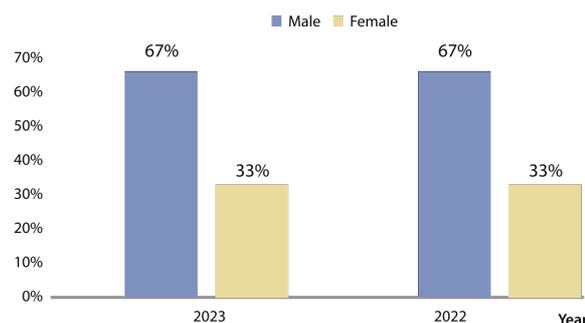
To ensure compliance and a safe working environment, Safety, Environmental and Security Committee ("SESC") is established and tasked to manage health & safety related issues at the operating plants. SESC will conduct regular audits to check on the functionality of fire extinguishers, condition of the air compressors, first aid kits and also on the compliance of wearing personal protective equipment at the operating plants. SESC also continuously reviews the system that is in place, and where necessary, new measures are introduced to improve the safety and hygienic working conditions and/or minimise workplace accidents.

### Diversity

Kia Lim strives to cultivate a sustainable working environment that adopts diversity within the organisation. By accepting the diversity culture, it helps the organisation to contribute diverse ideas, creativity, and innovation and also accelerate problem solving, leading to business success.

The Board appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enable better problem solving than the boardroom that dominated by one gender. In 2023, we continue to maintain the aspiration of Malaysian Code on Corporate Governance 2021 that all boards of listed issuers should comprise at least 30% women directors.

### DIRECTORSHIP BY GENDER



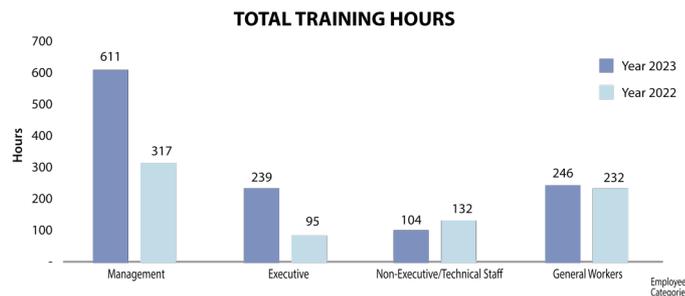
**SOCIAL (CONT'D)**

**Labour Practices and Standards**

The Group is committed to contribute human capital investment in promoting sustainable growth across the Group by continuously providing its employees the space of learning and development through upskilling and the latest knowledge. The trainings provided to employees consist of e-learning module and physical class training programmes. These trainings offered to employees are based on voluntary and/or mandatory depending on the job performance reviewed by each head of department.

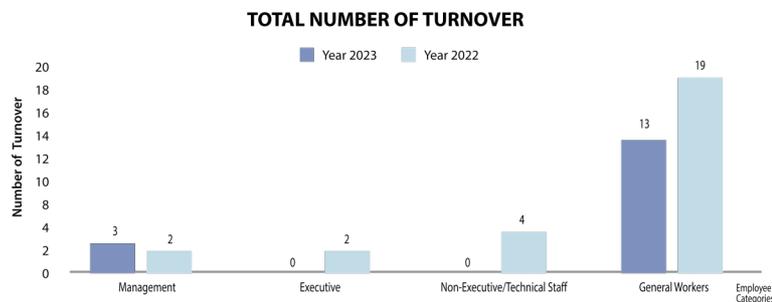
The Group recorded a total of 1,200 training hours in 2023, of which each employee has attended at least four (4) training hours.

The table below shows the total training hours spent in the breakdown of employee categories.



The Group complies with the local labour laws and regulations concerning the minimum wage policy to promote the welfare of its employees. The Group ensures all employees are offered with equal opportunities. The Group emphasises zero-tolerance for any form of discrimination, harassment and unfair treatment against race, religion, gender, age, disability and nationality, as introduced in Kia Lim’s Code of Conduct and Ethics Policy. The Group recorded ZERO complaint for human right violations.

In addition, the Group also recorded a low turnover rate by employee categories for years 2022 and 2023 as per the chart below.



We are trying our best to treat every personnel with dignity and respect within the workplace. Hence, we are committed to cultivate a positive and sustainable working culture where everyone can flourish and devote to our collective business growth and prosperity.

**Community / Society**

As a corporate entity, the Group has continued to fulfil its share of social obligations and responsibility owed to the public.

We always strive to give something back to the neighbouring communities in which we operate. It is the Group’s culture to encourage its Management and employees to be involved in welfare work and charity activities, and the spirit of caring and sharing has been amply demonstrated by them.

We have continued to fulfil our Corporate Social Responsibilities (“CSR”) by extending financial and non-financial assistance to various worthy societal causes.

The CSR activities undertaken in 2023 were as follows:

- During the year, the Group has given financial assistance and in-kind contribution for various charitable causes and to certain needy bodies, such as schools, flood victims, etc.
- A financial contribution was given to the surrounding communities to help in the flood prevention.
- The Group collaborated with General Hospital Batu Pahat to hold a blood donation campaign in factory to boost the blood donation pool from suitable blood donors and help to improve the blood shortage from the blood banks and hospital.
- The Group organised a “Gotong Royong” campaign to emphasis on the importance of clean and safe workplaces as well as to create awareness and promote team work spirit.

## SOCIAL (CONT'D)

### Community / Society (Cont'd)

Going forward, the Group will continue to help the community by undertaking CSR programmes that will benefit the underprivileged and less fortunate people.

## GOVERNANCE

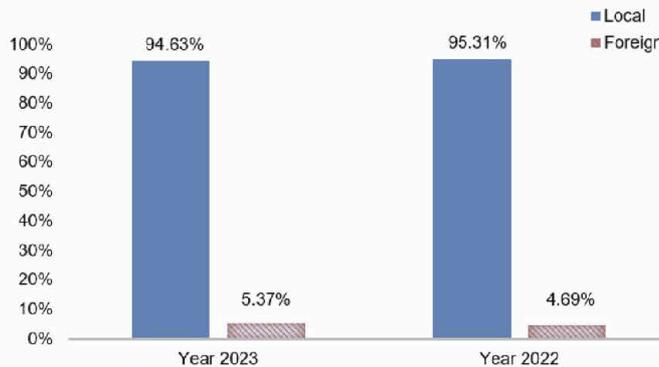
### Supply Chain Management

We collaborate with supply chain partners to ensure their operations are in line with our standards and expectations. All service providers and suppliers for the Group are required to declare and comply with Anti-Bribery and Anti-Corruption Policy via the Declaration Form. All procurements are conducted in compliance with Manual of Authorisation & Spending Limits and Purchasing Policy.

We place great emphasis on supporting our local community, and one way we demonstrate this is by prioritising our procurement spend on local suppliers. By partnering with local suppliers, we aim to strengthen our local economy while also building lasting relationships that benefit all parties involved. Furthermore, we believe that sourcing goods and services locally helps to reduce our carbon footprint and supports sustainable business practices.

In 2023, the Group contributed 94.63% of total procurement on local suppliers while only 5.37% on foreign spending.

**LOCAL AND FOREIGN SUPPLIERS' EXPENDITURE**



### Anti-Bribery and Anti-Corruption

A resilient governance structure underpins the success in a business landscape of our organisation. We commit to endorse Anti-Bribery and Anti-Corruption ("ABAC") practices by maintaining high standards of ethics.

Our stringent policies and procedures, coupled with periodic briefings and awareness campaigns, serve as a communication bridge to our employees on the importance of ethical conduct and our steadfast commitment to maintaining a culture of integrity.

ABAC awareness has been conducted in 2023 by displaying posters in our workplaces. ABAC policy has been reviewed and available on our Kia Lim's website. Besides, ABAC short briefings were conducted in small group basis especially for our workforces in factory.

The Group recorded ZERO case of bribery and corruption within our organisation in 2023 whereby no employee was disciplined or dismissed due to non-compliance with the ABAC Policy.

**ZERO**  
case of bribery & corruption



GOVERNANCE (CONT'D)

Cybersecurity

Cybersecurity is a surging issue of importance as the threats of data losses and data leakage can gravely affect the whole business ecosystem within our organisation. Hence, we are committed to safeguard the privacy and security of our customers' data.

The Group acknowledges that collection, use, processing and storage of sensitive personal data for our stakeholders and other third parties must comply with the laws and regulations. As such, the Group ensures business activities are in compliance with Personal Data Protection Act ("PDPA"). The Group has put in place a PDPA Policy and PDPA awareness briefing is conducted for every employee, and related training will be conducted once a year.

To prevent data losses, our Information Technology ("IT") department is responsible for performing regular checking on server and also implementing automatic data back-up internally with physical access restriction, except for authorised personnel. Moreover, to prevent data leakage or data damage from external parties, double layer of cybersecurity protection has implemented and being reviewed on a timely basis by IT department. Our IT department is responsible to monitor the Firewall system to avert the external cyber-attack in our organisation. Then, the department ensures all the systems and software including Antivirus Software are up-to-date and the licenses are genuine.

In 2023, the Group recorded ZERO complaint concerning breaches of customer privacy and losses of customer data. The Group continuously monitors and reviews our systems to ensure that our customers' data is well protected, and we are dedicated to staying at the forefront of best practices in data privacy and security.

**ZERO**  
complaint on cybersecurity breaches



CONCLUSION

Kia Lim is committed to contribute and promote sustainability initiatives throughout our business operations in order to comply and develop an eco-friendly culture for our stakeholders. To achieve our ESG goals, we aim to diminish our carbon footprint, conserve scarce resources and mitigate business impacts. We will continuously monitor our ESG journey and ensure our business activities align parallelly, and that will lead us moving towards a more sustainable future in this industry.

Note:

Further to the launch of the Bursa Malaysia ESG Reporting Platform on 4 December 2023, Kia Lim had complied with the disclosures that adhere to the prescribed format mandated by Bursa Malaysia's enhanced sustainability reporting requirements via the said platform and the summary performance data table is provided on pages 79 and 80 of this Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the income statement and cash flows of the Group and of the Company for the financial year. The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is stated on page 46 of this Annual Report.

