

Registration No.

201801007506 (1269520-X)

UNI WALL APS HOLDINGS BERHAD
Registration No. 201801007506 (1269520-X)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2023

Registered office:
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur

Principal place of business:
15, Jalan Kesuma 2/3
Bandar Tasik Kesuma
43700 Semenyih
Selangor Darul Ehsan

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2023

INDEX

	Page No.
DIRECTORS' REPORT	1 - 6
STATEMENT BY DIRECTORS	7
STATUTORY DECLARATION	8
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	9 - 16
STATEMENTS OF FINANCIAL POSITION	17 - 18
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	19 - 21
STATEMENTS OF CHANGES IN EQUITY	22 - 24
STATEMENTS OF CASH FLOWS	25 - 29
NOTES TO THE FINANCIAL STATEMENTS	30 - 108

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2023.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6.

Change of Financial Year End

The financial year end of the Company was changed from 31 December to 30 June so as to be coterminous with the financial year end of its holding Company as required by the Companies Act 2016. Accordingly, the current financial statement are prepared for eighteen months from 1 January 2022 to 30 June 2023. As a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows and the related notes are not comparable.

Financial Results

	Group RM	Company RM
Net loss for the financial period	<u>12,885,568</u>	<u>3,391,314</u>
Attributable to:		
Owners of the parent	12,358,772	3,391,314
Non-controlling interests	<u>526,796</u>	<u>-</u>
	<u>12,885,568</u>	<u>3,391,314</u>

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial period.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial period.

Options Granted Over Unissued Shares

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

Directors

The Directors in office during the financial period and during the period from the end of the financial period to the date of this report are as follows:

Siow Hon Yong*
Siow Hon Yuen*
Siew Choon Jern*

** Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial period and during the period from the end of the financial period to the date of this report are as follows:

Dato' Sheah Kok Fah	(Appointed on 5 September 2022)
Dato' Dr. Mohamad Rafie Bin Ab Malek	(Appointed on 9 August 2022 and resigned on 30 June 2023)
Nadiah Binti Abu Bakar	(Appointed on 15 August 2022 and resigned on 30 June 2023)
Lee Kean Cheong	(Appointed on 9 August 2022 and resigned on 10 September 2022)
Norazhar Bin Musa	(Appointed on 9 August 2022 and resigned on 11 November 2022)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 30.06.2023
	At 01.01.2022	Bought	Sold	
Interest in the Company				
Direct interests:				
Siow Hon Yong	200,000	-	-	200,000
Indirect interests:				
Siow Hon Yong*	640,850,004	-	-	640,850,004
Siow Hon Yuen^	640,000,004	-	-	640,000,004

* *Deemed interest by virtue of Section 8(4) of the Companies Act, 2016 of 640,000,004 shares held through Hysiow Holdings Sdn Bhd and 850,000 shares held by his spouse, Mdm Fong Soon Foon*

^ *Deemed interest by virtue of Section 8(4) of the Companies Act, 2016 of 640,000,004 shares held through Hysiow Holdings Sdn Bhd.*

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

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Benefits (Cont'd)

The details of the Directors' remuneration for the financial period ended 30 June 2023 is as follows:

	Group RM	Company RM
Salaries, wages and allowances	904,752	-
Defined contribution plans	111,756	-
Director fee	544,500	81,000
Benefits-in-kind	69,063	-
	<u>1,630,071</u>	<u>81,000</u>

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors of the Group was RM2,350,000 and RM148,338.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances: (Cont'd)
- (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) 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.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period 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 period.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

Holding Company

The holding company is Hysiow Holdings Sdn. Bhd., a private limited company incorporated and domiciled in Malaysia.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial period ended 30 June 2023 are RM57,000 and RM21,500.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 October 2023.

SLOW HON YONG

SLOW HON YUEN

KUALA LUMPUR

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016 in Malaysia

We, the undersigned, being the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 17 to 108 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 30 June 2023 and of their financial performance and their cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 October 2023.

SIOW HON YONG

SIOW HON YUEN

KUALA LUMPUR

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

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

I, Siow Hon Yuen, being the Director primarily responsible for the financial management of Uni Wall APS Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 108 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 12 October 2023)

SIOW HON YUEN

Before me,

COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD**

Registration No.: 201801007506 (1269520-X)
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Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Uni Wall APS Holdings Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 108.

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 30 June 2023, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue and cost recognition of construction contracts</p> <p>Refer to Note 2(c) (Significant Accounting Judgements, Estimates and Assumptions), Note 3 (Significant Accounting Policies) and Note 22 (Revenue).</p> <p>Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants.</p> <p>Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs.</p>	<p>We had performed test of details on the Group's progress billing cycle by checking to approved progress claims, approved architecture certificate and approved progress billing;</p> <p>We had tested on the Group's controls by checking for evidence of reviews and approvals over contract cost, setting budgets and authorising and recording of actual costs incurred;</p> <p>We had read key contracts to obtain an understanding of the specific terms and conditions;</p> <p>We had compared the main contractor certificate against stage of completion of certain contracts to ascertain the reasonableness of the percentage of completion recognised in the profit or loss;</p> <p>We had challenged the assumptions in deriving at the estimates of contract costs. This includes comparing the actual margins achieved of previous similar completed projects to estimates and compared the estimated cost to suppliers' agreements or tenders;</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
Revenue and cost recognition of construction contracts (Cont'd)	<p>We had agreed samples of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and</p> <p>We had assessed the adequacy and reasonableness of the disclosures in the financial statements.</p>
Impairment of receivables and contract assets Refer to Note 2(c) (Significant Accounting Judgements, Estimates and Assumptions), Note 3 (Significant Accounting Policies), Note 7 (Trade Receivables), Note 8 (Contract Assets), Note 10 (Other Receivables), Note 24 ((Loss)/Profit Before Taxation) and Note 32 (Financial Instruments). The Group reviews the recoverability of its receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses a provision matrix to calculate expected credit loss for receivables and contract assets. The provision rates are based on number of days past due.	<p>We had assessed design and implementation of internal controls on credit control, collection and monitoring process;</p> <p>We had assessed the reasonableness of the method and assumptions management used to estimate the allowance and whether such methods are applied consistently; and</p> <p>We had reviewed management's assessment and discussed with management on the recoverability of the receivables and contract assets and impairment assessment based on expected credit losses model and where applicable, to ensure proper disclosures are made in the financial statements.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
Impairment of receivables and contract assets (Cont'd) The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.	

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.

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Evaluate the 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, actions taken to eliminate threats or safeguards applied.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)**

Registration No.: 201801007506 (1269520-X)
(Incorporated in Malaysia)

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.

UHY
Firm Number: AF 1411
Chartered Accountants

HAR HOU WEI
Approved Number: 03665/05/2024J
Chartered Accountant

KUALA LUMPUR

12 October 2023

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	Group		Company	
		30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	4	22,774,284	17,422,257	-	-
Right-of-use assets	5	1,386,905	2,405,834	-	-
Investment in subsidiary companies	6	-	-	8,000,002	8,012,098
Trade receivables	7	6,003,779	5,741,866	-	-
		<u>30,164,968</u>	<u>25,569,957</u>	<u>8,000,002</u>	<u>8,012,098</u>
Current Assets					
Contract assets	8	18,880,873	38,194,470	-	-
Inventories	9	4,332,604	-	-	-
Trade receivables	7	1,261,101	6,209,388	-	-
Other receivables	10	1,964,127	3,769,903	-	562,275
Amount due from subsidiary companies	11	-	-	3,446,233	4,867,982
Tax recoverable		2,250	-	2,250	-
Fixed deposits with licensed banks	12	7,807,416	7,161,494	-	-
Cash and bank balances		592,033	3,174,641	21,931	1,448,733
		<u>34,840,404</u>	<u>58,509,896</u>	<u>3,470,414</u>	<u>6,878,990</u>
Total Assets		<u>65,005,372</u>	<u>84,079,853</u>	<u>11,470,416</u>	<u>14,891,088</u>

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (CONT'D)

	Note	Group		Company	
		30.06.2023 RM	31.12.2021 RM	30.06.2023 RM	31.12.2021 RM
EQUITY					
Share capital	13	15,056,793	15,056,793	15,056,793	15,056,793
Merger reserve	14	(6,000,000)	(6,000,000)	-	-
Retained earnings/ (Accumulated losses)		15,514,070	27,872,842	(3,648,357)	(257,043)
Foreign currency translation reserve	15	(574)	(32)	-	-
Equity attributable to owners of the parent		24,570,289	36,929,603	11,408,436	14,799,750
Non-controlling interests		(478,941)	(142)	-	-
Total Equity		<u>24,091,348</u>	<u>36,929,461</u>	<u>11,408,436</u>	<u>14,799,750</u>
LIABILITIES					
Non-current Liabilities					
Lease liabilities	16	367,067	965,682	-	-
Bank borrowings	17	6,970,362	7,750,062	-	-
Deferred tax liabilities	18	28,610	-	-	-
		<u>7,366,039</u>	<u>8,715,744</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Trade payables	19	9,150,197	12,818,570	-	-
Other payables	20	5,720,261	2,549,210	61,980	89,838
Amount due to a Director	21	-	681,049	-	-
Lease liabilities	16	374,354	734,279	-	-
Bank borrowings	17	12,144,190	15,400,328	-	-
Tax payable		6,158,983	6,251,212	-	1,500
		<u>33,547,985</u>	<u>38,434,648</u>	<u>61,980</u>	<u>91,338</u>
Total Liabilities		<u>40,914,024</u>	<u>47,150,392</u>	<u>61,980</u>	<u>91,338</u>
Total Equity and Liabilities		<u>65,005,372</u>	<u>84,079,853</u>	<u>11,470,416</u>	<u>14,891,088</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Note	Group		Company	
		01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Revenue	22	35,710,863	40,639,430	-	-
Cost of sales		<u>(30,090,375)</u>	<u>(30,184,581)</u>	<u>-</u>	<u>-</u>
Gross profit		5,620,488	10,454,849	-	-
Other income		405,736	429,928	-	12,205
Net loss on impairment of financial assets and contract assets	24	(8,014,058)	(1,016,800)	(2,235,698)	-
Administrative expenses		(8,233,994)	(3,365,150)	(1,158,616)	(196,231)
Finance costs	23	<u>(2,128,513)</u>	<u>(913,530)</u>	<u>-</u>	<u>-</u>
(Loss)/Profit before taxation	24	(12,350,341)	5,589,297	(3,394,314)	(184,026)
Taxation	25	<u>(535,227)</u>	<u>(1,390,474)</u>	<u>3,000</u>	<u>(3,000)</u>
Net (loss)/profit for the financial period/year, representing total comprehensive (loss)/income for the financial period/year		<u>(12,885,568)</u>	<u>4,198,823</u>	<u>(3,391,314)</u>	<u>(187,026)</u>

