

ANNUAL REPORT
2023



**EVERGREEN MAX CASH
CAPITAL BERHAD**
(Registration No. 202101028602
(1428902-D))



YOUR TRUST,
WE SERVE

Our Inaugural Annual Report

Evergreen Max Cash Capital Berhad (“**EMCC**” or “**the Company**”) was successfully debuted on the ACE Market of Bursa Malaysia Securities Berhad on 26 September 2023. We are pleased to present our inaugural annual report for the financial year ended 31 December 2023 (“**FYE 2023**”).

“Your Trust, We Serve” highlights EMCC’s commitment as an alternative financial provider to provide resources that enable customers to achieve their financial goals.

At A Glance

Revenue FYE 2023

RM97.5
million

Net Profit FYE 2023

RM15.8
million

Pawnshops

27
“Pajaking”
pawnshops

Branches

15
“Cahaya Gold”
outlets

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version of our report

Corporate Profile

EMCC was incorporated in Malaysia under the Companies Act 2016 on 3 September 2021 as a private limited company under the name of Evergreen Max Cash Capital Sdn. Bhd. The Company was subsequently converted into a public limited company on 25 April 2022.



The principal activity of EMCC is investment holding. Through its subsidiaries (collectively, the “EMCC Group” or “the Group”), the EMCC Group is principally involved in the businesses of provision of pawnbroking services.

Complementing its pawnbroking business, the EMCC Group is also involved in the business of retail and trading of gold and luxury products via its “Cahaya Gold” retail outlets. In addition, the EMCC Group also provides pawnbroking consultancy services, as well as Information Technology solutions to third-party pawnbrokers.

As at the date of this report, the EMCC Group has a total of 27 “Pajaking” pawnshops in Kuala Lumpur, Selangor, Negeri Sembilan, and Pahang, as well as 15 “Cahaya Gold” retail outlets in Kuala Lumpur, Selangor, and Pahang.



Scan this QR Code to know more about EMCC

Corporate Information

BOARD OF DIRECTORS

DATO' MOHD AZFAR BIN MOHAMED

INDEPENDENT NON-EXECUTIVE CHAIRMAN

DATO' LOW KOK CHUAN

NON-INDEPENDENT EXECUTIVE DIRECTOR /
GROUP MANAGING DIRECTOR

DATIN TEA GUAT NGO

NON-INDEPENDENT EXECUTIVE DIRECTOR

LOW KAI LOON

NON-INDEPENDENT EXECUTIVE DIRECTOR

DATIN FADZLULLAILY BINTI YAKOB

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

CHOW LAI MUN

INDEPENDENT NON-EXECUTIVE DIRECTOR

HONG BOON TOH

INDEPENDENT NON-EXECUTIVE DIRECTOR

KENNETH CHAI CHUAN TEONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Audit and Risk Management Committee

Chow Lai Mun (Chairman)
Kenneth Chai Chuan Teong
Hong Boon Toh

Nomination and Remuneration Committee

Kenneth Chai Chuan Teong (Chairman)
Datin Fadzlullailiy Binti Yakob
Chow Lai Mun

Company Secretaries

Tiew Sze Hann (MAICSA 7058007)
(SSM PC No. 201908000034)

Tan Kok Siong (LS 0009932)
(SSM PC No. 202008001592)

Yee Sek Ling (LS 0010508)
(SSM PC No. 202008004358)

Head Office

Lot 11-10, Level 11, Wisma Trax
No. 1, Jalan Lima Off,
Jalan Chan Sow Lin
55200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 - 9224 6222
Website: <https://emc.capital/>
E-mail: investor_relations@emc.capital

Registered Office

18-2, Jalan 2/114
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 - 7984 2018

Share Registrar

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3 Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 - 2783 9299
Email: is.enquiry@my.tricorglobal.com

Auditors

ChengCo PLT
8-2 & 10-2, Jalan 2/114
Kuchai Business Centre
Jalan Klang Lama
58200 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 - 7984 8988

Principal Bankers

Alliance Bank Malaysia Berhad

Sponsor

Mercury Securities Sdn. Bhd.
L-7-2, No. 2 Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No.: 03 - 6203 7227