The Directors are of the view that, in preparing the financial statements of the Group and of the Company for the year ended 31 December 2023, the Company has adopted appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have also considered that all applicable accounting standards have been followed during the preparation of audited financial statements.

The Directors are responsible for ensuring that the Company keeps adequate accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016.

The Directors have ensured timely release of quarterly and annual financial results of the Group and of the Company to Bursa Securities so that public and investors are informed of the Group's development.

The Directors also have general responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group, and to detect and prevent fraud and other irregularities.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework. The Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") provides guidance for compliance with these requirements. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

## BOARD RESPONSIBILITY

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

The Board has set up a separate board committee, Risk Management Committee ("RMC"), to be responsible for the risk management function, the details of which can be found in Corporate Governance Overview Statement.

The system of risk management and internal control covers risk management, finance, operations, management information systems and compliance with relevant laws, both local and foreign, all other regulations, policies and procedures.

Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any systems of internal control and risk management, such systems being designed to manage, rather than eliminate, the risk that may impede the achievement of the Group's business objectives. Accordingly, it can only provide a reasonable combination of preventive, detective and corrective measures but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations.

The Group's risk management and internal control framework is an ongoing process, and is in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group throughout the financial year. The process is regularly reviewed by the Board.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control of risks, are operated with the assistance of the Management throughout the period. The Board has received assurance from the Chief Executive Officer ("CEO") that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group. The Group's internal audit and risk management function has been outsourced to an independent professional consulting firm, who reports directly to the Audit Committee ("AC") and RMC. The internal auditors carried out periodic internal audits on the system of internal controls based on the key risk areas identified and defined in the scope of the 3-Years Internal Audit Plan reviewed and approved by the AC.

### Risk Management Framework

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group. The AC, RMC and Board review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

For the period under review, the Board of is assisted by the internal auditors and the management to effectively embed risk management and controls into the corporate culture, processes and structures within the Group. The risk assessment from the business units are consolidated and updated into the Group Risk Register, highlighting the major risks and the existing key controls. They are then compiled into Group Risk Profile based on the impact and likelihood of occurring, for the Board attention in managing and monitoring these risks.

The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### BOARD RESPONSIBILITY (CONT'D)

#### Risk Management Framework (Cont'd)

Exceptions and improvement opportunities have been reported to the AC to enhance the effectiveness of the governance, risk management and internal control processes of the Group. The Board, with the assistance of the AC and the RMC, reviews the key risks identified and determines the nature and extent of risks that will be undertaken in achieving the Group's strategic, operational and compliance objectives.

The development and documentation of risk management processes will continue to be enhanced and the Board will report on the status of the said development in due course.

#### Key Elements of Internal Control

The following key elements of a system of internal control are present in the Group:

##### (i) Strategic Business Direction and Risk Management

The Group's business objectives are communicated through its business plan and regular interactions between the Executive Directors with management and other employees. Throughout the financial year under review, the Board has evaluated and managed the key principal risks faced by the Group through the monitoring of the Group's operations, performance and profitability at its Board meetings. The Board enlists the assistance of the internal audit function to further review and improve the existing risk management processes within the Group. These processes further sensitise all key employees and management on their responsibilities towards internal controls in managing and controlling risks.

##### (ii) Organisational Structure and Corporate Culture

The CEO plays the role as the channel of communication between the Board and the Management. The CEO, Executive Directors and Senior Management team are actively involved in managing the day-to-day affairs of the Group. They attend meetings, which are held at both management and operational levels to deliberate and resolve business and operational matters. The authority of the Directors is required for key treasury matters including changes to equity and loan financing, interest rates, cheque signatories, opening of the bank accounts and foreign operations.

##### (iii) Definition of Employees' Roles and Responsibilities

The roles and responsibilities of key positions are clearly defined and specified in the job description manuals.

##### (iv) Reporting and Review

Adequate financial and operational information systems are in place to capture pertinent internal business information. Financial and operational reports are periodically prepared and presented to the Management and the AC/the Board for discussion and review on a timely basis.

##### (v) Procedures and Control Environment

Established control activities for day-to-day financial and operating activities are in place covering preventive controls, detective controls, corrective controls, manual controls, computer controls and management controls. These include top-level reviews of financial and operating performance, authorisations, verifications, reconciliation, physical controls over assets, segregation of duties and controls over information systems.

The Directors have ensured that safety and health regulations have been considered and complied with. Quality is always given prominence in all products manufactured. The subsidiary companies have obtained ISO 9001 certificate for their operational processes. Internal procedures and standard operating procedures have been properly documented and surveillance audits are conducted yearly by assessors of the ISO certification body to ensure that the system is implemented as per ISO 9001:2015 requirements.

### BOARD RESPONSIBILITY (CONT'D)

#### Key Elements of Internal Control (Cont'd)

##### (vi) Audit Committee

The AC analyses the Group's current quarter and year-to-date performance compared to previous quarter, previous corresponding quarter and year-to-date and then reports to the Board. The Report of the AC is set out on pages 27 and 28 of the Annual Report.

##### (vii) Internal Audit Function

The Board has outsourced its internal audit function to an independent professional consulting firm to assist the Group in achieving its objectives, systematically evaluating and improving the risk management, internal controls and corporate governance within the Group. The internal auditor provides periodic reports to the AC, reporting on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the AC. The internal auditors' responsibilities include planning and performing its internal audit activities to obtain assurance that controls implemented are adequate, relevant and in operation to manage key financial, operational and compliance risks. A summary of findings and recommendations are discussed at the AC meetings and the status of implementation of the actions agreed by Management is tracked and reported to the AC.

##### (viii) Review of the Statement by External Auditors

The external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 December 2023 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the systems of internal controls and risk management.

#### The Board's Statement on Risk Management and Internal Control

The Directors have reviewed the adequacy, integrity and effectiveness of the systems of risk management and internal control in operation during the financial year through the monitoring processes set out above. Internal control weaknesses were identified during the year under review but none have resulted in any material losses, contingencies or uncertainties that would require mention in the Company's Annual Report. The Board remains committed towards operating a sound system of risk management and internal control and therefore recognises that the system must continuously evolve to support the growth and dynamics of the Group.

# CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Kia Lim Berhad Group for the financial year ended 31 December 2023 together with the Management Discussion & Analysis ("MD&A").

The following MD&A of the financial condition and operating performance of the Group for the twelve (12) months ended 31 December 2023 should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and related notes thereto.

## Financial Review

In tandem with a more robust economic recovery nationwide, and in particular the residential construction sector, demand for clay bricks rebounded strongly and the Group was poised to capitalise on it to return to the black for the current financial year.

For the year ended 31 December 2023, the Group registered revenue of RM36.26 million and profit before taxation of RM3.68 million as compared to revenue of RM29.24 million and loss before taxation of RM0.73 million respectively for the preceding year. Whilst sales volume was marginally higher for the current year, the increase in revenue and improved result were mainly attributable to the much improved average selling prices for the Groups brick products.

Although turning in a profit, the Group incurred little current income tax expense due to available unutilised tax losses and unabsorbed allowances on which deferred tax benefit had not been recognised previously for reason of uncertainty in recoverability. On the optimism of continue profitability, the Group had recognised RM1.20 million of deferred tax assets on previously unrecognised unabsorbed allowances.

## Capital Resources and Liquidity

The Group's net assets stood at RM50.94 million in this financial year which was higher than the previous year's RM46.07 million. Correspondingly, the Group's net asset per share increased 10.8% to RM0.82 as at 31 December 2023 from RM0.74 last year. This was primarily due to the business profit as well as the recognition of deferred tax asset as reported in the current financial year.

The Group generated a positive cash flow from operating activities of RM1.30 million during the financial year under review. This is a commendable improvement as compared to a year ago of RM0.30 million below the breakeven. Despite higher net cash flow from operating activities, the net overdraft position of RM1.24 million as at 31 December 2023 was however slightly higher than RM1.20 million as at 31 December 2022, a net decrease in its cash and cash equivalents of RM0.04 million. This was due to higher net cash used in investing activities of RM1.92 million and lower net cash generated from financing activities of RM0.58 million.

Total capital plus net debt stood at RM71.51 million as at 31 December 2023 which is a 5.9% increase over the RM67.53 million at 31 December 2022. With this, and the net debt decrease of 4.1% to RM20.57 million from RM21.46 million, the Group's gearing ratio (calculated as net debt divided by total capital plus net debt) has improved to 29.0% from the preceding years 32.0% as a result.

The Group's revenue, profit after tax and earnings per share for the past 5 years up to 31 December 2023, are disclosed in this Annual Report under the Group Financial Highlights in page 1.

## Operational and Business Review

The principal activity of the Company is investment holding, while the principal activities of the subsidiaries are manufacturing of clay bricks and related products. The sales of the Groups products are predominantly to the Malaysia and Singapore market. There have been no changes to the nature of these activities during the year under review.

In 2023, continuing the momentum from the previous year, the Malaysian residential construction sector witnessed a notable increase in activities supported by increasing demand for residential housing units, and thereby sustaining the upward trajectory of demand for clay bricks. This is in tandem with the continued improvement in the broader economic environment. However, demand for clay bricks has yet to reach the level where the industry could sustainably reactivate capacity which had been previously suspended when demand was slack. The Group needs to be vigilant in this very competitive business environment, and has continually placed emphasis on customer satisfaction in terms of consistency in product quality as well as timely deliveries. At the same time, the Management is mindful of the need to keep costs down particularly in the face of challenges from rising energy and labour costs. In this regard, the Group has continued to proactively work on improving its operational efficiencies by reducing structural costs with higher yield and less wastage, higher combustion efficiency, maintaining an optimum number of headcounts, as well as strategic sourcing and procurement of input material, etc. The Group has also continued to practise prudent cash flow management, one of which is to restrict spending on capital expenditure, except for routine and regular preventive maintenance works for plant and machineries in order to keep them in good working conditions at all times. Early during the year, the operation had a major maintenance issue and the Management managed to face up to the challenge and even took the opportunity to enhance the efficiency of the production line.