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	Group		Company	
	01.01.2022 to 30.06.2023	01.01.2021 to 31.12.2021	01.01.2022 to 30.06.2023	01.01.2021 to 31.12.2021
Note	RM	RM	RM	RM
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss				
Exchange translation differences	(542)	(32)	-	-
Other comprehensive loss for the financial period/year	<u>(542)</u>	<u>(32)</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/profit for the financial period/year	<u>(12,886,110)</u>	<u>4,198,791</u>	<u>(3,391,314)</u>	<u>(187,026)</u>
Net (loss)/profit for the financial period/year, representing total (loss)/income for the financial period/year attributable to:				
Owners of the Company	(12,358,772)	4,202,726	(3,391,314)	(187,026)
Non-controlling interests	(526,796)	(3,903)	-	-
	<u>(12,885,568)</u>	<u>4,198,823</u>	<u>(3,391,314)</u>	<u>(187,026)</u>

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	Group		Company	
	01.01.2022	01.01.2021	01.01.2022	01.01.2021
	to	to	to	to
Note	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Total comprehensive (loss)/income for the financial period/year attributable to:				
Owners of the parent	(12,359,314)	4,202,694	(3,391,314)	(187,026)
Non-controlling interests	(526,796)	(3,903)	-	-
	(12,886,110)	4,198,791	(3,391,314)	(187,026)
(Loss)/Earnings per share (sen):				
- Basic	26	(1.69)	0.57	
- Diluted	26	(1.69)	0.57	

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Attributable to Owners of the Parent						Non-Controlling Interests RM	Total RM
	<--- Non-Distributable --->			Distributable				
	Share Capital RM	Merger Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total Equity RM			
Group								
At 1 January 2022	15,056,793	(6,000,000)	(32)	27,872,842	36,929,603	(142)	36,929,461	
Net loss for the financial period	-	-	-	(12,358,772)	(12,358,772)	(526,796)	(12,885,568)	
Foreign exchange translation reserve	-	-	(542)	-	(542)	-	(542)	
Total comprehensive loss for the financial period	-	-	(542)	(12,358,772)	(12,359,314)	(526,796)	(12,886,110)	
Transactions with owners:								
Issuance of shares by subsidiary companies to non-controlling interest	-	-	-	-	-	48,000	48,000	
Increase of shareholding of a subsidiary company	-	-	-	-	-	(3)	(3)	
Total transactions with owners	-	-	-	-	-	47,997	47,997	
At 30 June 2023	15,056,793	(6,000,000)	(574)	15,514,070	24,570,289	(478,941)	24,091,348	

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	Attributable to Owners of the Parent						Non- Controlling Interests RM	Total RM
	<--- Non-Distributable --->			Distributable				
	Share Capital RM	Merger Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total Equity RM			
Group								
At 1 January 2021	15,056,793	(6,000,000)	-	23,670,116	32,726,909	-	32,726,909	
Net profit/(loss) for the financial year	-	-	(32)	4,202,726	4,202,726	(3,903)	4,198,823	
Foreign exchange translation reserve	-	-	(32)	-	(32)	-	(32)	
Total comprehensive (loss)/ profit for the financial year	-	-	(32)	4,202,726	4,202,694	(3,903)	4,198,791	
Transaction with owners:								
Issuance of shares by subsidiary companies to non-controlling interest	-	-	-	-	-	3,761	3,761	
Total transaction with owners	-	-	-	-	-	3,761	3,761	
At 31 December 2021	15,056,793	(6,000,000)	(32)	27,872,842	36,929,603	(142)	36,929,461	

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	Share capital RM	Accumulated losses RM	Total RM
Company			
At 1 January 2022	15,056,793	(257,043)	14,799,750
Net loss for the financial period, representing total comprehensive loss for the financial period	-	(3,391,314)	(3,391,314)
At 30 June 2023	<u>15,056,793</u>	<u>(3,648,357)</u>	<u>11,408,436</u>
At 1 January 2021	15,056,793	(70,017)	14,986,776
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(187,026)	(187,026)
At 31 December 2021	<u>15,056,793</u>	<u>(257,043)</u>	<u>14,799,750</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Cash Flows From Operating Activities				
(Loss)/Profit before taxation	(12,350,341)	5,589,297	(3,394,314)	(184,026)
Adjustments for:				
Amortisation of right-of-use assets	947,251	632,231	-	-
Bad debts written off	562,275	-	562,275	-
Depreciation of property, plant and equipment	475,181	261,417	-	-
Gain on termination of lease contracts	-	(2,712)	-	-
Impairment loss on amount due from a subsidiary company	-	-	2,235,698	-
Impairment loss on amount due from holding company	1,638	-	-	-
Impairment loss on contract assets	994,510	-	-	-
Impairment loss on investment in subsidiary companies	-	-	204,096	-
Impairment loss on trade receivables	8,825,366	1,016,800	-	-
Interest expenses	2,059,804	902,400	-	-
Interest income	(147,930)	(107,970)	-	(12,205)
Reversal of impairment loss on trade receivables	(1,807,456)	-	-	-
Unrealised foreign exchange loss	-	24,651	-	24,651
Operating (loss)/profit before working capital changes	<u>(439,702)</u>	<u>8,316,114</u>	<u>(392,245)</u>	<u>(171,580)</u>

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Changes in working capital:				
Contract assets	18,319,087	(10,508,521)	-	-
Trade receivables	(2,331,536)	(162,141)	-	-
Other receivables	1,243,501	(1,039,342)	-	-
Inventories	(4,332,604)	-	-	-
Trade payables	(3,668,373)	1,185,044	-	-
Other payables	3,171,051	(934,491)	(27,858)	(77,347)
Amount due to a Director	(681,049)	-	-	-
	<u>11,720,077</u>	<u>(11,459,451)</u>	<u>(27,858)</u>	<u>(77,347)</u>
Cash generated from/(used in)				
operating activities	11,280,375	(3,143,337)	(420,103)	(248,927)
Interest received	147,930	107,970	-	12,205
Interest paid	(2,059,804)	(902,400)	-	-
Tax paid	(602,734)	(2,176,625)	(750)	(1,500)
Net cash from/(used in)				
operating activities	<u>8,765,767</u>	<u>(6,114,392)</u>	<u>(420,853)</u>	<u>(238,222)</u>

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

	Group		Company	
	01.01.2022	01.01.2021	01.01.2022	01.01.2021
	to	to	to	to
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Cash Flows From				
Investing Activities				
Acquisition of subsidiary companies	-	-	-	(4,096)
Addition of investment in subsidiary company	-	-	(192,000)	-
Increase of shareholding of a subsidiary company	(3)	-	-	-
Net changes in amount due from subsidiary companies	-	-	(813,949)	595,798
Purchase of additional shares in subsidiary company	-	-	-	(7,900)
Purchase of property, plant and equipment	(5,755,530)	(220,081)	-	-
Purchase of right-of-use assets	-	(179,189)	-	-
Increase in fixed deposit pledged with licensed banks	(645,922)	(1,287,932)	-	-
Net cash (used in)/from investing activities	(6,401,455)	(1,687,202)	(1,005,949)	583,802

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

	Group		Company	
	01.01.2022	01.01.2021	01.01.2022	01.01.2021
	to	to	to	to
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Cash Flows From				
Financing Activities				
Issuance of shares by subsidiary companies to non-controlling interest	48,000	3,761	-	-
Repayment of lease liabilities	(958,540)	(646,191)	-	-
Net changes in import/export line	(2,136,327)	7,595,521	-	-
Net changes in letter of credit	(937,034)	642,093	-	-
Repayment of term loans	(75,917)	(323,308)	-	-
Net cash (used in)/from financing activities	(4,059,818)	7,271,876	-	-

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Net changes in cash and cash equivalents	(1,695,506)	(529,718)	(1,426,802)	345,580
Effect of exchange translation differences	(542)	(32)	-	-
Cash and cash equivalents at the beginning of the financial period/year	<u>(610,591)</u>	<u>(80,841)</u>	<u>1,448,733</u>	<u>1,103,153</u>
Cash and cash equivalents at the end of the financial period/year	<u>(2,306,639)</u>	<u>(610,591)</u>	<u>21,931</u>	<u>1,448,733</u>
Cash and cash equivalents at the end of the financial period/year comprises:				
Cash and bank balances	592,033	3,174,641	21,931	1,448,733
Fixed deposits with licensed banks	7,807,416	7,161,494	-	-
Bank overdrafts	(2,898,672)	(3,785,232)	-	-
	<u>5,500,777</u>	<u>6,550,903</u>	<u>21,931</u>	<u>1,448,733</u>
Less: Fixed deposits pledged for credit facilities	<u>(7,807,416)</u>	<u>(7,161,494)</u>	<u>-</u>	<u>-</u>
	<u>(2,306,639)</u>	<u>(610,591)</u>	<u>21,931</u>	<u>1,448,733</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1. Corporate Information

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

The principal place of business of the Company is located at 15, Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Semenyih, Selangor Darul Ehsan.