Stock Exchange Listing

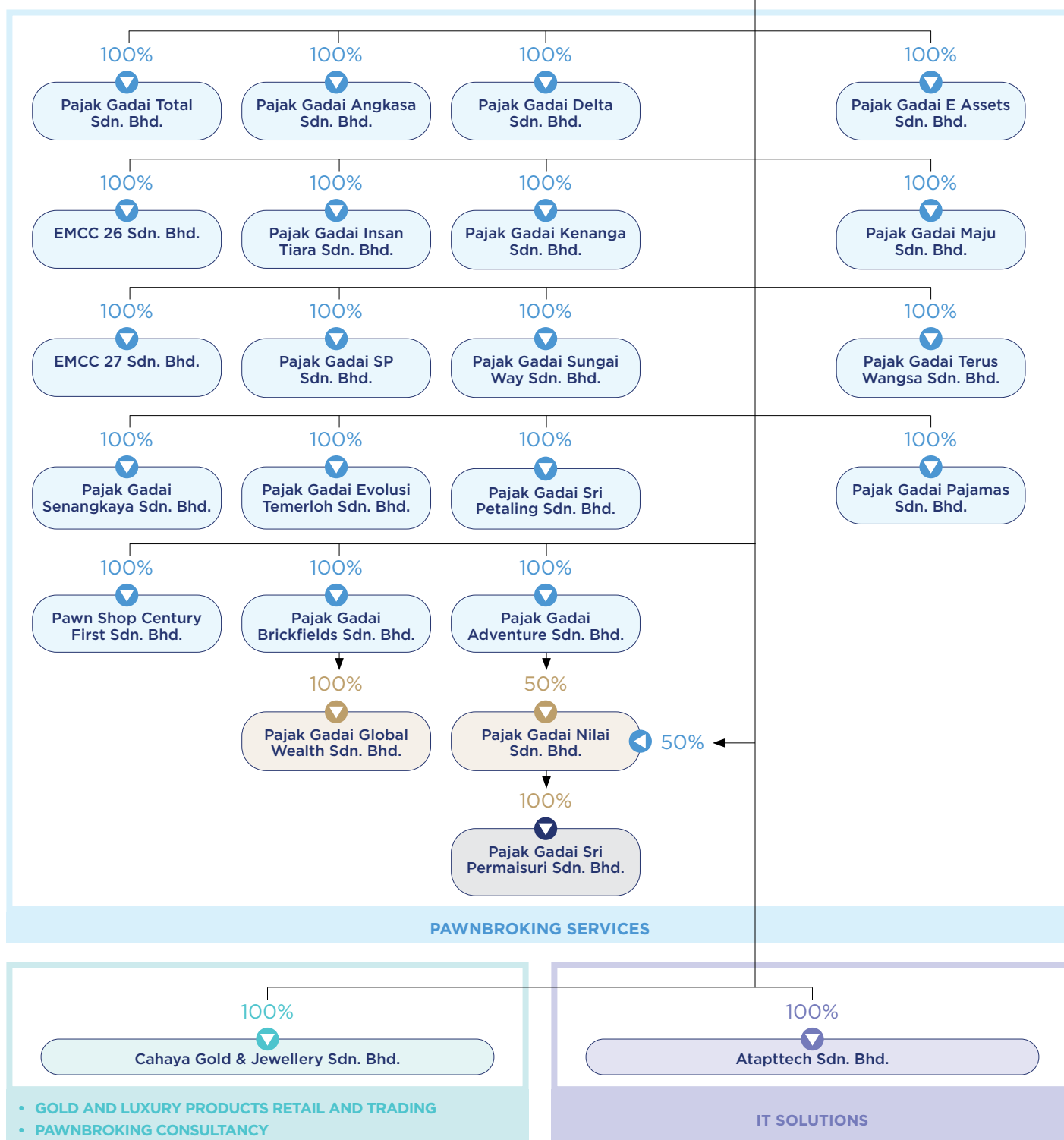
ACE Market of Bursa Malaysia
Securities Berhad
Stock Name: EMCC
Stock Code: 0286
Listed on 26 September 2023

Corporate Structure

As at 1 April 2024

EVERGREEN MAX CASH CAPITAL BERHAD

(Registration No. 202101028602 (1428902-D))