### Capital Resources and Liquidity (Cont'd)

It is the Group's strategy to, over time, reduce its reliance on foreign labour by further automating certain of its manufacturing processes. Following the normalization of businesses since the passing of the Covid-19 pandemic, the Group is reconsidering to implement certain automation projects which were previously deferred. At present, the Group's hiring policy of foreign workers is only confined to workplaces where recruitment of local workers poses a great challenge. It is the Group's ongoing process to review and upgrade its employees' knowledge and skills, apply multi-tasking practices and consolidate divisions/sections wherever possible to further improve operational efficiency while maintaining adequate number of headcounts with the aim to further reduce labour costs.

The Group has also intensified its efforts in strengthening accountability, transparency and oversight on anti-corruption issues, occupational safety and health, talent pool, reliability of supply chain, energy efficiency and other key Environmental, Social and Governance ("ESG") aspects of our business. The Group continues to enhance its corporate governance and sustainability management practices and further details as to how the Group is embedding a stronger ESG focus within its business strategies is provided in the Sustainability Statement of this Annual Report.

The Group is aware of the inherent risks in managing the operations in the current uncertain and competitive business environment. Any known risks are treated with strategies and mitigating measures to minimise the impact of uncertainties. As part of the forward plans and strategies, the Group will continue to enhance the internal control systems and the ISO procedures as part of the operational processes, and ensure proper implementation to mitigate the constraints that the Group encounters.

### Outlook and Prospect

The outlook for property market remains optimistic as the economy of the country shows signs of much resilience. This is further supported by improving labour market conditions and easing cost pressures as a whole. The ongoing construction of Johor Bahru-Singapore Rapid Transit System ("RTS") Link project would be a catalyst to further enhance vibrancy and augur well for the property market, particularly in Johor State. Amid this backdrop, the Group is hopeful that the uptick in housing project construction activities continue to support increasing demand for clay bricks. With robust demand, the recovery in selling prices of clay bricks would be sustained and that the pressure on our margin would ease further in the face of challenges from high energy and labour costs, especially with the introduction of the progressive wage model and the outlook on inflation going forward, with the government rationalizing subsidies by adoption of more targeted approaches.

Given the aforementioned scenario, the Group will continue to focus on its strategy and effort to contain the production costs, optimise its operational efficiency and product quality in order to stay competitive in the industry.

### Acknowledgement

On behalf of the Board of Directors, I wish to express my gratitude to our customers, suppliers, and business associates, as well as the regulatory authorities, bankers and advisors for their part in the well-being of the Group.

To our shareholders, I thank you for your patience and continuing confidence in the Group. I wish also to express my appreciation to the management and all our employees for their effort and sacrifices in ensuring the continue well-being of the Group.

I wish to express my sincere appreciation to our former Chief Executive Officer, Datuk Ng Yeng Keng who had relinquished this position on 28 March 2024, for his strong leadership, significant contributions, and efforts in steering the Group through various milestones and challenges. I am also pleased to welcome Mr Ng Chin Kang as the new Chief Executive Officer, and I look forward to his strong leadership to continue with the noble effort in bringing the Group to greater heights.

Lastly, I would like to extend my personal thanks to my fellow members of the Board for their dedication and counsel throughout the year.

Loh Chee Kan  
Chairman

# DIRECTORS' REPORT

The directors hereby present 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 activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are as disclosed in Notes 14 and 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

## RESULTS

	Group RM	Company RM
Profit/(Loss) net of tax	4,873,589	(1,567,087)
Attributable to: Equity holders of the Company	4,873,589	(1,567,087)

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

In the opinion of the directors, the results of the 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.

## DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

## DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Loh Chee Kan  
Datuk Ng Yeng Keng @ Ng Ka Hiat\*\*  
Ng Chin Kang\*\*  
Haryanti Binti Othman  
Sam Ming Chia  
Ng Cheng Woon  
(Alternate Director to Datuk Ng Yeng Keng @ Ng Ka Hiat)  
Vincent Wong Soon Choy (Appointed on 4 April 2023)  
Chua Syer Cin (Resigned on 4 April 2023)

\*\*These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Datuk Ariss Bin Samsudin  
Ponnirah Binti Parion  
Ng Hwe Cheng (Appointed on 1 August 2023)  
Goh May Lee (Resigned on 1 August 2023)

## DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 23 to the financial statements.

**DIRECTORS' BENEFITS (CONT'D)**

The Directors' benefits are as follows:

	Group RM	Company RM
Fees	129,800	125,000
Other emoluments	454,118	16,000
Benefits in kind	36,368	-
	620,286	141,000

**DIRECTORS AND OFFICERS INDEMNITY AND INSURANCE COST**

During the financial year, the total maximum amount of indemnity coverage and insurance premium paid for directors and officers of the Company are RM3,000,000 and RM8,808 respectively.

**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

The Company	1 January 2023	Number of ordinary shares		
		Acquired	Sold	31 December 2023
<b>Direct interest</b>				
Datuk Ng Yeng Keng @ Ng Ka Hiat	1,542,255	-	-	1,542,255
Ng Cheng Woon (Alternate Director to Datuk Ng Yeng Keng @ Ng Ka Hiat)	5,100	-	-	5,100
<b>Indirect interest *</b>				
Datuk Ng Yeng Keng @ Ng Ka Hiat	165,898	-	-	165,898
<b>Deemed interest</b>				
Datuk Ng Yeng Keng @ Ng Ka Hiat **	27,828,800	-	-	27,828,800
Ng Chin Kang ***	12,411,734	-	-	12,411,734

\* Indirect interest represents the interest of spouse and child of the director of the Company in the shares of the Company under Section 59(11)(c) of the Companies Act 2016.

\*\* Deemed interest through his shareholding in Kia Lim Realty Sdn Bhd, Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Ng Hoo Tee Holdings Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

\*\*\* Deemed to have indirect interest through his shareholding in Kia Lim Timber Trading Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Sersen Tiles Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

Datuk Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang by virtue of their interest in the Company, are deemed interested in the shares of the subsidiary companies to the extent that the Company has an interest.

The other directors in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

**OTHER STATUTORY INFORMATION**

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; and
  - (ii) the values attributable to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances 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.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) 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 liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT		
Statutory audit	143,000	42,000
Other services	7,000	7,000
	<hr/>	<hr/>
	150,000	49,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 April 2024.

Datuk Ng Yeng Keng @ Ng Ka Hiatt

Ng Chin Kang

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang, being two of the directors of Kia Lim Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 50 to 75 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 2 April 2024.

Datuk Ng Yeng Keng @ Ng Ka Hiat

Ng Chin Kang

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Datuk Ng Yeng Keng @ Ng Ka Hiat, being the director primarily responsible for the financial management of Kia Lim Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 50 to 75 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
abovenamed Datuk Ng Yeng Keng @ Ng Ka )  
Hiat at Batu Pahat in the State of Johor )  
Darul Ta'zim on 2 April 2024 ) Datuk Ng Yeng Keng @ Ng Ka Hiat

Before me,

Radin Zulkefli Bin Radin Ali  
No. J 360  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIA LIM BERHAD (INCORPORATED IN MALAYSIA)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of Kia Lim Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 50 to 75.

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 year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Key audit matters*

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

### **Impairment assessment of property, plant and equipment and investment in subsidiary (Refer to Note 3.2(a), Note 3.2(c), Note 12 and Note 14 to the financial statements)**

In accordance with MFRS136: Impairment of Assets, the Group and the Company are required to perform an impairment test of a cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

A subsidiary of the Group, Kangkar Raya Batu Bata Sdn Bhd ("KRBB"), has recorded continuous losses for the past financial years. As at 31 December 2023, the carrying amount of KRBB's property, plant and equipment ("PPE") amounted to RM16,479,882, representing 23% of the Group's total assets, whereas the carrying amount of the Company's investment in this subsidiary amounted to RM7,723,001, representing 13% of the Company's total assets.

The history of continued losses and the depleting shareholders' fund reported by KRBB indicates that the carrying amounts of the subsidiary's PPE and the Company's investment in this subsidiary may be impaired.

The management engaged an independent valuer to determine the fair value of KRBB's land, buildings and plant & machinery, which was then used as the basis to estimate the recoverable amount of KRBB's PPE as well as the Company's investment in this subsidiary.

We considered this as an area of audit focus because the assessment process is based on assumptions that are judgmental.

Our audit procedures in assessing impairment based on fair values obtained from an independent valuer appointed by management comprise amongst others the following:

- (i) Considered the competence, capabilities and objectivity of the valuer;
- (ii) Obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value and assessed whether such methodology is consistent with those used in the industry; and
- (iii) Discussed the valuation with the independent valuer to obtain an understanding of the data used as input to the valuation models.