The registered office of the Company was located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan. With effect from 2 January 2023, the Company's registered office has been relocated to B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6.

The holding company is Hysiow Holdings Sdn. Bhd., a private limited company incorporated and domiciled in Malaysia.

2. Basis of Preparation

(a) Statement of compliance

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

The financial year end of the Company was change from 31 December to 30 June, accordingly, the current financial statements are prepared for eighteen months from 1 January 2022 to 30 June 2023.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards

During the financial period, the Group and the Company have adopted the following amendments and annual improvement to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial period:

Amendments to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendment to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual improvement to MFRSs Standards 2018 - 2020:	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The adoption of the above amendments and annual improvement to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by MASB but are not yet effective:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by MASB but are not yet effective: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 112	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 7 and MFRS 107	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the new and amendments to MFRSs when they become effective.

The initial application of the new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the Group's and the Company's 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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options - Group as lessee (Cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives/amortisation of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 22.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 18.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use a provision matrix to calculate expected credit loss for receivables and contract assets. The provision rates are based on number of days past due.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost (Cont'd)

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 32.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2023, the Group has tax payable of RM6,158,983 (31.12.2021: RM6,251,212) and tax recoverable of RM2,250 (31.12.2021: RMNil). The Company has tax recoverable of RM2,250 (31.12.2021: RMNil) and tax payable of RMNil (31.12.2021: RM1,500).

3. **Significant Accounting Policies**

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

(a) **Basis of consolidation**

(i) **Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiary companies are consolidated using merger method of accounting as the business combination of these subsidiary companies involved an entity under common control except for business combination with Uni Wall Properties Sdn. Bhd. and NS Aero City Sdn. Bhd., which was accounted for under acquisition method of accounting.

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been affected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Under the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(ii) **Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) **Disposal of subsidiary companies**

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) **Goodwill on consolidation**

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(b) **Foreign currency translation**

(i) **Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) **Foreign operations**

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

3. **Significant Accounting Policies (Cont'd)**

(b) **Foreign currency translation (Cont'd)**

(ii) **Foreign operations (Cont'd)**

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

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non-financial assets.

(i) **Recognition and measurement**

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

All other repair and maintenance costs are recognised in profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

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

Freehold buildings	2%
Forklift	10%
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	20%
Plant and machinery	20%
Renovation	20%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

As lessee (Cont'd)

The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non-financial assets.

The ROU assets under cost model are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	20%
Plant and machinery	20%

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial assets**

Financial assets are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss (“FVTPL”), directly attributable transaction costs.

The Group and the Company determined the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary company, fixed deposit with licensed banks, and cash and bank balances.

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company has not designated any financial assets as fair value through other comprehensive income (“FVOCI”) and FVTPL.

Regular way purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- The amount of the loss allowance; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principle of MFRS 15 *Revenue from contracts with Customers*.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. **Significant Accounting Policies (Cont'd)**

(i) **Contract assets and contract liabilities**

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, and deposits with banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(k) **Impairment of assets**

(i) **Non-financial assets**

The carrying amounts of non-financial assets (except for contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

3. **Significant Accounting Policies (Cont'd)**

(k) **Impairment of assets (Cont'd)**

(i) **Non-financial assets (Cont'd)**

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) **Financial assets**

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables, contract assets and inter-company balances are always measured at an amount equal to lifetime expected credit loss.

3. **Significant Accounting Policies (Cont'd)**

(k) **Impairment of assets (Cont'd)**

(ii) **Financial assets (Cont'd)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables, contract assets and inter-company balances using a provision matrix with reference to historical credit loss experience.

Loss rates are based on actual credit loss experience over the past three years. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

3. **Significant Accounting Policies (Cont'd)**

(l) **Construction contracts**

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs exceed costs incurred plus recognised profits (less recognised losses).

(m) **Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3. **Significant Accounting Policies (Cont'd)**

(n) **Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(o) **Employee benefits**

(i) **Short term employee benefits**

Wages, salaries, bonuses, and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) **Defined contribution plans**

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit and loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. **Significant Accounting Policies (Cont'd)**

(p) **Revenue recognition**

Revenue from contracts with customers

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

(i) **Construction contracts**

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

(ii) **Supply of labours**

Revenue from supply of labours is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

Revenue from other sources

Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. **Significant Accounting Policies (Cont'd)**

(q) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. **Significant Accounting Policies (Cont'd)**

(r) **Income taxes (Cont'd)**

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(t) **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. **Significant Accounting Policies (Cont'd)**

(u) **Fair value measurement**

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

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. **Property, Plant and Equipment**

	Freehold land RM	Freehold buildings RM	Forklift RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Capital work-in- progress RM	Total RM
Group										
30.06.2023										
Cost										
At 1 January 2022	7,290,854	3,403,507	25,000	20,646	3,230,572	220,380	3,516,313	279,222	6,911,662	24,898,156
Additions	-	-	-	-	-	840	3,559	-	5,751,131	5,755,530
Transfer from right-of-use assets	-	-	-	-	-	-	215,000	-	-	215,000
At 30 June 2023	<u>7,290,854</u>	<u>3,403,507</u>	<u>25,000</u>	<u>20,646</u>	<u>3,230,572</u>	<u>221,220</u>	<u>3,734,872</u>	<u>279,222</u>	<u>12,662,793</u>	<u>30,868,686</u>
Accumulated depreciation										
At 1 January 2022	-	854,603	25,000	18,836	2,730,570	180,395	3,387,273	279,222	-	7,475,899
Charges for the financial period	-	102,114	-	1,062	173,668	28,418	169,919	-	-	475,181
Transfer from right-of-use assets	-	-	-	-	-	-	143,322	-	-	143,322
At 30 June 2023	<u>-</u>	<u>956,717</u>	<u>25,000</u>	<u>19,898</u>	<u>2,904,238</u>	<u>208,813</u>	<u>3,700,514</u>	<u>279,222</u>	<u>-</u>	<u>8,094,402</u>
Carrying amount										
At 30 June 2023	<u>7,290,854</u>	<u>2,446,790</u>	<u>-</u>	<u>748</u>	<u>326,334</u>	<u>12,407</u>	<u>34,358</u>	<u>-</u>	<u>12,662,793</u>	<u>22,774,284</u>

4. **Property, Plant and Equipment (Cont'd)**

	Freehold land RM	Freehold buildings RM	Forklift RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation RM	Capital work-in- progress RM	Total RM
Group										
31.12.2021										
Cost										
At 1 January 2021	7,290,854	3,403,507	25,000	20,646	3,190,572	220,380	3,513,313	279,222	6,734,581	24,678,075
Additions	-	-	-	-	40,000	-	3,000	-	177,081	220,081
At 31 December 2021	<u>7,290,854</u>	<u>3,403,507</u>	<u>25,000</u>	<u>20,646</u>	<u>3,230,572</u>	<u>220,380</u>	<u>3,516,313</u>	<u>279,222</u>	<u>6,911,662</u>	<u>24,898,156</u>
Accumulated depreciation										
At 1 January 2021	-	786,526	25,000	18,128	2,632,157	156,598	3,316,851	279,222	-	7,214,482
Charges for the financial year	-	68,077	-	708	98,413	23,797	70,422	-	-	261,417
At 31 December 2021	<u>-</u>	<u>854,603</u>	<u>25,000</u>	<u>18,836</u>	<u>2,730,570</u>	<u>180,395</u>	<u>3,387,273</u>	<u>279,222</u>	<u>-</u>	<u>7,475,899</u>
Carrying amount										
At 31 December 2021	<u>7,290,854</u>	<u>2,548,904</u>	<u>-</u>	<u>1,810</u>	<u>500,002</u>	<u>39,985</u>	<u>129,040</u>	<u>-</u>	<u>6,911,662</u>	<u>17,422,257</u>

4. Property, Plant and Equipment (Cont'd)**(a) Purchase of property, plant and equipment**

The aggregate additional costs for the property, plant and equipment of the Group during the financial period acquired with cash payments.

(b) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 17 are:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Freehold land	7,290,854	7,290,854
Freehold buildings	2,446,790	2,548,904
Capital work-in-progress	12,662,793	6,911,662
	<u>22,400,437</u>	<u>16,751,420</u>

5. Right-of-Use Assets

	Motor vehicles RM	Plant and machinery RM	Total RM
Group			
30.06.2023			
Cost			
At 1 January 2022	2,163,753	1,913,706	4,077,459
Transfer to property, plant and equipment	-	(215,000)	(215,000)
At 30 June 2023	<u>2,163,753</u>	<u>1,698,706</u>	<u>3,862,459</u>
Accumulated amortisation			
At 1 January 2022	922,404	749,221	1,671,625
Charge for the financial period	437,635	509,616	947,251
Transfer to property, plant and equipment	-	(143,322)	(143,322)
At 30 June 2023	<u>1,360,039</u>	<u>1,115,515</u>	<u>2,475,554</u>
Carrying amount			
At 30 June 2023	<u>803,714</u>	<u>583,191</u>	<u>1,386,905</u>

5. **Right-of-Use Assets (Cont'd)**

	Leasehold building RM	Motor vehicles RM	Plant and machinery RM	Total RM
Group				
31.12.2021				
Cost				
At 1 January 2021	167,643	1,786,221	1,295,354	3,249,218
Additions	-	377,532	618,352	995,884
Termination of lease contracts	(167,643)	-	-	(167,643)
At 31 December 2021	<u>-</u>	<u>2,163,753</u>	<u>1,913,706</u>	<u>4,077,459</u>
Accumulated amortisation				
At 1 January 2021	73,110	695,700	378,619	1,147,429
Charge for the financial year	34,925	226,704	370,602	632,231
Termination of lease contracts	(108,035)	-	-	(108,035)
At 31 December 2021	<u>-</u>	<u>922,404</u>	<u>749,221</u>	<u>1,671,625</u>
Carrying amount				
At 31 December 2021	<u>-</u>	<u>1,241,349</u>	<u>1,164,485</u>	<u>2,405,834</u>

(a) Assets held under lease liabilities

The carrying amount of right-of-use assets of the Group held under lease financing are as follows:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Motor vehicles	803,714	1,241,349
Plant and machinery	583,191	1,164,485
	<u>1,386,905</u>	<u>2,405,834</u>

The leased assets are pledged as securities for lease liabilities as disclosed in Note 16.