5 Years Group Financial Highlights

Financial Year Ended 31 December

	FYE 2019 ⁽ⁱ⁾ RM mil	FYE 2020 ⁽ⁱ⁾ RM mil	FYE 2021 ⁽ⁱ⁾ RM mil	FYE 2022 ⁽ⁱ⁾ RM mil	FYE 2023 ⁽ⁱⁱ⁾ RM mil
Financial Results					
Revenue	14.8	24.4	60.9	67.2	97.5
Gross Profit	4.0	10.5	18.6	23.4	32.5
Profit Before Tax	1.8	9.2	15.6	24.2	22.1
Profit Attributable to Owners of the Company (Net Profit)	0.8	6.3	12.0	20.1	15.8
Financial Position					
Shareholders' Funds	67.7	76.4	108.1	128.1	213.8
Total Assets	120.5	134.2	160.1	212.4	281.4
Net Current Assets	54.1	83.4	108.3	159.7	237.9
Total Borrowings	13.0	20.2	25.0	66.9	47.9
Cash and Cash Equivalents	1.2	2.4	3.3	17.3	34.8
Financial Ratio					
Basic Earnings per Share (sen)	0.1	0.7	1.4	2.4	1.7
Gross Profit Margin (%)	27.0%	43.0%	30.5%	34.9%	33.3%
Net Profit Margin (%)	5.4%	25.8%	19.7%	29.9%	16.2%
Net Gearing Ratio (times)	0.2	0.4	0.3	0.5	0.2

Notes:

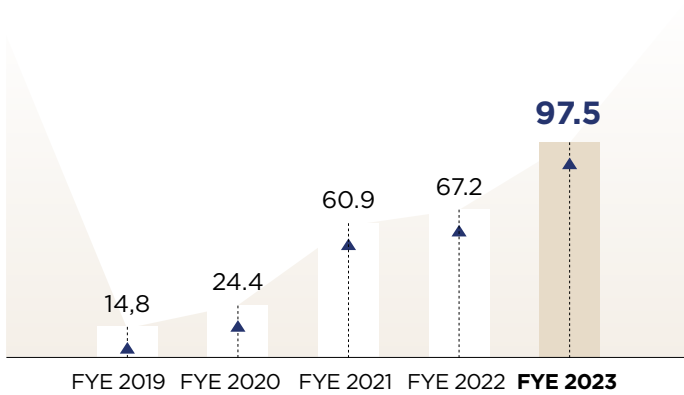
(i) Financial results for the FYE 2019 to FYE 2022 are presented on a combined basis as set out in our Prospectus dated 29 August 2023.

(ii) Financial results for the FYE 2023 are presented on a consolidated basis as set out in this audited financial statement.

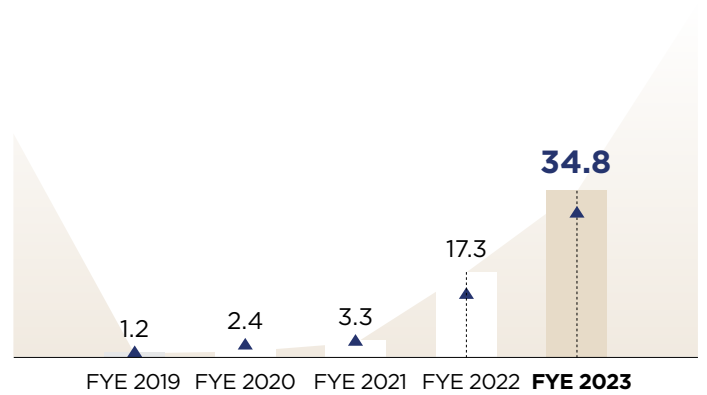
5 Years Group Financial Highlights

Financial Year Ended 31 December

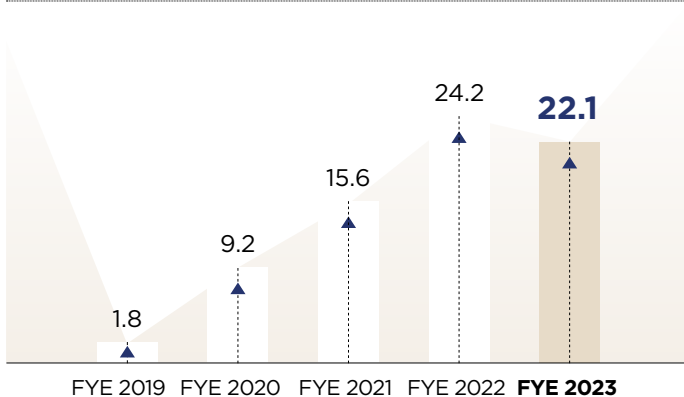
REVENUE (RM Million)