***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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

***Responsibilities of the directors for the financial statements***

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

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

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance 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 skepticism throughout the planning and performance of the audit. We also:

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

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF KIA LIM BERHAD**  
(INCORPORATED IN MALAYSIA)

*Auditors' responsibilities for the audit of the financial statements (Cont'd)*

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**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.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Tan Jin Xiang  
03348/01/2026/J  
Chartered Accountant

Johor Bahru, Malaysia  
Date: 2 April 2024

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	4	36,257,789	29,236,157	-	-
Cost of sales		(23,937,350)	(21,527,324)	-	-
<b>Gross profit</b>		12,320,439	7,708,833	-	-
<b>Other items of income</b>					
Rental income		56,600	56,400	48,200	48,000
Other income	5	261,882	588,372	-	-
<b>Other items of expense</b>					
Other operating expense		(1,494,791)	(1,622,109)	-	-
Administrative expenses		(3,989,896)	(4,046,409)	(1,615,287)	(1,852,821)
Selling and distribution expenses		(3,010,953)	(2,948,756)	-	-
Finance costs	6	(459,664)	(466,644)	-	-
Share of results of associate	15	(1,814)	(3,320)	-	-
<b>Profit/(Loss) before tax</b>	7	3,681,803	(733,633)	(1,567,087)	(1,804,821)
Income tax expense	10 (a)	1,191,786	-	-	-
<b>Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the year</b>		4,873,589	(733,633)	(1,567,087)	(1,804,821)
Attributable to:					
Equity holders of the Company		4,873,589	(733,633)	(1,567,087)	(1,804,821)
Earnings/(Loss) per share attributable to equity holders of the Company (sen):					
Basic and diluted	11	7.9	(1.2)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	47,570,809	48,432,380	-	-
Investment property	13	307,406	335,068	307,406	335,068
Investment in subsidiaries	14	-	-	57,898,411	59,080,411
Investment in an associate	15	70,806	72,620	-	-
Investment in securities	16	5,037	5,037	-	-
Other receivables	18	-	-	493,014	792,534
Deferred tax assets	10(b)	1,197,000	-	-	-
		49,151,058	48,845,105	58,698,831	60,208,013
<b>Current assets</b>					
Inventories	17	13,591,784	11,857,608	-	-
Trade and other receivables	18	8,625,104	6,662,030	15,130	15,130
Prepayments		99,084	105,825	-	-
Tax recoverable		47,217	55,750	-	-
Cash and bank balances	19	1,527,077	476,471	4,217	3,994
		23,890,266	19,157,684	19,347	19,124
<b>Total assets</b>		<b>73,041,324</b>	<b>68,002,789</b>	<b>58,718,178</b>	<b>60,227,137</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	20	19,624,075	15,945,923	798,432	740,304
Loans and borrowings	21	2,125,568	2,165,667	-	-
		21,749,643	18,111,590	798,432	740,304
<b>Net current assets/(liabilities)</b>		<b>2,140,623</b>	<b>1,046,094</b>	<b>(779,085)</b>	<b>(721,180)</b>
<b>Non-current liabilities</b>					
Trade and other payables	20	-	3,619,369	-	-
Loans and borrowings	21	348,716	202,454	-	-
		348,716	3,821,823	-	-
<b>Total liabilities</b>		<b>22,098,359</b>	<b>21,933,413</b>	<b>798,432</b>	<b>740,304</b>
<b>Net assets</b>		<b>50,942,965</b>	<b>46,069,376</b>	<b>57,919,746</b>	<b>59,486,833</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	22	69,220,681	69,220,681	69,220,681	69,220,681
Accumulated losses		(18,277,716)	(23,151,305)	(11,300,935)	(9,733,848)
<b>Total equity</b>		<b>50,942,965</b>	<b>46,069,376</b>	<b>57,919,746</b>	<b>59,486,833</b>
<b>Total equity and liabilities</b>		<b>73,041,324</b>	<b>68,002,789</b>	<b>58,718,178</b>	<b>60,227,137</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Non-distributable Share capital RM (Note 22)	Accumulated losses RM	Total RM
<b>Group</b>			
<b>At 1 January 2022</b>	69,220,681	(22,417,672)	46,803,009
Total comprehensive loss for the year	-	(733,633)	(733,633)
<b>At 31 December 2022</b>	69,220,681	(23,151,305)	46,069,376
Total comprehensive income for the year	-	4,873,589	4,873,589
<b>At 31 December 2023</b>	69,220,681	(18,277,716)	50,942,965
<b>Company</b>			
<b>At 1 January 2022</b>	69,220,681	(7,929,027)	61,291,654
Total comprehensive loss for the year	-	(1,804,821)	(1,804,821)
<b>At 31 December 2022</b>	69,220,681	(9,733,848)	59,486,833
Total comprehensive loss for the year	-	(1,567,087)	(1,567,087)
<b>At 31 December 2023</b>	69,220,681	(11,300,935)	57,919,746

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	3,681,803	(733,633)	(1,567,087)	(1,804,821)
<b>Adjustments for:</b>				
Allowance for diminution in value of investment in subsidiary	-	-	1,182,000	1,468,000
Allowance for slow moving inventories	74,827	277,524	-	-
Depreciation of investment property	27,662	27,662	27,662	27,662
Depreciation of property, plant and equipment	2,362,979	2,434,150	-	-
Gain on deferment of amount due to corporate shareholder	-	(347,702)	-	-
Gain on disposal of property, plant and equipment	(200,196)	(104,808)	-	-
Interest expense	459,664	466,644	-	-
Interest income	(14,131)	(9,404)	-	-
Reversal of impairment losses on trade receivables	-	(25,365)	-	-
Share of loss of an associate	1,814	3,320	-	-
Slow moving inventories written back	(167)	(3,174)	-	-
Unrealised foreign exchange loss	15,404	14,390	-	-
Total adjustments	2,727,856	2,733,237	1,209,662	1,495,662
<b>Operating cash flows before changes in working capital</b>	6,409,659	1,999,604	(357,425)	(309,159)
<b>Changes in working capital</b>				
Inventories	(1,808,836)	(1,543,436)	-	-
Receivables	(1,953,321)	(1,377,145)	-	10,000
Prepayment	6,741	(50,929)	-	-
Payables	(1,194,497)	881,146	58,128	51,669
Total changes in working capital	(4,949,913)	(2,090,364)	58,128	61,669
<b>Cash generated from/(used in) operations</b>	1,459,746	(90,760)	(299,297)	(247,490)
Interest paid	(167,410)	(207,949)	-	-
Income tax paid	(18,000)	(18,000)	-	-
Income tax refunded	21,319	21,000	-	-
<b>Net cash generated from/(used) in operating activities</b>	1,295,655	(295,709)	(299,297)	(247,490)
<b>Cash flows from investing activities</b>				
Placement of fixed deposit with maturity exceeding 3 months	(1,008,000)	-	-	-
Proceeds from disposal of property, plant and equipment	238,682	104,808	-	-
Purchase of property, plant and equipment	(1,147,894)	(706,412)	-	-
Repayment from subsidiaries	-	-	299,520	245,470
<b>Net cash (used in)/generated from investing activities</b>	(1,917,212)	(601,604)	299,520	245,470
<b>Cash flows from financing activities</b>				
Advances from a corporate shareholder	950,000	3,150,000	-	-
Change in pledged deposit	(11,947)	(8,510)	-	-
Drawdown of bankers' acceptances	2,413,000	2,482,000	-	-
Repayment of bankers' acceptances	(2,569,000)	(2,738,000)	-	-
Repayment of obligations under hire purchase	(198,071)	(186,766)	-	-
<b>Net cash generated from financing activities</b>	583,982	2,698,724	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(37,575)	1,801,411	223	(2,020)
<b>Cash and cash equivalents at 1 January</b>	(1,198,159)	(2,999,570)	3,994	6,014
<b>Cash and cash equivalents at 31 December (Note 19)</b>	(1,235,734)	(1,198,159)	4,217	3,994

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Ta'zim. The principal place of business of the Company is located at 79, Jalan Muar, 83500 Parit Sulong, Batu Pahat, Johor Darul Ta'zim.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are as disclosed in Notes 14 and 15.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and the Company have adopted the following standard and amendments which are effective for annual financial periods beginning on or after 1 January 2023.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

The adoption of these standard and amendments did not have any material effect on the financial performance or position of the Group and of the Company.

### 2.3 Amendments issued but not yet effective

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	
- Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors are of opinion that the amendments above would not have any material impact on the financial statements in the year of initial adoption.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.4 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings	10 - 50 years
- Plant and machinery	5 - 25 years
- Motor vehicles	5 years
- Other assets	5 - 10 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

#### 2.5 Investment properties

Investment properties are properties that are held either to earn rental income or for capital appreciation or both, rather than for use in the production or supply goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

#### 2.6 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at:

- Amortised cost (debt instruments)
- Fair value through other comprehensive income ("OCI") with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss
- *Financial assets at amortised cost (debt instruments)*

The Group's and the Company's financial assets at amortised cost comprises of its trade and other receivables and cash and bank balances.

- *Financial assets at fair value through profit or loss*

The Group's financial assets at fair value through profit or loss includes unquoted and quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.6 Financial instruments

#### (a) Financial assets (Cont'd)

##### Initial recognition and measurement (Cont'd)

##### - *Financial assets at fair value through profit or loss (Cont'd)*

The Group and the Company do not have any financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

##### Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### (b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities comprise of trade and other payables and loans and borrowings.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost
- *Financial liabilities at fair value through profit or loss*

The Group and the Company have not designated any financial liability as at fair value through profit or loss.

- *Financial liabilities at amortised cost*

This category generally applies to the Group's and the Company's trade and other payables balances. Additionally, it applies to the Group's interest-bearing loans and borrowings.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.7 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.8 Cash and bank balances

Cash and bank balances comprise short-term (not exceeding 3 months) placement in fixed deposit, cash at bank and on hand.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Indirect materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted-average basis.

### 2.10 Revenue

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Sale of bricks

The Group supplies brick and roofing tiles for consumers.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the discounts.

#### (b) Rental income

Rental income is recognised on accrual basis.

#### (c) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (d) Interest income

Interest income is recognised using the effective interest method.

### 2.11 Taxes

#### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.11 Taxes (Cont'd)

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

### 2.12 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, there is no judgement which has a significant effect on the amounts recognised in the consolidated financial statements.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Impairment assessment of property, plant and equipment

An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Due to the existence of indicators of impairment as a result of continuous losses recorded by a subsidiary, the Group has performed an impairment assessment of the subsidiary's property, plant and equipment. The Group estimated the recoverable amount of the property, plant and equipment based on a valuation undertaken by an independent valuer. Based on the results of the impairment test, no impairment was required for the current financial year. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 12.

#### (b) Deferred tax assets

Deferred tax assets are recognised for unabsorbed capital allowances, unutilised reinvestment allowances and other deductible temporary differences to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 10(b).