5. Right-of-use Assets (Cont'd)**(b) Purchase of right-of-use assets**

The aggregate additional costs for the right-of-use assets of the Group during the financial period/year acquired under the lease liabilities and cash payments are as follows:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Aggregate costs	-	995,884
Less: Lease liabilities	-	(816,695)
Cash payments	-	179,189
	<u> </u>	<u> </u>

6. Investment in Subsidiary Companies

	Company	
	30.06.2023	31.12.2021
	RM	RM
Unquoted shares at cost:		
- In Malaysia	8,200,002	8,008,002
- Outside Malaysia	4,096	4,096
	<u>8,204,098</u>	<u>8,012,098</u>
Less: Accumulated impairment loss	(204,096)	-
	<u>8,000,002</u>	<u>8,012,098</u>

Movement in the allowance for impairment loss is as follows:

	Company	
	30.06.2023	31.12.2021
	RM	RM
At 1 January	-	-
Impairment loss recognised	204,096	-
As 30 June/31 December	<u>204,096</u>	<u> </u>

6. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interests		Principal activities
		30.06.2023 %	31.12.2021 %	
Uni Wall Architectural Products & Services Sdn. Bhd. ("UAPSSB")	Malaysia	100	100	Provision of building façade services, carry on the business as contractors, sub-contractors, provide construction labours services and transport agent
Uni Wall Properties Sdn. Bhd. ("UPSB")	Malaysia	100	100	Property development
NS Aero City Sdn. Bhd. ("NSACSB")	Malaysia	80	80	Property development
Uniwall Capital Pte. Ltd. ("UCPLT")	Singapore	70	70	Has not commenced business operations
<i>Held through Uni Wall Architectural Products & Services Sdn. Bhd.:</i>				
Uni Wall Manufacturing Sdn. Bhd. ("UMSB")	Malaysia	100	70	Has not commenced business operations

(a) Impairment of investment in subsidiary companies

The Company conducted a review of the recoverable amounts of its investment in subsidiary companies of which its carrying amount of investments exceeded the net assets of the respective subsidiary companies at the reporting date. As a result, an impairment loss amounting to RM204,096 (31.12.2021: RMNil) was recognised during the financial period.

6. **Investment in Subsidiary Companies (Cont'd)**

(b) Incorporation of subsidiary company

In the previous financial year:

On 6 November 2021, the Company incorporate UCPLT and subscribed 1,321 ordinary shares, representing 70% equity interests in UCPLT for a total cash consideration of RM4,096.

(c) Increase of shareholding in subsidiary companies

During the financial period:

(i) On 8 June 2023, UAPSSB had acquired 3 ordinary shares in UMSB for a total cash consideration of RM3, increasing its ownership from 70% to 100%.

(ii) On 8 August 2022, NSACSB issued additional 240,000 ordinary shares. The Company subscribed 192,000 ordinary shares in NSACSB for a total cash consideration of RM192,000.

On 24 August 2022, the Company disposed 25,000 ordinary shares in NSACSB for a total cash consideration of RM25,000, decreasing its ownership from 80% to 70%.

On 17 February 2023, the Company acquired 25,000 ordinary shares in NSACSB for a total cash consideration of RM25,000, increasing its ownership from 70% to 80%.

(d) Decrease of shareholding in subsidiary companies

In the previous financial year:

(i) On 29 October 2021, UMSB issued additional 8 ordinary shares. UAPSSB is a wholly-owned subsidiary company of the Company subscribed 5 ordinary shares in UMSB for a total cash consideration of RM5, decreasing its ownership from 100% to 70%.

(ii) On 24 December 2021, NSACSB issued additional 9,900 ordinary shares. The Company subscribed 7,900 ordinary shares in NSACSB for a total cash consideration of RM7,900, decreasing its ownership from 100% to 80%.

7. Trade Receivables

	Group	
	30.06.2023	31.12.2021
	RM	RM
Non-current		
Retention sums	9,699,782	9,045,417
Less: Accumulated impairment loss	(3,696,003)	(3,303,551)
	6,003,779	5,741,866
Current		
Trade receivables	10,146,051	11,422,981
Retention sums	-	349,450
Less: Accumulated impairment loss	(8,884,950)	(5,563,043)
	1,261,101	6,209,388
	7,264,880	11,951,254

Trade receivables are recognised at their original certificate of claimed amount which represent their fair value on initial recognition.

The Group's normal trade credit terms are ranging from 30 days to 45 days (31.12.2021: 30 days to 45 days). Other credit terms are assessed and approved on a case by case basis.

Retention sums of the Group relating to construction work are unsecured, non-bearing interests and are expected to be collected as follows:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Within one year	-	349,450
Between one to two years	2,079,173	5,549,364
More than two years	3,924,606	192,502
	6,003,779	6,091,316
	6,003,779	6,091,316

8. **Contract Assets**

		Group	
	Note	30.06.2023	31.12.2021
		RM	RM
Contract assets			
Construction contracts	(a)	18,578,475	38,194,470
Supply of labours	(b)	302,398	-
		<u>18,880,873</u>	<u>38,194,470</u>
Presented as:			
- Contract assets		<u>18,880,873</u>	<u>38,194,470</u>

(a) Construction contracts

	Group	
	30.06.2023	31.12.2021
	RM	RM
Construction costs incurred to date	102,368,592	116,697,529
Add: Attributable profits	58,220,308	85,527,415
	<u>160,588,900</u>	<u>202,224,944</u>
Less: Progress billings	(141,015,915)	(164,030,474)
Less: Accumulated impairment loss	(994,510)	-
	<u>18,578,475</u>	<u>38,194,470</u>

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount generally will be billed ranging from 7 days to 60 days (31.12.2021: 7 days to 60 days) and payment is expected ranging from 30 days to 37 days (31.12.2021: 30 days to 37 days).

8. Contract Assets (Cont'd)

(a) Construction contracts (Cont'd)

Contract value yet to be recognised as revenue

The followings table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Construction contracts	80,800	38,765,040

The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

(b) Supply of labours

The contract assets primarily related to the Group's rights for consideration for work performed but not yet billed at the reporting date for its supply of labours. The contract assets will be transformed to trade receivables when the rights become unconditional.

9. Inventories

	Group	
	30.06.2023	31.12.2021
	RM	RM
At cost		
Raw materials	2,329,738	-
Work-in-progress	2,002,866	-
	4,332,604	-
Recognised in profit or loss:		
Inventories recognised as cost of sales	18,763,995	22,018,076

10. Other Receivables

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Other receivables	892,500	1,173,948	-	-
Deposits	221,290	858,018	-	562,275
Prepayments	850,337	1,737,937	-	-
	<u>1,964,127</u>	<u>3,769,903</u>	<u>-</u>	<u>562,275</u>

11. Amount due from Subsidiary Companies

	Company	
	30.06.2023	31.12.2021
	RM	RM
Current		
Non-trade related	5,681,931	4,867,982
Less: Accumulated impairment loss	<u>(2,235,698)</u>	<u>-</u>
	<u>3,446,233</u>	<u>4,867,982</u>

This amount is unsecured, non-bearing interests advances and is repayable on demand.

Movement in allowance for impairment loss is as follows:

	Company	
	30.06.2023	31.12.2021
	RM	RM
At 1 January	-	-
Impairment loss recognised	2,235,698	-
At 30 June/31 December	<u>2,235,698</u>	<u>-</u>

12. Fixed Deposits with Licensed Banks

The fixed deposits with licensed banks of the Group are pledged as securities for credit facilities granted by the banks as disclosed in Note 17.

The interest rate of fixed deposits with licensed banks of the Group is ranging from 1.35% to 3.10% (31.12.2021: 1.35% to 3.10%) per annum and the maturity of the deposits is ranging from 30 days to 365 days (31.12.2021: 30 days to 365 days).

13. **Share Capital**

	Group and Company			
	Number of shares		Amount	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	Unit	Unit	RM	RM
Issued and fully paid:				
Ordinary shares				
At 1 January/				
30 June/31 December	<u>731,400,004</u>	<u>731,400,004</u>	<u>15,056,793</u>	<u>15,056,793</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

14. **Merger Reserve**

	Group	
	30.06.2023	31.12.2021
	RM	RM
Consideration transferred	8,000,000	8,000,000
Less: Fair value of identifiable net assets acquired	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Merger reserve arising on acquisition	<u>6,000,000</u>	<u>6,000,000</u>

The merger reserve arises from the acquisition of UAPSSB under common control, representing the difference between the carrying amount of net equity of the UAPSSB as of the acquisition date and the acquisition consideration paid by the Company.