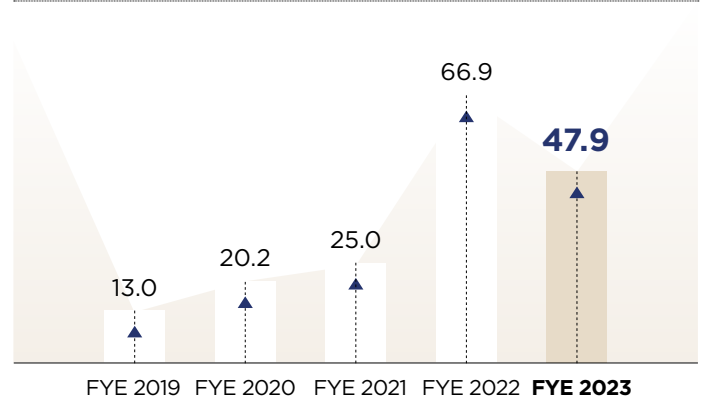
CASH AND CASH EQUIVALENTS (RM Million)



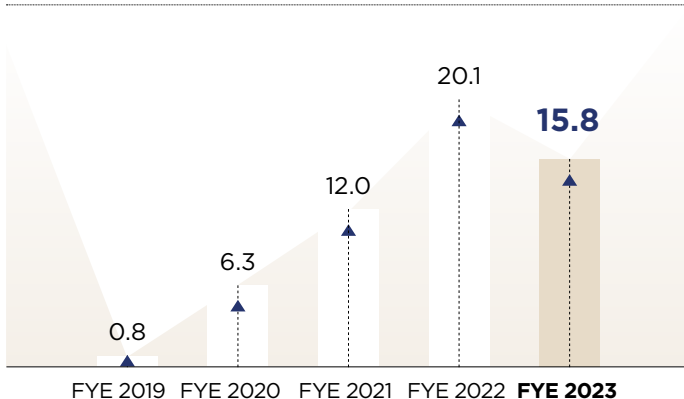
PROFIT BEFORE TAX (RM Million)



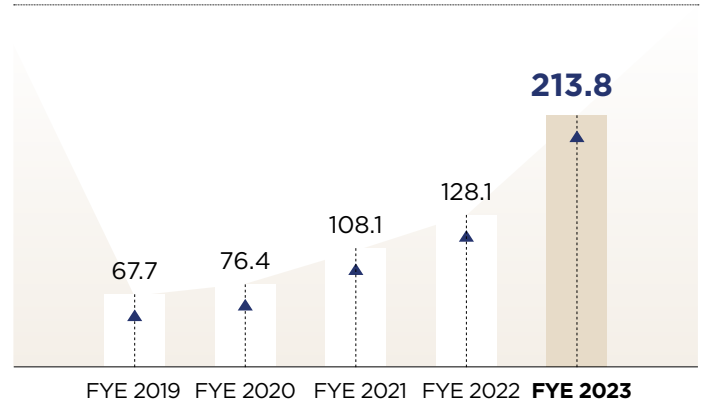
TOTAL BORROWINGS (RM Million)



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (NET PROFIT) (RM Million)



SHAREHOLDERS' FUNDS (RM Million)



Board of Directors



**DATO' MOHD AZFAR BIN
MOHAMED**
Independent
Non-Executive Chairman



DATO' LOW KOK CHUAN
Non-Independent Executive Director/
Group Managing Director



**DATIN FADZLULLAILY BINTI
YAKOB**
Non-Independent
Non-Executive Director



CHOW LAI MUN
Independent
Non-Executive
Director

- Chairman
- Group Managing Director
- Independent Non-Executive Director
- Non-Independent Executive Director



DATIN TEA GUAT NGO

Non-Independent
Executive Director



HONG BOON TOH

Independent
Non-Executive Director



LOW KAI LOON

Non-Independent
Executive Director



KENNETH CHAI CHUAN TEONG

Independent
Non-Executive Director

Directors' Profile

DATO' MOHD AZFAR BIN MOHAMED

Independent
Non-Executive Chairman

Age: 40

Gender: Male

Nationality: Malaysian

Dato' Mohd Azfar Bin Mohamed is our Independent Non-Executive Chairman. He was appointed to our Board on 20 May 2022.

Dato' Mohd Azfar Bin Mohamed graduated with a Bachelor of Civil Engineering from the Universiti Tenaga Nasional in 2006 and he is a Certified Planning Engineer, as well as a Certified Project Risk Manager by the American Academy of Project Management since 2019.