#### (c) Impairment of investment in subsidiaries

In previous financial years, the Company recognised impairment losses of RM40,216,298 in respect of its investment in a subsidiary, Kangkar Raya Batu Bata Sdn Bhd ("KRBB"). At the reporting date, due to the existence of impairment indicators as a result of continuous losses and depleting shareholder's fund reported by KRBB, the directors performed an impairment assessment of the investment in KRBB based on the adjusted net assets of KRBB. Based on the impairment assessment, an additional impairment loss of RM1,182,000 was recognised during the financial year. Further details are disclosed in Note 14.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Sales of bricks	36,257,789	29,236,157	-	-

Revenue of the Group and Company is recognised at a point in time.

### 5. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Finance income from fixed deposit with a licensed bank	14,131	9,404	-	-
Gain on deferment of amount due to corporate shareholder	-	347,702	-	-
Gain on disposal of property, plant and equipment	200,196	104,808	-	-
Government grant on Prihatin Wage Subsidy	-	43,200	-	-
Miscellaneous income	378	36,791	-	-
Vehicle rental income	47,177	46,467	-	-
	261,882	588,372	-	-

### 6. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- Bankers' acceptances and bank overdrafts	140,993	178,247	-	-
- Obligation under hire purchase	26,417	29,702	-	-
- Unwinding of discount on amount due to corporate shareholder	292,254	258,695	-	-
	459,664	466,644	-	-

### 7. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax from continuing operations:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Allowance for diminution in value of investment in subsidiary	-	-	1,182,000	1,468,000
Allowance for slow moving inventories	74,827	277,524	-	-
Auditors' remuneration				
- Statutory audit	143,000	130,000	42,000	37,000
- Other audit services	7,000	5,000	7,000	5,000
Depreciation of investment property (Note 13)	27,662	27,662	27,662	27,662
Depreciation of property, plant and equipment (Note 12)	2,362,979	2,434,150	-	-
Employee benefits expense (Note 8)	7,425,466	6,463,204	141,000	141,000
Foreign exchange loss/(gain):				
- realised	16,716	(22,851)	-	-
- unrealised	15,404	14,390	-	-
Non-executive directors' remuneration (Note 9)	111,000	111,000	111,000	111,000
Rental of premises	113,400	113,400	-	-
Reversal of impairment losses on trade receivables (Note 18)	-	(25,365)	-	-
Slow moving inventories written back	(167)	(3,174)	-	-

## 8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Employee benefits expense (including directors):</b>				
Wages and salaries	6,793,658	5,842,635	141,000	141,000
Defined contribution plan	541,401	539,847	-	-
Social security contributions	90,407	80,722	-	-
	<b>7,425,466</b>	<b>6,463,204</b>	<b>141,000</b>	<b>141,000</b>

## 9. DIRECTORS' REMUNERATION

The details of remuneration for directors of the Company during the year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Executive:</b>				
- Fees	34,800	34,800	30,000	30,000
- Other emoluments	438,118	452,718	-	-
- Benefits in kind	36,368	38,932	-	-
	<b>509,286</b>	<b>526,450</b>	<b>30,000</b>	<b>30,000</b>
<b>Non-executive:</b>				
- Fees	95,000	95,000	95,000	95,000
- Other emoluments	16,000	16,000	16,000	16,000
	<b>111,000</b>	<b>111,000</b>	<b>111,000</b>	<b>111,000</b>
<b>Total directors' remuneration</b>	<b>620,286</b>	<b>637,450</b>	<b>141,000</b>	<b>141,000</b>

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

	Number of directors	
	2023	2022
<b>Executive directors:</b>		
RM100,001 - RM150,000	1	1
RM400,001 - RM450,000	1	1
<b>Non-executive directors:</b>		
<RM50,000	5	4

## 10. INCOME TAX AND DEFERRED TAX ASSETS

### (a) Income tax

#### Major components of income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Statement of comprehensive income:</b>				
<b>Current income tax:</b>				
Malaysian income tax	3,184	-	-	-
Underprovision in prior years	2,030	-	-	-
	<b>5,214</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	(1,197,000)	-	-	-
<b>Income tax expense recognised in profit or loss</b>	<b>(1,191,786)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**10. INCOME TAX AND DEFERRED TAX ASSETS (CONT'D)**

(a) Income tax (Cont'd)

Reconciliation between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax	3,681,803	(733,633)	(1,567,087)	(1,804,821)
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	883,633	(176,072)	(376,101)	(433,157)
Expenses not deductible for tax purposes	165,197	159,113	376,101	433,157
Further deduction on employment of senior citizen	(90,134)	-	-	-
Utilisation of previously unutilised reinvestment allowances	(284,892)	(378,544)	-	-
Utilisation of previously unrecognised tax losses	(122,097)	-	-	-
Deferred tax assets not recognised on unutilised business losses, capital allowances and reinvestment allowances	326,588	395,503	-	-
Deferred tax assets recognised on unutilised business losses, capital allowances and reinvestment allowances	(2,071,676)	-	-	-
Share of loss of an associate	(435)	-	-	-
Underprovision of income tax expenses in prior years	2,030	-	-	-
Income tax recognised in profit or loss	(1,191,786)	-	-	-

(b) Deferred tax assets

	2023 RM	2022 RM
<b>Group</b>		
At 1 January	-	-
Recognised in profit or loss	1,197,000	-
At 31 December	1,197,000	-

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities:

	Property, plant and equipment RM
<b>Group</b>	
At 1 January 2022	(2,680,000)
Recognised in profit or loss	(65,000)
At 31 December 2022/1 January 2023	(2,745,000)
Recognised in profit or loss	62,000
At 31 December 2023	(2,683,000)

Deferred tax assets:

	Unutilised capital allowances RM	Unutilised reinvestment allowances RM	Unutilised business losses RM	Other deductible temporary differences RM	Total RM
<b>Group</b>					
At 1 January 2022	1,440,000	1,080,000	-	160,000	2,680,000
Recognised in profit or loss	(436,000)	525,000	-	(24,000)	65,000
At 31 December 2022/1 January 2023	1,004,000	1,605,000	-	136,000	2,745,000
Recognised in profit or loss	(1,004,000)	2,033,000	39,000	67,000	1,135,000
At 31 December 2023	-	3,638,000	39,000	203,000	3,880,000

## 10. INCOME TAX AND DEFERRED TAX ASSETS (CONT'D)

Deferred tax assets have not been recognised on the following amounts due to uncertainty over their eventual realisation:

	Group 2023 RM	2022 RM
Unutilised tax losses, expiring in:		
- 2028	13,610,000	13,610,000
- 2030	1,356,000	2,013,000
- 2031	2,356,000	2,369,000
- 2032	973,000	973,000
- 2033	890,000	-
Unabsorbed capital allowances	29,929,000	29,459,000
Unutilised reinvestment allowances, expiring in 2025	9,085,000	18,743,000

## 11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amount is calculated by dividing profit/(loss) net of tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December:

	Group 2023 RM	2022 RM
Profit/(Loss) attributable to ordinary equity holders of the Company	4,873,589	(733,633)
Weighted average number of ordinary shares in issue	61,937,451	61,937,451
	2023 sen	2022 sen
Basic and diluted earnings/(loss) per share	7.9	(1.2)

## 12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
<b>Group Cost</b>					
At 1 January 2022	44,371,587	137,827,879	10,275,743	3,932,849	196,408,058
Additions	166,526	535,366	-	4,520	706,412
Disposals	-	(356,661)	-	-	(356,661)
Written off	-	-	-	(2,250)	(2,250)
<b>At 31 December 2022</b>	44,538,113	138,006,584	10,275,743	3,935,119	196,755,559
Additions	261,470	873,079	392,000	13,345	1,539,894
Disposals	(35,392)	(345,864)	(517,744)	(1,200)	(900,200)
Written off	-	(71,421)	-	(3,100)	(74,521)
<b>At 31 December 2023</b>	44,764,191	138,462,378	10,149,999	3,944,164	197,320,732

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Other assets RM	Total RM
<b>Accumulated depreciation</b>					
At 1 January 2022	9,649,874	124,576,351	9,468,842	2,552,873	146,247,940
Depreciation charge for the year (Note 7)	684,740	1,535,362	175,119	38,929	2,434,150
Disposals	-	(356,661)	-	-	(356,661)
Written off	-	-	-	(2,250)	(2,250)
<b>At 31 December 2022</b>	<b>10,334,614</b>	<b>125,755,052</b>	<b>9,643,961</b>	<b>2,589,552</b>	<b>148,323,179</b>
Depreciation charge for the year (Note 7)	712,490	1,423,861	196,996	29,632	2,362,979
Disposals	(27,605)	(315,165)	(517,744)	(1,200)	(861,714)
Written off	-	(71,421)	-	(3,100)	(74,521)
<b>At 31 December 2023</b>	<b>11,019,499</b>	<b>126,792,327</b>	<b>9,323,213</b>	<b>2,614,884</b>	<b>149,749,923</b>
<b>Net carrying amount</b>					
At 31 December 2023	33,744,692	11,670,051	826,786	1,329,280	47,570,809
At 31 December 2022	34,203,499	12,251,532	631,782	1,345,567	48,432,380

	Other asset 2023 RM	2022 RM
<b>Company</b>		
<b>Cost</b>		
At 1 January/31 December	10,287	10,287
<b>Accumulated depreciation</b>		
At 1 January/31 December	10,287	10,287
<b>Net carrying amount</b>		
At 31 December	-	-

**(a) Assets held under hire purchase**

During the financial year, the Group acquired property, plant and equipment at an aggregate cost of RM1,539,894 (2022: RM706,412) of which RM 392,000 (2022: Nil) was acquired by means of hire purchase arrangement. Net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group 2023 RM	2022 RM
Motor vehicles	545,780	335,943

Leased assets are pledged as security for the related hire purchase liabilities.