15. **Foreign Currency Translation Reserve**

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16. Lease Liabilities

	Group	
	30.06.2023	31.12.2021
	RM	RM
At 1 January	1,699,961	1,591,777
Additions	-	816,695
Accretion of interest (Note 22)	115,868	114,104
Termination of lease contracts	-	(62,320)
Repayment	(1,074,408)	(760,295)
At 30 June/31 December	<u>741,421</u>	<u>1,699,961</u>
Presented as:		
Non-current	367,067	965,682
Current	<u>374,354</u>	<u>734,279</u>
	<u>741,421</u>	<u>1,699,961</u>

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Not later than one year	410,073	822,946
Later than one year but not later than two years	243,870	482,266
Later than two years but not later than five years	143,064	566,198
	<u>797,007</u>	<u>1,871,410</u>
Less: Future finance charges	(55,586)	(171,449)
Present value of minimum lease payments	<u>741,421</u>	<u>1,699,961</u>

The Group leased various buildings, motor vehicles and plant and machinery. Lease term are negotiated on an individual basis and contain a wide range of different terms and conditions.

The leased liabilities are secured by a charge over the leased assets as disclosed in Note 5(a). The interest rate for the leases are ranging from 2.48% to 5.44% (31.12.2021: 2.48% to 5.44%) per annum.

17. Bank Borrowings

	Note	Group	
		30.06.2023	31.12.2021
		RM	RM
Secured			
Current			
Bank overdrafts	(a)	2,898,672	3,785,232
Import/Export line	(b)	7,912,028	10,048,355
Letter of credit	(c)	-	937,034
Term loans	(d)	1,333,490	629,707
		12,144,190	15,400,328
Non-current			
Term loans	(d)	6,970,362	7,750,062
		19,114,552	23,150,390

(a) Bank overdrafts

Bank overdrafts are denominated at RM, bear interest at BLR-0.75%, BLR+1.00% and BFR% per annum and are secured by the following:

- (i) Legal charge over a piece of freehold land and buildings, and capital work-in-progress as disclosed in Note 4(b);
- (ii) Legal charge over fixed deposits of the Group as disclosed in Note 12;
- (iii) Corporate guarantee by the Company; and
- (iv) Jointly and severally guarantee by certain Directors of the Company.

(b) Import/Export line

Import/Export line are denominated at RM, bear interest of BLR+1.00% per annum and are secured by the following:

- (i) Legal charge over a piece of freehold land and buildings, and capital work-in-progress as disclosed in Note 4(b);
- (ii) Legal charge over fixed deposits of the Group as disclosed in Note 12;
- (iii) Corporate guarantee by the Company; and
- (iv) Jointly and severally guarantee by certain Directors of the Company.

17. Bank Borrowings (Cont'd)**(c) Letter of credit**

Letter of credit are denominated at RM, bear commission at 0.10% per month and are secured by the following:

- (i) Legal charge over a piece of freehold land and buildings, and capital work-in-progress as disclosed in Note 4(b);
- (ii) Legal charge over fixed deposits of the Group as disclosed in Note 12; and
- (iii) Jointly and severally guarantee by certain Directors of the Company.

(d) Term loans

Term loans are denominated at RM, bear interest at COF+10%, BFR+0%, BFR+1% per annum and are secured by the following:

- (i) Legal charge over a piece of freehold land and buildings, and capital work-in-progress as disclosed in Note 4(b);
- (ii) Legal charge over fixed deposits of the Group as disclosed in Note 12;
- (iii) Guarantee cover from the Government of Malaysia;
- (iv) Assignment of insurance policy (Entrepreneur Protection);
- (v) Corporate guarantee by the Company; and
- (vi) Jointly and severally guarantee by Directors of the Company.

Maturities of bank borrowings are as follows:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Within one year	12,144,190	15,400,328
Between one and two years	1,394,928	1,132,216
Between two and five years	3,295,394	3,316,533
After five years	2,280,040	3,301,313
	19,114,552	23,150,390

17. Bank Borrowings (Cont'd)

The range of effective interest rates per annum of the Group at the reporting date are as follows:

	Group	
	30.06.2023	31.12.2021
	RM	RM
Bank overdrafts	4.86 - 6.61 %	4.86% - 6.61%
Import/Export line	6.51%	6.51%
Letter of credit	-	0.10%
Term loans	<u>3.00 - 8.00%</u>	<u>3.01% - 7.04%</u>

18. Deferred Tax Liabilities

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
At 1 January	-	-
Recognised in profit or loss	<u>28,610</u>	<u>-</u>
At 31 December	<u>28,610</u>	<u>-</u>

The net deferred tax assets and liabilities shown on the statements of financial position of the Group after appropriate offsetting are as follows:

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Deferred tax assets	-	(85,920)
Deferred tax liabilities	<u>28,610</u>	<u>85,920</u>
	<u>28,610</u>	<u>-</u>

18. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax asset and deferred tax liability are as follows:

Deferred tax assets

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Other Temporary Differences		
At 1 January	(85,920)	(77,576)
Recognised in profit or loss	85,920	(8,344)
At 30 June/31 December	<u>-</u>	<u>(85,920)</u>

Deferred tax liabilities

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Accelerated Capital Allowance		
At 1 January	85,920	77,576
Recognised in profit or loss	(57,310)	8,344
At 30 June/31 December	<u>28,610</u>	<u>85,920</u>

19. Trade Payables

	Group	
	30.06.2023	31.12.2021
	RM	RM
Trade payables	8,966,927	12,753,397
Retention sum	183,270	65,173
	<u>9,150,197</u>	<u>12,818,570</u>

Credit terms of trade payables of the Group is ranging from 30 to 90 days (31.12.2021: 30 to 90 days) depending on the terms of the contracts.

20. **Other Payables**

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Other payables	3,926,767	1,457,208	12,080	14,438
Accruals	1,753,494	1,092,002	49,900	75,400
Deposits payable	40,000	-	-	-
	<u>5,720,261</u>	<u>2,549,210</u>	<u>61,980</u>	<u>89,838</u>

The Group's other payables include amount RM1,062,597 of claim from Crest Builder Sdn. Bhd. as disclosed in Note 34(iii).

21. **Amount due to a Director**

This amount is unsecured, non-bearing interests advances and is repayable on demand.

22. **Revenue**

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Revenue from contracts with customers		
Construction contract	30,298,891	40,639,430
Supply of labours	5,411,972	-
	<u>35,710,863</u>	<u>40,639,430</u>
Timing of revenue recognition:		
Over time	30,298,891	40,639,430
At a point in time	5,411,972	-
Total revenue from contracts with customers	<u>35,710,863</u>	<u>40,639,430</u>

23. **Finance Costs**

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Bank guarantee charges	68,709	2,695
Commitment fee	-	8,435
	<u>68,709</u>	<u>11,130</u>
Interest expenses on:		
- Bank overdrafts	288,304	116,760
- Import/Export line	738,425	239,759
- Letter of credit	1,692	6,536
- Lease liabilities	115,868	114,104
- Term loans	915,515	425,241
	<u>2,059,804</u>	<u>902,400</u>
	<u>2,128,513</u>	<u>913,530</u>

24. **(Loss)/Profit Before Taxation**

(Loss)/Profit before taxation is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Auditors' remuneration	57,000	52,000	21,500	20,000
Non-executive Director:				
- Fees	544,500	54,000	81,000	54,000
Amortisation of right-of-use assets	947,251	632,231	-	-
Bad debts written off	562,275	-	562,275	-
Depreciation of property, plant and equipment	475,181	261,417	-	-
Gain on termination of lease contracts	-	(2,712)	-	-
Interest income	(147,930)	(107,970)	-	(12,205)
Impairment loss on investment in a subsidiary company	-	-	204,096	-
Impairment loss on amount due from holding company	1,638	-	-	-
Impairment loss on amount due from subsidiary company	-	-	2,235,698	-
Impairment loss on contract assets	994,510	-	-	-
Impairment loss on trade receivables	8,825,366	1,016,800	-	-
Reversal of impairment loss on trade receivables	(1,807,456)	-	-	-
Net loss on impairment of financial instruments and contract assets	8,014,058	1,016,800	2,235,698	-
Realised foreign exchange gain	-	(34,118)	-	-
Unrealised foreign exchange loss	-	24,651	-	24,651

25. **Taxation**

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Tax expenses recognised in profit or loss:				
Current tax provision				
- Current income tax	416,336	1,880,504	-	3,000
- Under/(Over)provision of current tax	90,281	(490,030)	(3,000)	-
	<u>506,617</u>	<u>1,390,474</u>	<u>(3,000)</u>	<u>3,000</u>
Deferred tax (Note 25):				
- Origination and reversal of temporary differences	(61,813)	-	-	-
- Underprovision in prior years	90,423	-	-	-
	<u>28,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expense for the financial period/year	<u>535,227</u>	<u>1,390,474</u>	<u>(3,000)</u>	<u>3,000</u>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial period.

25. Taxation (Cont'd)

A reconciliation of income tax (credit)/expense applicable to (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
(Loss)/Profit before taxation	(12,350,341)	5,589,297	(3,394,314)	(184,026)
At Malaysian statutory tax rate of 24 %	(2,964,082)	1,341,431	(814,635)	(44,166)
Income not subject to tax	(61,872)	(38,959)	-	-
Expenses not deductible for tax purposes	3,380,477	586,715	814,635	47,166
Utilisation of previously unrecognised deferred tax assets	-	(8,683)	-	-
Under/(Over)provision of current tax in prior years	90,281	(490,030)	(3,000)	-
Underprovision of deferred tax expense in prior years	90,423	-	-	-
Tax expense for the financial period/year	<u>535,227</u>	<u>1,390,474</u>	<u>(3,000)</u>	<u>3,000</u>

26. **(Loss)/Earnings Per Share**(a) **Basic (loss)/earnings per share**

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial period/year attributable to owners of the parent and the weighted average number of ordinary shares issue during the financial period/year as follows:

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
(Loss)/Profit attributable to owners of the parent	(12,358,772)	4,202,726
	Units	Units
Weighted average number of ordinary shares in issue:		
Weighted average number of ordinary shares as of 1 January/30 June/31 December	731,400,004	731,400,004
Basic (loss)/earnings per share (Sen)	(1.69)	0.57

(b) **Diluted (loss)/earnings per share**

The Group has no dilution in their retained earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial period and before the authorisation of the financial statements.