**(b) Assets pledged as security**

Net carrying amounts of property, plant and equipment pledged to secure the Group's bank borrowings as disclosed in Note 21 are as follows:

	Group 2023 RM	2022 RM
Plant and machinery	13,280,337	13,892,938
Land and building	33,744,692	34,203,499
	<b>47,025,029</b>	<b>48,096,437</b>

**13. INVESTMENT PROPERTY**

	Group and Company 2023 RM	2022 RM
<b>Statement of financial position:</b>		
<b>Cost</b>		
At 1 January/31 December	750,000	750,000
<b>Accumulated depreciation</b>		
At 1 January	414,932	387,270
Depreciation charge for the year (Note 7)	27,662	27,662
At 31 December	442,594	414,932
<b>Net carrying amount</b>		
At 31 December	307,406	335,068
Fair value of investment property	1,024,000	1,023,000
<b>Statement of comprehensive income:</b>		
Rental income from investment properties		
- Minimum lease receivable	48,200	48,000
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	43,404	43,772

The Group and the Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

**14. INVESTMENT IN SUBSIDIARIES**

	Company 2023 RM	2022 RM
Unquoted redeemable convertible preference shares, at cost	51,680,000	51,680,000
Unquoted shares, at cost	47,616,709	47,616,709
	99,296,709	99,296,709
Impairment losses	(41,398,298)	(40,216,298)
	57,898,411	59,080,411

Details of the subsidiaries are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
Kangkar Raya Batu Bata Sdn Bhd ("KRBB")	Malaysia	Manufacturing of bricks and roofing tiles	100	100
Syarikat Kia Lim Kilang Batu Bata Sdn Bhd ("SKL")	Malaysia	Manufacturing of bricks	100	100

Both subsidiaries are audited by Ernst & Young PLT, Malaysia.

**Impairment review of KRBB**

In previous financial years, the Company recognised impairment losses of RM40,216,298 in respect of its investment in KRBB. At the reporting date, due to the existence of impairment indicators mentioned in Note 3.2(c), the directors performed an impairment assessment of the investment in KRBB based on the adjusted net assets of KRBB. Based on the impairment assessment, an additional impairment loss of RM1,182,000 (2022: RM1,468,000) was recognised during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 15. INVESTMENT IN AN ASSOCIATE

	Group	
	2023 RM	2022 RM
Unquoted shares at cost	54,000	54,000
Share of post-acquisition reserves	16,806	18,620
	<b>70,806</b>	<b>72,620</b>

Details of the associate which has a financial year end of 31 August, are as follows:

Name of associate	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2023	2022
Sersen Tiles Sdn Bhd	Malaysia	Property owner	27	27

The results of associate is based on the audited financial statements for the financial year ended 31 August 2023.

The Group's share of summarised financial information of the associate is as follows:

	2023 RM	2022 RM
Current assets	2,325	2,108
Non-current assets	318,182	318,722
Current liabilities	(75,683)	(69,287)
<b>Equity attributable to shareholders</b>	<b>244,824</b>	<b>251,543</b>
Equity attributable to the Group	66,102	67,916
Goodwill on acquisition	4,704	4,704
	<b>70,806</b>	<b>72,620</b>
Net loss for the year	(6,719)	(12,298)
Group's share of loss for the year	(1,814)	(3,320)

### 16. INVESTMENT IN SECURITIES

	Group	
	2023 RM	2022 RM
At fair value through profit or loss		
Equity security in Malaysia		
- Quoted	5,036	5,036
- Unquoted	1	1
	<b>5,037</b>	<b>5,037</b>

### 17. INVENTORIES

	Group	
	2023 RM	2022 RM
<b>Statement of financial position:</b>		
<b>At cost</b>		
- Raw materials	1,618,983	1,172,924
- Consumables	10,815,237	9,597,889
- Work-in-progress	425,081	394,613
- Finished products	732,479	617,338
	<b>13,591,780</b>	<b>11,782,764</b>
<b>At net realisable value</b>		
- Finished products	4	74,844
<b>Total inventories</b>	<b>13,591,784</b>	<b>11,857,608</b>
<b>Statement of comprehensive income:</b>		
Cost of inventories recognised as an expense in cost of sales	23,937,350	21,527,324

**18. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	8,049,621	6,469,759	-	-
Less: Allowance for expected loss	(76,406)	(76,406)	-	-
	7,973,215	6,393,353	-	-
<b>Other receivables</b>				
Deposits	99,477	100,677	15,130	15,130
Related parties	1,659	-	-	-
Sundry receivables	550,753	168,000	-	-
	651,889	268,677	15,130	15,130
Total trade and other receivables (current)	8,625,104	6,662,030	15,130	15,130
<b>Non-current</b>				
<b>Other receivables</b>				
Amount due from subsidiaries - Non-interest bearing	-	-	493,014	792,534
Total trade and other receivables (current and non-current)	8,625,104	6,662,030	508,144	807,664
Add: Cash and bank balances (Note 19)	1,527,077	476,471	4,217	3,994
<b>Total financial assets carried at amortised cost</b>	<b>10,152,181</b>	<b>7,138,501</b>	<b>512,361</b>	<b>811,658</b>

**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM	2022 RM
Neither past due nor impaired	6,133,867	5,272,276
1 to 30 days past due not impaired	1,767,632	1,056,883
31 to 60 days past due not impaired	1,787	64,194
More than 61 days past due not impaired	69,929	-
	1,839,348	1,121,077
Impaired	76,406	76,406
	8,049,621	6,469,759

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,839,348 (2022: RM1,121,077) that are past due at the reporting date but not impaired.

Although these balances are unsecured in nature, they are mostly due from customers which have a long term relationship with the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 18. TRADE AND OTHER RECEIVABLES (CONT'D)

#### (a) Trade receivables (Cont'd)

##### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	76,406	288,864
Reversal of impairment losses (Note 7)	-	(25,365)
Written off	-	(187,093)
At 31 December	76,406	76,406

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

#### (b) Other receivables - current

These receivables are generally unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

#### (c) Other receivables - non-current

These amounts due from subsidiaries are unsecured, non-trade in nature, non-interest bearing and not expected to be repaid within the next 12 months.

### 19. CASH AND BANK BALANCES

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash on hand and at banks	38,620	7,961	4,217	3,994
Fixed deposits	1,488,457	468,510	-	-
Cash and bank balances (Note 18)	1,527,077	476,471	4,217	3,994
Bank overdrafts (Note 21)	(1,274,354)	(1,206,120)	-	-
Less: Pledged deposit	(480,457)	(468,510)	-	-
Fixed deposit with maturity exceeding 3 months	(1,008,000)	-	-	-
Cash and cash equivalents	(1,235,734)	(1,198,159)	4,217	3,994

Fixed deposits bear interest of 2.60% to 2.80% (2022: 2.55%) per annum and mature in 12 months.

Fixed deposits amounting to RM480,457 (2022: RM468,510) are pledged as security for banking facilities granted to the Group as disclosed in Note 21.

**20. TRADE AND OTHER PAYABLES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Current</b>				
<b>Trade payables</b>				
Third parties	4,060,218	4,571,813	-	-
Related parties	340,047	362,472	-	-
A corporate shareholder	4,438,171	685,783	-	-
	8,838,436	5,620,068	-	-
<b>Other payables</b>				
Third parties	1,125,556	1,450,080	790,032	732,304
Related parties	1,277,000	1,300,000	-	-
A corporate shareholder	6,784,155	6,504,046	-	-
Accruals	1,598,928	1,071,729	8,400	8,000
	10,785,639	10,325,855	798,432	740,304
<b>Total trade and other payables (current)</b>	19,624,075	15,945,923	798,432	740,304
<b>Non-current</b>				
<b>Trade payables</b>				
A corporate shareholder	-	3,619,369	-	-
<b>Total trade and other payables (current and non-current)</b>	19,624,075	19,565,292	798,432	740,304
Add: Loan and borrowings (Note 21)	2,474,284	2,368,121	-	-
<b>Total financial liabilities at amortised cost</b>	22,098,359	21,933,413	798,432	740,304

**(a) Trade payables - current**

The amount due to a corporate shareholder included in trade payables of the Group bears implicit interest of 8.08% per annum and is due to be repaid in April 2024. The remaining trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2022: 30 days to 90 days).

**(b) Other payables**

Other payables are generally unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

**(c) Trade payables - non-current**

The amount due to a corporate shareholder bore implicit interest of 8.08% per annum and is due to be repaid in April 2024.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 21. LOANS AND BORROWINGS

	Group	
	2023 RM	2022 RM
<b>Current:</b>		
Secured:		
Bank overdrafts (Note 19)	1,274,354	1,206,120
Bankers' acceptances	626,000	782,000
Obligations under hire purchase (Note 24)	225,214	177,547
	<u>2,125,568</u>	<u>2,165,667</u>
<b>Non-current:</b>		
Secured:		
Obligations under hire purchase (Note 24)	348,716	202,454
	<u>348,716</u>	<u>202,454</u>
<b>Total loans and borrowings (Note 20)</b>	<u>2,474,284</u>	<u>2,368,121</u>
<b>Maturity of borrowings</b>		
On demand or within one year	2,125,568	2,165,667
More than 1 year and less than 2 years	120,883	156,169
More than 2 years and less than 5 years	227,833	46,285
	<u>2,474,284</u>	<u>2,368,121</u>

The loans and borrowings bear interest at the following rates:

	2023 %	2022 %
Bank overdrafts	8.95 - 9.95	8.95 - 9.95
Bankers' acceptances	6.06 - 6.35	4.65 - 6.18
Obligations under hire purchase	2.65 - 3.75	2.65 - 3.75

The loans and borrowings are secured by a fixed charge on certain property, plant and equipment and fixed deposits of the Group as disclosed in Note 12 and Note 19.