27. **Staff Costs**

	Group		Company	
	01.01.2022	01.01.2021	01.01.2022	01.01.2021
	to	to	to	to
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Salaries, wages and allowances	9,214,267	4,609,653	-	-
Defined contribution plans	433,793	324,650	-	-
Fees	544,500	54,000	81,000	54,000
Benefits-in-kind	69,063	56,700	-	-
	<u>10,261,623</u>	<u>5,045,003</u>	<u>81,000</u>	<u>54,000</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and its subsidiary companies during the financial period as follow:

	Group	
	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Salaries, wages and allowances	904,752	512,693
Defined contribution plans	111,756	63,213
Benefits-in-kind	69,063	56,700
	<u>1,085,571</u>	<u>632,606</u>

28. **Financial Guarantees**

	01.01.2022 to 30.06.2023 RM	01.01.2021 to 31.12.2021 RM
Group		
Unsecured:		
Bank guarantee for tender bond on projects given to third parties	100,000	100,000
Bank guarantee on performance bond for projects given to third parties	-	4,413,725
Corporate guarantee for project given to a third party	-	1,062,597
	100,000	5,576,322
Company		
Unsecured:		
Corporate guarantee given by the Company to licensed banks for banking facilities granted to a subsidiary company	13,612,028	15,748,355
Corporate guarantee for project given by the Company to a third party	-	1,062,597
	13,612,028	16,810,952

29. **Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM	New lease liabilities RM	Financing cash flows (i) RM	Other charges (ii) RM	At 30 June/ 31 December RM
Group					
30.06.2023					
Lease liabilities (Note 16)	1,699,961	-	(958,540)	-	741,421
Import/Export line (Note 17)	10,048,355	-	(2,136,327)	-	7,912,028
Letter of Credit (Note 17)	937,034	-	(937,034)	-	-
Term Loans (Note 17)	8,379,769	-	(75,917)	-	8,303,852
	<u>21,065,119</u>	<u>-</u>	<u>(4,107,818)</u>	<u>-</u>	<u>16,957,301</u>
31.12.2021					
Lease liabilities (Note 16)	1,591,777	816,695	(646,191)	(62,320)	1,699,961
Import/Export line (Note 17)	2,452,834	-	7,595,521	-	10,048,355
Letter of Credit (Note 17)	294,941	-	642,093	-	937,034
Term Loans (Note 17)	8,703,077	-	(323,308)	-	8,379,769
	<u>13,042,629</u>	<u>816,695</u>	<u>7,268,115</u>	<u>(62,320)</u>	<u>21,065,119</u>

- (i) The financing cash flows include the net amount of proceeds from or repayments of lease liabilities, import/export line, letter of credit and term loans in the statements of cash flows; and
- (ii) Other changes include gain on termination of lease contracts.

30. Related Party Transactions**(a) Identifying related parties**

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group are as follows:

	01.01.2022	01.01.2021
	to	to
	30.06.2023	31.12.2021
	RM	RM
Group		
Transactions between subsidiary company and its non-controlling interests		
- Office rental paid/payable	(53,761)	-
- Technical services paid/payable	(500,000)	-
	1,661,049	-
Transactions with a Director:		
- Supply of labours	1,661,049	-

(c) Compensation of key management personnel

The Company defines key management personnel as its Directors whose remuneration are disclosed in Note 24 and 27.

31. **Segmental Information**

For management purposes, the Group is organised into business units based on their products and services provided, as follows:

Construction	Provision of building façade services and carry on the business as contractors and sub-contractors
Supply of labours	Construction labours services
Others	Investment holding or dormant

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

31. **Segmental Information (Cont'd)**

	Construction RM	Supply of labours RM	Others RM	Adjustments and eliminations RM	Consolidated RM
30.06.2023					
Revenue					
External customers	30,298,891	5,411,972	-	-	35,710,863
Results					
Segment results	(29,804,474)	(3,622,687)	(3,862,030)	345,593	(36,943,598)
Amortisation of right-of-use assets	(947,251)	-	-	-	(947,251)
Bad debts written off	(562,275)	-	-	-	(562,275)
Depreciation of property, plant and equipment	(475,181)	-	-	-	(475,181)
Impairment loss on amount due from a subsidiary companies	(8,926)	-	(2,235,698)	2,244,624	-
Impairment loss on amount due from holding company	(1,638)	-	-	-	(1,638)
Impairment loss on amount due from related companies	(160,919)	-	(182,278)	343,197	-
Impairment loss on contract assets	(994,510)	-	-	-	(994,510)
Impairment loss on investment in subsidiary companies	-	-	(175,000)	175,000	-

31. Segmental Information (Cont'd)

	Construction RM	Supply of labours RM	Others RM	Adjustments and eliminations RM	Consolidated RM
30.06.2023					
Results (Cont'd)					
Impairment loss on trade receivables	(8,825,366)	-	-	-	(8,825,366)
Interest expenses	(2,059,804)	-	-	-	(2,059,804)
Interest income	147,907	-	23	-	147,930
Miscellaneous income	257,800	-	316,503	(316,497)	257,806
Reversal of impairment loss on trade receivables	1,807,456	-	-	-	1,807,456
	<u>(41,627,181)</u>	<u>(3,622,687)</u>	<u>(6,138,480)</u>	<u>2,791,917</u>	<u>(48,596,431)</u>
Segment (loss)/profit	<u>(11,328,290)</u>	<u>1,789,285</u>	<u>(6,138,480)</u>	<u>2,791,917</u>	<u>(12,885,568)</u>

31. Segmental Information (Cont'd)

	Construction RM	Supply of labours RM	Others RM	Adjustments and eliminations RM	Consolidated RM
30.06.2023					
Assets					
Segment assets	10,323,429	1,162,397	64,963,541	(11,446,245)	65,003,122
Tax recoverable		-	2,250		2,250
Total assets	<u>10,323,429</u>	<u>1,162,397</u>	<u>64,965,791</u>	<u>(11,446,245)</u>	<u>65,005,372</u>
Liabilities					
Segment liabilities	37,400,244	-	3,334,754	(6,055,552)	34,679,446
Tax payable	6,158,983	-	46,985	-	6,205,968
Deferred tax liability	28,610	-	-	-	28,610
Total liabilities	<u>43,587,837</u>	<u>-</u>	<u>3,381,739</u>	<u>(6,055,552)</u>	<u>40,914,024</u>
Capital expenditure					
Property, plant and equipment	<u>5,755,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In the prior financial year, the principal businesses of the Group are carrying on provision of building façade services and carry on the business as contractors and sub-contractors which are substantially within a single business segment. As such segmental reporting by business segment is deemed not necessary.

31. **Segmental Information (Cont'd)**

Major Customer

Major customers' information are revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

Total revenue from 2 (31.12.2021:1) major customers which individually contributed more than 10% of the Group revenue from the construction segment which amounted to RM29,058,034 (31.12.2021: RM39,882,573).

Geographic information

Geographical segment information has not been prepared as the Group's operations are all confined to Malaysia.

32. **Financial Instruments**(a) **Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At Amortised Cost	
	30.06.2023	31.12.2021
	RM	RM
Group		
Financial Assets		
Trade receivables	7,264,880	11,951,254
Other receivables and deposits	1,113,790	2,031,966
Fixed deposits with licensed banks	7,807,416	7,161,494
Cash and bank balances	592,033	3,174,641
	<u>16,778,119</u>	<u>24,319,355</u>
Financial Liabilities		
Trade payables	9,150,197	12,818,570
Other payables	5,720,261	2,549,210
Amount due to a Director	-	681,049
Lease liabilities	741,421	1,699,961
Bank borrowings	19,114,552	23,150,390
	<u>34,726,431</u>	<u>40,899,180</u>
Company		
Financial Assets		
Other receivables	-	562,275
Amount due from a subsidiary company	3,446,233	4,867,982
Cash and bank balances	21,931	1,448,733
	<u>3,468,164</u>	<u>6,878,990</u>
Financial Liability		
Other payables	<u>61,980</u>	<u>89,838</u>

32. **Financial Instruments (Cont'd)**

(b) **Financial risk management objectives and policies**

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(i) **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the individual characteristics of each customer, loans and advances to subsidiary companies and financial guarantee given to banks for credit facilities granted to related companies and third parties. There are no significant changes as compared to prior periods.

Contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via Group's management reporting procedures and action will be taken for stagnant contract assets.

At each reporting date, Group assesses whether any of the contract assets are credit impaired.

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

There are no significant changes as compared to previous financial year.

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(i) **Credit risk (Cont'd)****Contract assets (Cont'd)***Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial period, the Group had 1 customer (31.12.2021: 1 customers) and accounted for approximately 80% (31.12.2021: 90%) of the total contract assets.

Recognition and measurement of impairment loss

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Company is of the view that loss allowance is not material and hence, it is not provided for.

The aged analysis of contract assets as at the end of the reporting period:

	Gross balance RM	Allowance for impairment RM	Net balance RM
Group			
30.06.2023			
- Less than 30 days	1,732,464	-	1,732,464
- 31 to 60 days	2,059,174	-	2,059,174
- More than 60 days	16,083,745	(994,510)	15,089,235
	<u>19,875,383</u>	<u>(994,510)</u>	<u>18,880,873</u>
31.12.2021			
- Less than 30 days	19,573,002	-	19,573,002
- 31 to 60 days	18,621,468	-	18,621,468
	<u>38,194,470</u>	<u>-</u>	<u>38,194,470</u>

32. **Financial Instruments (Cont'd)**

(b) **Financial risk management objectives and policies (Cont'd)**

(i) **Credit risk (Cont'd)**

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from construction activity.

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial period, the Group had 2 customers (31.12.2021: 2 customers) and accounted for approximately 86% (31.12.2021: 93%) of the total trade receivables.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days to 45 days (31.12.2021: 30 days to 45 days). The Group's debt recovery process is that when invoices which are exceeded credit terms, the Group will start to initiate a structured debt recovery process which is monitored by sales team.

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(i) **Credit risk (Cont'd)****Trade receivables (Cont'd)***Recognition and measurement of impairment loss (Cont'd)*

The Group uses an allowance matrix to measure ECLs for trade receivables. Consistent with the debt recovery process, involves which are exceeded credit terms may be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The following table provides information about the exposure to credit risk and ECLs for trade receivables of the Group:

	Gross balance RM	Allowance for impairment RM	Net balance RM
Group			
30.06.2023			
Not past due	757,276	-	757,276
<i>Past due:</i>			
- Less than 30 days	436,590	-	436,590
- 31 to 60 days	-	-	-
- More than 60 days	689,161	(621,926)	67,235
	1,883,027	(621,926)	1,261,101
Credit impaired			
More than 60 days			
- Individually impaired	8,263,024	(8,263,024)	-
	10,146,051	(8,884,950)	1,261,101
Retention sum	6,003,779	-	6,003,779
- Individually impaired	3,696,003	(3,696,003)	-
	19,845,833	(12,580,953)	7,264,880

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(i) **Credit risk (Cont'd)****Trade receivables (Cont'd)***Recognition and measurement of impairment loss (Cont'd)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables of the Group: (Cont'd)

	Gross balance RM	Allowance for impairment RM	Net balance RM
Group			
31.12.2021			
Not past due	167,771	-	167,771
<i>Past due:</i>			
- Less than 30 days	4,261,833	-	4,261,833
- 31 to 60 days	770,004	-	770,004
- More than 60 days	2,485,834	(1,825,504)	660,330
	<u>7,685,442</u>	<u>(1,825,504)</u>	<u>5,859,938</u>
Credit impaired			
More than 60 days			
- Individually impaired	433,988	(433,988)	-
	<u>8,119,430</u>	<u>(2,259,492)</u>	<u>5,859,938</u>
Retention sum	6,091,316	-	6,091,316
- Individually impaired	3,303,551	(3,303,551)	-
	<u>17,514,297</u>	<u>(5,563,043)</u>	<u>11,951,254</u>

The movement in the allowance for impairment loss in respect of trade receivables during the financial period as follows:

	Lifetime allowances RM	Credit impaired RM	Total RM
Group			
At 1 January 2022	1,825,504	3,737,539	5,563,043
Impairment loss recognised	603,878	8,221,488	8,825,366
Impairment loss reversed	(1,807,456)	-	(1,807,456)
At 30 June 2023	<u>621,926</u>	<u>11,959,027</u>	<u>12,580,953</u>

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(i) **Credit risk (Cont'd)****Trade receivables (Cont'd)**

The movement in the allowance for impairment loss in respect of trade receivables during the financial period as follows: (Cont'd)

	Lifetime allowances RM	Credit impaired RM	Total RM
Group			
At 1 January 2021	1,284,692	3,261,551	4,546,243
Impairment loss recognised	540,812	475,988	1,016,800
At 31 December 2021	1,825,504	3,737,539	5,563,043

Cash and cash equivalents*Risk management objectives, policies and processes for managing the risk*

The cash and cash equivalents are held with licensed banks. The Group and the Company have a credit policy in place to control credit risk by deposit with licensed banks with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables*Risk management objectives, policies and processes for managing the risk*

Credit risks on other receivables are mainly arising from receivables from third parties. The Group and the Company manage the credit risk on an ongoing basis via Group's and Company's management reporting procedures and action will be taken for long outstanding debts.

32. **Financial Instruments (Cont'd)**

(b) **Financial risk management objectives and policies (Cont'd)**

(i) **Credit risk (Cont'd)**

Other receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These other receivables have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies have low credit risk because there is no indications that any going concern from subsidiary companies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantee as disclosed in Note 28. The Group and the Company monitor the ability of the subsidiary company to service its loans on an individual basis.

32. **Financial Instruments (Cont'd)**

(b) **Financial risk management objectives and policies (Cont'd)**

(i) **Credit risk (Cont'd)**

Financial guarantees (Cont'd)

Exposure to credit risk, credit quality and collateral

The Group's maximum exposure in this respect is RM100,000 (31.12.2021: RM5,576,322 while the Company's maximum exposure in this respect is RM9,154,993 (31.12.2021: RM12,491,474) of which RM9,154,993 (31.12.2021: RM11,428,877) representing the outstanding banking facilities of the subsidiary company as at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

Recognition and measurement of impairment loss

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- The amount of the loss allowance; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principle of MFRS 15 Revenue from Contracts with Customers.

The financial guarantees of the Group and the Company have not been recognised since the fair value on initial recognition was not material.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
30.06.2023						
<u>Non-derivative financial liabilities</u>						
Trade payables	9,150,197	-	-	-	9,150,197	9,150,197
Other payables	5,720,261	-	-	-	5,720,261	5,720,261
Lease liabilities	410,073	243,870	143,064	-	797,007	741,421
Bank borrowings	13,013,051	2,177,725	4,328,733	2,450,268	21,969,777	19,114,552
Financial guarantees	100,000	-	-	-	100,000	-
	<u>28,393,582</u>	<u>2,421,595</u>	<u>4,471,797</u>	<u>2,450,268</u>	<u>37,737,242</u>	<u>34,726,431</u>

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
31.12.2021						
<u>Non-derivative financial liabilities</u>						
Trade payables	12,818,570	-	-	-	12,818,570	12,818,570
Other payables	2,549,210	-	-	-	2,549,210	2,549,210
Lease liabilities	822,946	482,266	566,198	-	1,871,410	1,699,961
Bank borrowings	16,498,278	1,704,033	4,620,596	5,163,630	27,986,537	23,150,390
Amount due to a Director	681,049	-	-	-	681,049	681,049
Financial guarantees	5,576,322	-	-	-	5,576,322	-
	<u>38,946,375</u>	<u>2,186,299</u>	<u>5,186,794</u>	<u>5,163,630</u>	<u>51,483,098</u>	<u>40,899,180</u>

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(ii) **Liquidity risk (Cont'd)**

	On demand or within 1 year RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Company			
30.06.2023			
<u>Non-derivative</u>			
<u>financial liabilities</u>			
Other payables	61,980	61,980	61,980
Financial guarantees	13,612,028	13,612,028	-
	<u>13,674,008</u>	<u>13,674,008</u>	<u>61,980</u>
31.12.2021			
<u>Non-derivative</u>			
<u>financial liabilities</u>			
Other payables	89,838	89,838	89,838
Financial guarantees	16,810,952	16,810,952	-
	<u>16,900,790</u>	<u>16,900,790</u>	<u>89,838</u>

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(a) **Foreign currency exchange risk**

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

The Group has cash and bank balances that are denominated in Singapore Dollar ("SGD"). Approximately 1% (2021: 1%) of the Group's total assets are denominated in foreign currencies. The Group's foreign exchange exposures are kept to a minimal level.

The Group has minimal cash and bank balances denominated in foreign currencies. As such, the Group is not sensitive to foreign currency risk.

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(iii) **Market risk (Cont'd)**(b) **Interest rate risk**

The Group's fixed rate deposits placed with licensed banks and fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Exposure to interest rate risk

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

	Group	
	30.06.2023	31.12.2021
	RM	RM
Fixed rate instruments		
Financial asset:		
Fixed deposits with licensed banks	7,807,416	7,161,494
	<hr/>	<hr/>
Financial liabilities:		
Letter of credit	-	937,034
Lease liabilities	741,421	1,699,961
	<hr/>	<hr/>
	741,421	2,636,995

32. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(iii) **Market risk (Cont'd)**(b) **Interest rate risk (Cont'd)***Exposure to interest rate risk (Cont'd)*

	Group	
	30.06.2023	31.12.2021
	RM	RM
Floating rate instrument		
Financial liabilities:		
Bank overdrafts	2,898,672	3,785,232
Import/Export line	7,912,028	10,048,355
Term loans	8,303,852	8,379,769
Bank borrowings	19,114,552	22,213,356

*Interest rate risk sensitivity analysis*Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 0.25% interest rate at the end of the reporting period would have increased/(decreased) the Group's (loss)/profit before taxation by RM47,786 (2021: RM55,533), arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

32. **Financial Instruments (Cont'd)**

(c) **Fair value of financial instruments**

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

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

The fair value of lease liability is estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing at the end of the reporting period.

33. **Capital Management**

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

33. Capital Management (Cont'd)

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio at the end of the reporting period are as follows:

	Group		Company	
	30.06.2023	31.12.2021	30.06.2023	31.12.2021
	RM	RM	RM	RM
Total loans and borrowings	19,855,973	24,850,351	-	-
Less: Deposits, cash and bank balances	(8,399,449)	(10,336,135)	(21,931)	(1,448,733)
Net debts	<u>11,456,524</u>	<u>14,514,216</u>	<u>(21,931)</u>	<u>(1,448,733)</u>
Total equity	<u>24,570,289</u>	<u>36,929,603</u>	<u>11,408,436</u>	<u>14,799,750</u>
Gearing ratio	<u>0.47</u>	<u>0.39</u>	<u>*</u>	<u>*</u>

* The gearing ratio analysis is not applicable as the Company has no loans and borrowings.