Movements in the borrowings were as follows:

	Group	
	2023 RM	2022 RM
As 1 January	2,368,121	4,617,774
Drawdown:		
- Bankers' acceptance	2,413,000	2,482,000
- Hire purchase	392,000	-
Repayments:		
- Bankers' acceptance	(2,569,000)	(2,738,000)
- Hire purchase	(198,071)	(186,766)
Changes in bank overdraft balance	68,234	(1,806,887)
	<u>2,474,284</u>	<u>2,368,121</u>
At 31 December		

### 22. SHARE CAPITAL

Ordinary share capital

	Group and Company Number of ordinary shares		Group and Company Amount	
	2023	2022	2023 RM	2022 RM
<b>Issued and fully paid:</b>				
At 1 January/31 December	61,937,451	61,937,451	69,220,681	69,220,681

### 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

#### (a) Advances, sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group 2023 RM	2022 RM
Advances from: Kia Lim Timber Trading Sdn Bhd (note i)	950,000	3,150,000
Rental payable to: Kia Lim Timber Trading Sdn Bhd (note i) Sri Senanggar Batu Bata Sdn Bhd (note ii)	113,400 22,125	113,400 24,150
Transport charges receivable from: Original Clay Industries Sdn Bhd (note iii)	1,892	4,136
Other charges payable to: Kia Lim Timber Trading Sdn Bhd (note i) Sri Senanggar Batu Bata Sdn Bhd (note ii)	2,997 1,615	- -
Other charges receivable from: E.S. Ng Pembinaan Perniagaan Sdn Bhd (note iv) Kia Lim Timber Trading Sdn Bhd (note i) Rengam Batu Bata Sdn Bhd (note v) Sri Senanggar Batu Bata Sdn Bhd (note ii)	8,561 25,310 4,189 263	- - - -

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Related parties are those enterprises which are subject to the same source of influence as the Company through common directors and shareholders.

Notes:

- (i) Certain directors of the Company, namely Datuk Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang are substantial shareholders of that company. Datuk Ng Yeng Keng @ Ng Ka Hiat is also director of that company.
- (ii) A director of the Company, namely Datuk Ng Yeng Keng @ Ng Ka Hiat and his family members are substantial shareholders of that company. A family member of Datuk Ng Yeng Keng @ Ng Ka Hiat is the director of that company.
- (iii) A director of the Company, namely Datuk Ng Yeng Keng @ Ng Ka Hiat and his family members are substantial shareholders of that company.
- (iv) A director of the Company's subsidiaries, namely Ng Hwe Cheng and his family members are directors and substantial shareholders of that company.
- (v) Certain directors of the Company, namely Datuk Ng Yeng Keng @ Ng Ka Hiat and Ng Chin Kang, are substantial shareholders of that company. A family member of Datuk Ng Yeng Keng @ Ng Ka Hiat is a director of that company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

#### (b) Compensation of key management personnel

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries and other emoluments	983,670	951,821	30,000	30,000
Bonus	121,703	55,087	-	-
Defined contribution plan	86,150	121,486	-	-
Benefits-in-kind	62,220	64,490	-	-
	1,253,743	1,192,884	30,000	30,000
Included in compensation of key management personnel are directors' remuneration	509,286	526,450	30,000	30,000

### 24. COMMITMENTS

#### (a) Hire purchase commitments

The Group has hire purchase arrangements for certain motor vehicles. Future minimum lease payments under hire purchase together with the present value of the net minimum lease payments are as follows:

	Group	
	2023 RM	2022 RM
<b>Future minimum lease payments:</b>		
Not later than 1 year	256,217	195,458
Later than 1 year and not later than 2 years	139,630	163,697
Later than 2 years and not later than 5 years	248,490	47,110
Total future minimum lease payments	644,337	406,265
Less: Future finance charges	(70,407)	(26,264)
Present value of hire purchase liabilities	573,930	380,001
<b>Analysis of present value of hire purchase liabilities:</b>		
Not later than 1 year	225,214	177,547
Later than 1 year and not later than 2 years	120,883	156,169
Later than 2 years and not later than 5 years	227,833	46,285
Less: Amount due within 12 months (Note 21)	(225,214)	(177,547)
Amount due after 12 months (Note 21)	348,716	202,454

#### (b) Operating lease commitments - as lessor

The Group and the Company have entered into a commercial property lease on its investment property. This non-cancellable lease has a remaining lease term of 11 months.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	2023 RM	2022 RM
Not later than 1 year	46,200	44,000

**25. FAIR VALUE OF ASSETS AND LIABILITIES**

**(a) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's and Company's assets:

	Quoted price in active markets (Level 1) RM	Significant observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
<b>Group and Company</b>				
<b>At 31 December 2023</b>				
<b>Assets measured at fair value</b>				
Investment securities				
- Quoted investment	5,036	-	-	5,036
- Unquoted investment	-	-	1	1
	5,036	-	1	5,037
<b>Assets for which fair values are disclosed</b>				
Investment property	-	-	1,024,000	1,024,000
<b>At 31 December 2022</b>				
<b>Assets measured at fair value</b>				
Investment securities				
- Quoted investment	5,036	-	-	5,036
- Unquoted investment	-	-	1	1
	5,036	-	1	5,037
<b>Assets for which fair values are disclosed</b>				
Investment property	-	-	1,023,000	1,023,000

There were no transfers between the various levels of the fair value measurement hierarchy during 2023.

**(b) Information about significant unobservable inputs used in Level 3 fair value measurements**

For unquoted equity securities, a significant increase/(decrease) in the expected dividend yield would result in a significantly higher/(lower) fair value measurement. A significant increase/(decrease) in discount for lack of marketability would result in a significantly lower/(higher) fair value measurement.

For commercial investment properties, a significant increase/(decrease) in comparable prices would result in a significantly higher/(lower) fair value measurement.

**(c) Fair value of financial instruments by classes that are carried at fair value and whose carrying amounts are reasonable approximations of fair value**

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

	<b>Note</b>
Trade and other receivables (current)	18
Trade and other payables (current)	20
Loans and borrowings (current and non-current)	21

The fair values of borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, and interest rate risk.

The directors review and agree on policies and procedures for the management of these risks, which are executed by the management team.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

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

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis.

#### Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### Credit risk concentration profile

The Group does not have any significant concentration of credit risk in the form of receivables due from a single debtor or from group of debtors.

#### Financial assets that are neither past due nor impaired

Information on trade and other receivables that are neither past due nor impaired is disclosed in Note 18.

#### Financial assets that are either past due or impaired

Information on trade and other receivables that are either past due or impaired is disclosed in Note 18.

#### Financial guarantees

	Company	
	2023	2022
	RM	RM
<b>Unsecured:</b>		
Corporate guarantees to banks for credit facilities granted to subsidiaries	1,900,354	1,988,120

The Company is also exposed to credit risk arising from the financial guarantees it has given to certain banks for credit facilities granted to the subsidiaries. The fair value of the financial guarantees is determined by reference to the interest rate difference that would have been charged by the banks had these guarantees not been available. The directors have determined that the fair values of these guarantees are not significant to the Company's financial position and results.

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities and bank overdrafts.

At the reporting date, approximately 85% (2022: 91%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amounts.

	On demand or within one year RM	One to five years RM	Total RM
<b>31 December 2023</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Trade and other payables	19,712,441	-	19,712,441
Loans and borrowings	2,156,571	388,120	2,544,691
	<u>21,869,012</u>	<u>388,120</u>	<u>22,257,132</u>
<b>Financial liabilities</b>			
<b>Company</b>			
Trade and other payables	798,432	-	798,432
<b>31 December 2022</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Trade and other payables	15,945,923	3,708,376	19,654,299
Loans and borrowings	2,183,578	210,807	2,394,385
	<u>18,129,501</u>	<u>3,919,183</u>	<u>22,048,684</u>
<b>Financial liabilities</b>			
<b>Company</b>			
Trade and other payables	740,304	-	740,304

**(c) 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 because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its borrowings.

Sensitivity analysis for interest rate risk

During the financial year, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's net profit net of tax would have been approximately RM6,500 lower/higher (2022: RM11,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

	Note	Group	
		2023 RM	2022 RM
Loans and borrowings	21	2,474,284	2,368,121
Trade and other payables	20	19,624,075	19,565,292
Less: Cash and bank balances	19	(1,527,077)	(476,471)
Net debt		20,571,282	21,456,942
Equity attributable to the equity holders of the Group, representing total capital		50,942,965	46,069,376
Capital and net debt		71,514,247	67,526,318
Gearing ratio		29%	32%

### 28. SEGMENT INFORMATION

Segmental disclosures are not applicable as the Group operates principally within one industry and one country.

### 30. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 2 April 2024.

# STATEMENT OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total Number of Issued Shares	:	61,937,451 ordinary shares
Voting rights	:	One vote for one ordinary share

## ANALYSIS OF SHAREHOLDINGS

Number of Holders	Holdings	Total Holdings	Percentage of Holdings
8	Less than 100	236	0.00
592	100 - 1,000	536,790	0.87
812	1,001 - 10,000	3,823,587	6.17
323	10,001 to 100,000	10,693,962	17.26
65	100,001 to less than 5% of issued shares	29,994,688	48.43
3	5% and above of issued shares	16,888,188	27.27
1,803		61,937,451	100.00

## THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	Number of Shares	Percentage of Shares
1. Kia Lim Realty Sdn Bhd	7,312,393	11.81
2. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Timber Trading Sdn Bhd	6,440,270	10.40
3. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Hoo Tee Holdings Sdn Bhd	3,135,525	5.06
4. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Realty Sdn Bhd	2,931,600	4.73
5. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kia Lim Timber Trading Sdn Bhd	2,764,800	4.46
6. Kia Lim Timber Trading Sdn Bhd	2,284,064	3.69
7. Ng Hoo Tee Holdings Sdn Bhd	2,037,548	3.29
8. Sutera Istimewa Sdn Bhd	1,885,000	3.04
9. Ng Yeng Keng @ Ng Ka Hiatt	1,542,255	2.49
10. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sii Toh Ping	1,200,500	1.94
11. Shin Kao Jack	1,198,600	1.94
12. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh May Lee	717,000	1.16
13. Mersing Village Sdn Bhd	666,000	1.08
14. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Hew	653,900	1.06
15. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Kim Hau	635,300	1.03
16. Ng Khea Chuan	600,000	0.97
17. Ng Yan Kian	566,696	0.92
18. Chan Yew Fee	520,000	0.84
19. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kian Tak	424,100	0.69
20. Lee Soon Kup	420,000	0.68
21. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sak Kam Wah	400,000	0.65
22. Teh Yee Luen	369,400	0.60
23. Nam Heng Oil Mill Company Sdn Berhad	308,888	0.50
24. Maybank Nominees (Tempatan) Sdn Bhd for Ho Koh Leong	300,000	0.48
25. Tan Eu Tah	300,000	0.48
26. Ng Yam Puan @ Ng Ah Bah	280,143	0.45
27. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Kean Lim	270,000	0.44
28. AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for On Chee Yeuan	253,800	0.41
29. Kour Siok Leen	246,790	0.40
30. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Eng Seng	230,556	0.37