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

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

34. **Material Litigation**

(i) Shah Alam High Court Suit No. BA-22NCVC-96-03/2020

Ajiya Safety Glass Sdn Bhd (“Ajiya”) supplied various glasses to UAPSSB for 3 projects, which is Project Hill 10 I City, Project KL Metropolis and Project Toyoma (“the Projects”). In the Suit, Ajiya claims a sum of RM1,711,311 from UAPSSB, allegedly being the outstanding payment due and owing by UAPSSB for glasses already sold and delivered to UAPSSB for the Projects. UAPSSB disputed the claim as Ajiya has sold sub-standard glasses to UAPSSB, which are not fit for purpose and not in accordance with the glasses specification as ordered by UAPSSB in the quotations. In fact, UAPSSB has a counter claim against Ajiya for a sum of approximately RM1,300,000 and also for further damages to be assessed as the Projects are still on going.

The trial dates originally fixed on 26.5.2023, 1.6.2023, 2.6.2023, 6.6.2023 to 9.6.2023 have been vacated. Subsequently and during the last case management by e-review on 26.05.2023, the Court has rescheduled the trial dates to 22.4.2024 to 24.4.2024 and that further case management is fixed on 19.2.2024.

The solicitor of UAPSSB is in view that UAPSSB has a good defence to Ajiya’s claim, and that UAPSSB’s counter claim against Ajiya is likely to succeed.

(ii) An on-going arbitration proceeding by UAPSSB against SsangYong Engineering & Construction Co., Ltd. (“SsangYong”)

SsangYong appointed UAPSSB as the sub-contractors for external façade works in respect of a project known as “Cadangan 1 Blok Pangsapuri Servis 49 Tingkat (80 Unit) Dan 1 Blok Pangsapuri Servis 43 Tingkat (117 Unit) Dengan 6 Tingkat Tempat Letak Kereta Serta 1 Basemen Tempat Letak Kereta Di Atas Lot 247, Seksyen 43, Jalan Ampang/Lorong Mayang Dalam Bandaraya Kuala Lumpur” (“the Project”) vide a letter of acceptance dated 2.3.2012 (“Letter of Acceptance”).

UAPSSB has duly completed all the works under the Letter of Acceptance as well as the other variation orders/directions given by SsangYong, and pursuant to the said Letter of Acceptance, UAPSSB has duly submitted the Final Claim (No. 53 - Final Claim/Account) dated 20.6.2016 (“Final Claim”), in which the sum of RM10,452,151 is due and payable to UAPSSB.

On or around October 2017 and after a meeting between parties’ representatives on 02.03.2017, the Claimant revised the Final Claim vide its letter dated 6.10.2017 to the Respondent (“Revised Final Claim”). Pursuant to the Revised Final Claim, the revised final value/claim of the Sub-Contract is RM77,458,402 and the total payment received is RM69,696,399. As such, the Outstanding Sum is reduced to RM7,762,003 (“Revised Outstanding Sum”).

34. **Material Litigation (Cont'd)**

- (ii) An on-going arbitration proceeding by UAPSSB against SsangYong Engineering & Construction Co., Ltd. ("SsangYong") (Cont'd)

UAPSSB initiated an arbitration proceeding against SsangYong vide a Notice of Arbitration dated 21.4.2022. On 23.6.2023, UAPSSB has delivered its Points of Claim. On 5.9.2023, UAPSSB has provided further and better particulars of its claim, as requested by the solicitors for SsangYong. Following that, the Arbitrator directed that:

- (a) SsangYong shall deliver its Points of Defence and Counterclaim by 25.9.2023;
- (b) UAPSSB shall deliver its Points of Reply and Defence to Counterclaim by 6.11.2023;
- (c) SsangYong shall deliver its Points of Reply to Defence to Counterclaim by 18.12.2023;
- (d) Parties shall deliver their respective List of Documents by 19.2.2024; and
- (e) Parties shall deliver the Agreed Bundles of Documents and Non-Agreed Bundles of Documents by 6.5.2024.

No further Case Management meeting has been scheduled as of now.

The solicitor of UAPSSB is in view that UAPSSB has a good chance to recover the aforesaid sum of RM7,762,003.

- (iii) Shah Alam High Court Suit No. BA-22C-24-07/2022 ("Suit")

Pursuant to a Letter of Award dated 22.2.2019 ("LOA"), Crest Builder Sdn. Bhd. ("Crest Builder"), the Plaintiff, appointed UAPSSB, as the sub-contractor to carry out the design, supply and installation of aluminum etc for a factory building in Petaling, Selangor ("Subcontract Works"). UAPSSB is wholly owned by UAPSSB, the 1st Defendant.

As the Subcontract Works were not completed by the original completion date, the Plaintiff and UAPSSB entered into a Supplementary Agreement ("Supplementary Agreement") dated 21.6.2021 in order to address several issues arising from the delay. Pursuant to Clause 5.1 of the Supplementary Agreement, UAPSSB executed and provided a Corporate Guarantee dated 21.06.2021 for UAPSSB, in favor of Crest Builder ("Corporate Guarantee").

In this suit, Crest Builder claims a sum of RM1,062,597 from the Company (as a guarantor for UAPSSB) pursuant to the Corporate Guarantee. According to Crest Builder, UAPSSB has allegedly breached the LOA, the PAM Subcontract and the Supplementary Agreement ("Subcontract Agreement").

34. **Material Litigation (Cont'd)**

(iii) Shah Alam High Court Suit No. BA-22C-24-07/2022 (“Suit”) (Cont'd)

UAPSSB has denied being in breach of the Subcontract Agreement. In essence, UAPSSB denies that the delay in the completion of the Subcontract Works was due to them and that Crest Builder is not entitled to impose any back-charges from UAPSSB under the Subcontract Agreement.

The Court has given the following directions:

- (a) Parties to file their respective Witness Statement by 26.1.2024;
- (b) A further case management date (via Zoom) is fixed on 17.11.2023, for parties to update the Court on status of the filing of Pre-Trial documents and the preparation of witness statements;
- (c) A further case management date (via Zoom) is fixed on 5.2.2024, for final house-keeping before full trial; and
- (d) Trial dates are fixed on 25.3.2024, 26.3.2024, 27.3.2024 and 28.3.2024.

The judgment of RM1,062,597 will likely be entered against UAPSSB. Hence, the Group has recorded in other payables as disclosed in Note 19.

(iv) Kuala Lumpur High Court Suit No. WA-22C-42-06/2023 (“Suit”)

By a letter of appointment dated 5.1.2019 (“the LOA”), China Construction Yangtze (M) Sdn. Bhd. (“China Construction”) appointed UAPSSB as the sub-contractor to carry out and complete the design, supply, delivery and installation of aluminum and glazing, façade, fins, canopy, shower screen works in relation to the project known as Cadangan Pembangunan Bercampur 59 Tingkat Yang Mengandungi 1 Blok 616 Unit Pangsapuri 51 Tingkat Berserta 1 Tingkat Kemudahan, 1 Blok Menara Pejabat 24 Tingkat Berserta 1 Tingkat Kemudahan, 1 Blok Menara Pejabat 23 Tingkat, Sebuah Kelab Eksekutif Dua Tingkat, Di Atas 8 Tingkat Podium Yang Mengandungi 6 Tingkat Tempat Letak Kereta Podium & 2 Tingkat Ruang Perniagaan Di Atas 2 ½ Tingkat Tempat Letak Kereta Besmen Di Atas PT26885 (Plot 7B2), Mukim Batu Daerah Kuala Lumpur Wilayah Persekutuan (“the Project”). UAPSSB has duly completed all the works under the LOA as well as the other variation orders/directions given by China Construction. UAPSSB has issued a progress claim No. 39 dated 19.7.2022 to China Construction (“the Progress Claim”). Pursuant to the Progress Claim and after deducting the part payments from the Defendant, there is still a balance sum of RM3,325,537 (excluding the retention sum of RM242,227) that remains outstanding, due and payable to UAPSSB (“the Outstanding Sum”).

34. Material Litigation (Cont'd)

- (iv) Kuala Lumpur High Court Suit No. WA-22C-42-06/2023 ("Suit") (Cont'd)

UAPSSB initiated a civil suit against China Construction in Kuala Lumpur High Court on 13.06.2023. On 26.06.2023, China Construction then filed an application to stay the proceeding of the whole suit pending arbitration, pursuant to Section 10(1) of the Arbitration Act 2005. Please note that subsequently on 13.07.2023, UAPSSB withdrew the entire civil suit (with liberty to file afresh) and gave instructions to the solicitor to initiate an arbitration proceeding for the recovering of the outstanding sum in accordance with the PAM Contract.

The solicitor of UAPSSB is in view that UAPSSB has a good chance to recover the outstanding sum RM3,325,537. However, the Group has fully impaired outstanding sum RM3,325,537 in trade receivables as disclosed in Note 7.

35. Capital Commitment

	Group	
	30.06.2023	31.12.2021
	RM	RM
Approved but not contracted for:		
- Purchase of property, plant and equipment	-	1,588,339

36. Comparative Figure

Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial period ended 30 June 2023.

	As previously stated RM	Reclassifications RM	As reclassified RM
Statement of Financial Position:			
As at 31 December 2021			
Non-current Asset			
Trade receivables	-	349,450	349,450
Current Asset			
Trade receivables	(2,259,492)	(349,450)	(2,608,942)

37. **Date of Authorisation for Issue**

The financial statements of the Group and of the Company for the financial period 30 June 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 12 October 2023.