## STATEMENT OF SHAREHOLDINGS

AS AT 29 MARCH 2024

### SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

No.	Shareholder	Direct Interest		Deemed Interest		Note
		Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares	
1	Kour Siok Leen	401,054	0.65	10,297,993	16.63	A
2	Kia Lim Realty Sdn Bhd	10,243,993	16.54	54,000	0.09	B
3	Kia Lim Timber Trading Sdn Bhd	11,516,734	18.59	895,000	1.45	C
4	Ng Hoo Tee Holdings Sdn Bhd	5,173,073	8.35	175,000	0.28	D
5	Goh May Lee	796,100	1.29	27,828,800	44.93	E
6	Datuk Ng Yeng Keng @ Ng Ka Hiat	1,542,255	2.49	27,994,698	45.20	F
7	Ng Chin Kang	-	-	12,411,734	20.04	G
8	Ng Yeng Keng Holdings Sdn Bhd	-	-	10,297,993	16.63	A

Notes:

- A Deemed interest through her shareholdings in Kia Lim Realty Sdn Bhd and Sersen Tiles Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
- B Deemed interest through its shareholdings in Sersen Tiles Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
- C Deemed interest through its shareholdings in Sersen Tiles Sdn Bhd, Mersing Village Sdn Bhd and Ban Dung Palm Oil Industries Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
- D Deemed interest through its shareholding in Ban Dung Palm Oil Industries Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
- E Deemed interest through her shareholding in Kia Lim Realty Sdn Bhd, Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Ng Hoo Tee Holdings Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.
- F Deemed interest through his shareholding in Kia Lim Realty Sdn Bhd, Kia Lim Timber Trading Sdn Bhd, Sersen Tiles Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd, Mersing Village Sdn Bhd and Ng Hoo Tee Holdings Sdn Bhd by virtue of Section 8 and pursuant to Section 59 (11) (C) of the Companies Act, 2016.
- G Deemed to have indirect interest through his shareholding in Kia Lim Timber Trading Sdn Bhd, Ban Dung Palm Oil Industries Sdn Bhd and Sersen Tiles Sdn Bhd by virtue of Section 8 of the Companies Act, 2016.

### LIST OF DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act, 2016, the following are the shareholdings of the Directors of the Company:

No.	Directors	Direct Interest		Deemed Interest		Note
		Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares	
1	Mr Loh Chee Kan	-	-	-	-	
2	Datuk Ng Yeng Keng @ Ng Ka Hiat	1,542,255	2.49	27,994,698	45.20	*
3	Mr Ng Chin Kang	-	-	12,411,734	20.04	*
4	Mr Vincent Wong Soon Choy	-	-	-	-	
5	Ms Sam Ming Chia	-	-	-	-	
6	Pn Haryanti Binti Othman	-	-	-	-	
7	Mr Ng Cheng Woon	5,100	0.01	-	-	

Notes:

- \* Deemed interest in ordinary shares of the Directors are of the same as disclosed under notes to the substantial shareholding.

## LIST OF PROPERTIES

31 December 2023

Location of Properties	Description	Tenure/ Age of Buildings	Approximately Land Area/ (Built-up Area)	Net Book Value RM'000	Date of Acquisition/ Valuation
5 plots of land comprising Lot Nos : PT 5032, 5033, 5034, 5035 and 5036 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with factory for brick making plant, office, store and workshop)	Freehold (Between 30 - 37 years)	23,2923 acres (68,988 sq.ft)	7,370	31.12.2007
2 plots of land Lot Nos : 25 and 26 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with 1 open-sided factory buildings for paver plants)	Freehold (Between 24 years)	5,8686 acres (159,375 sq.ft)	9,556	31.12.2007
2 plots of land comprising Lot Nos : PTD 6922 and 1186 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	24.3376 acres (N/A)	1,220	31.12.2007
4 plots of land comprising Lot Nos : 1187, 27, 24 and 20 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	18,3562 acres (N/A)	814	31.12.2007
Lot No : 1617 Mukim Simpang Kiri 4, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	5,0812 acres (N/A)	180	31.12.2007
HS(M) 2918 MLO1699 Mukim Sri Medan, Batu Pahat, Johor Darul Takzim	Agricultural land (reserve for clay extraction)	Freehold	2,4875 acres	240	23.05.2014
HS(M) 641 MLO 1698 Mukim Sri Medan, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	2,4875 acres	230	13.03.2015
Lot No : PTD 6920 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with 2 open-sided factory buildings for brick making plants)	Freehold (Between 37 years)	7,0000 acres (111,705 sq.ft)	4,090	31.12.2007
Lot Nos : PTD 6988 and PTD 6989 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Industrial land (with open-sided factory buildings for roofing tiles plants, office building cum store and laboratory)	Freehold (Between 26 years)	8,7810 acres (224,772 sq.ft)	8,056	31.12.2007
Lot No : PTD 6921 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Extraction of clay	Freehold	20,5597 acres (N/A)	1,030	31.12.2007
3 plots of land comprising Lot Nos : PTD 8029, 6642, and 809 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	22,9330 acres (N/A)	1,050	31.12.2007
EMR 3460 Lot 6641 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	1,6311 acres (N/A)	90	31.12.2007
EMR 3134 Lot 6625 Mukim Sri Medan 18, Batu Pahat, Johor Darul Takzim.	Agricultural land (reserve for clay extraction)	Freehold	4,0747 acres (N/A)	120	31.12.2007
Suite No 1604 Tower A Menara Atlas Plaza Pantai Kuala Lumpur.	Office building	Freehold (28 years)	2,360 sq.ft	307	31.12.2007

# SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	4.00
Executive	Percentage	2.00
Non-executive/Technical Staff	Percentage	1.00
General Workers	Percentage	13.00
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
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,855.40
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	2.69
Management Above 50	Percentage	9.14
Executive Under 30	Percentage	0.00
Executive Between 30-50	Percentage	3.76
Executive Above 50	Percentage	2.15
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	8.60
Non-executive/Technical Staff Above 50	Percentage	5.91
General Workers Under 30	Percentage	8.60
General Workers Between 30-50	Percentage	39.25
General Workers Above 50	Percentage	19.89
Gender Group by Employee Category		
Management Male	Percentage	8.60
Management Female	Percentage	3.23
Executive Male	Percentage	4.30
Executive Female	Percentage	1.61
Non-executive/Technical Staff Male	Percentage	12.37
Non-executive/Technical Staff Female	Percentage	2.15
General Workers Male	Percentage	57.53
General Workers Female	Percentage	10.22
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	33.33
Above 50	Percentage	66.67
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	6,537.07
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	26

Internal assurance

External assurance

No assurance

(\*) Restated

## SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	611
Executive	Hours	239
Non-executive/Technical Staff	Hours	104
General Workers	Hours	246
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.91
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	1
Non-executive/Technical Staff	Number	0
General Workers	Number	21
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.63
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	2.740000

Internal assurance

External assurance

No assurance

(\*) Restated



## FORM OF PROXY

ANNUAL REPORT 2023

CDS ACCOUNT NO. NO. OF SHARES HELD 

I/We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ (Email Address: \_\_\_\_\_) being a member/members  
 of Kia Lim Berhad, hereby appoint (1) Mr/Ms \_\_\_\_\_  
 (NRIC No. \_\_\_\_\_) (Email Address: \_\_\_\_\_) of \_\_\_\_\_  
 or failing whom, \_\_\_\_\_ (NRIC No. \_\_\_\_\_)  
 (Email Address: \_\_\_\_\_) of \_\_\_\_\_

as my/our proxy to vote for \*me/us and on \*my/our behalf at the 29<sup>th</sup> Annual General Meeting ("29<sup>th</sup> AGM") of the Company which will be held at The Katerina Hotel, 8, Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 30 May 2024 at 12.00 noon and, at every adjournment thereof \*for/against the resolutions to be proposed thereat.

\*My/Our proxy is to vote as indicated below:

Resolutions	Agenda	For	Against
1.	To approve the payment of Directors' fees amounting to RM37,000 per annum for Non-Executive Chairman, RM22,000 per annum for each of the Non-Executive Directors, and RM19,400 per annum for each of the Executive Directors in respect of the financial year ending 31 December 2024.		
2.	To approve the proposed payment of Non-Executive Directors' benefits of up to RM22,400 for the financial year ending 31 December 2024 and up to the date of the next Annual General Meeting of the Company.		
3.	To re-elect the following Directors who retire in accordance with Article 90 of the Company's Constitution and being eligible, offer themselves for re-election: Mr Ng Chin Kang		
4.	Puan Haryanti Binti Othman		
5.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and authorise the Directors to fix their remuneration.		

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

As witness my hand this ..... day of .....2024 .....  
 Signature of Member(s)

## NOTES:

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

**Personal Data Privacy:**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 29<sup>th</sup> AGM of the Company and any adjournment thereof.

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**STAMP**

The Company Secretary  
**KIA LIM BERHAD**  
Reg. No. 199501013667 (342868-P)

Suite 9D, Level 9,  
Menara Ansar,  
65, Jalan Trus, 80000 Johor Bahru,  
Johor Darul Ta'zim.

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