Dato' Mohd Azfar Bin Mohamed began his career in 2006 as a Civil Engineer of HSS Integrated Sdn. Bhd. whereby he was primarily responsible for the conceptualisation and preparation of the overall engineering design for waterworks and sewerage systems. He then moved on to Tenaga Nasional Berhad in 2008 as a Project Lead under the Centre of Expertise/Major Project Department where

he served as the lead liaison with the Pahang State Government, as well as Team Lead for project risk assessment and management of several construction projects in the state of Pahang. He left Tenaga Nasional Berhad in 2021 and is currently serving as a consultant or Director of several construction and plantation companies in Malaysia.

Dato' Mohd Azfar Bin Mohamed has no family relationship with any Directors or major shareholders of our Company.

Dato' Mohd Azfar attended 2 Board meetings held during the FYE 2023.

DATO' LOW KOK CHUAN

Non-Independent
Executive Director/
Group Managing Director

Age: 61

Gender: Male

Nationality: Malaysian

Dato' Low Kok Chuan is our Non-Independent Executive Director cum Group Managing Director. He was appointed to our Board on 1 October 2021 and is primarily responsible for determining our Group's overall strategic business direction, as well as overseeing our Group's overall business operations.

Dato' Low Kok Chuan obtained a Higher Stage Certificate in Accounting from the London Chamber of Commerce and Industry in 1983, followed by a Higher Stage Group Diploma in Accounting in 1984.

Dato' Low Kok Chuan began his career in 1984 as an Internal Auditor at Malaysia Industrial Development Finance Berhad. Dato' Low Kok Chuan left the organisation in 1986 in order to pursue his entrepreneurship career. Between 1986 to 1995, Dato' Low Kok Chuan founded several retail and trading businesses which were mainly in relation to trading of household and outdoor equipment products. Between 1996 to 2004, Dato' Low Kok Chuan were involved in the business of property development.

In 2012, Dato' Low Kok Chuan, together with his spouse Datin Tea Guat Ngo, co-founded PG Insan Tiara Sdn. Bhd., a subsidiary of our Company, in order to venture into the pawnbroking business. This marked the first inception of our Group's "Pajaking" pawnshop in Sungai Besi, Kuala Lumpur.

Under his leadership and strong business acumen, our Group's pawnbroking business has grown significantly from 1 "Pajaking" pawnshop in Kuala Lumpur to now a network of 27 "Pajaking" pawnshops in Kuala Lumpur, Selangor, Negeri Sembilan, and Pahang.

To complement our Group's pawnbroking business, Dato' Low had in 2018 incorporated Cahaya Gold & Jewellery Sdn. Bhd., a subsidiary of our Company, in order to venture into the business of retail and trading of gold and luxury products. To-date, our Group has 15 "Cahaya Gold" retail outlets in Kuala Lumpur that are primarily involved in the business of retail sales of pre-owned and new gold products.

Dato' Low Kok Chuan is the spouse of Datin Tea Guat Ngo, our Non-Independent Executive Director, as well as the parents of Low Kai Loon, our Non-Independent Executive Director.

Both Dato' Low Kok Chuan and Datin Tea Guat Ngo are substantial shareholders of Tirai Anggerik Sdn. Bhd. Tirai Anggerik Sdn. Bhd. is currently a substantial shareholder of our Company.

Dato' Low Kok Chuan attended 2 Board meetings held during the FYE 2023.

Directors' Profile

DATIN TEA GUAT NGO

Non-Independent Executive Director

Age: 61

Gender: Female

Nationality: Malaysian

Datin Tea Guat Ngo is our Non-Independent Executive Director. She was appointed to our Board on 1 October 2021 and is primarily responsible to oversee the overall treasury functions of our Group.

Datin Tea Guat Ngo began her career in 1984 as a general clerk. In 2012, Datin Tea Guat Ngo, together with her spouse, Dato' Low Kok Chuan, co-founded PG Insan Tiara Sdn. Bhd., a subsidiary of our Company, in order to venture into the pawnbroking business. Under their leaderships, our Group's pawnbroking business has grown significantly from 1 "Pajaking" pawnshop in Kuala Lumpur to now a network of 27 "Pajaking" pawnshops in Kuala Lumpur, Selangor, Negeri Sembilan Pahang.

Datin Tea Guat Ngo is the spouse of Dato' Low Kok Chuan, our Non-Independent Executive Director, as well as the parents of Low Kai Loon, our Non-Independent Executive Director.

Both Dato' Low Kok Chuan and Datin Tea Guat Ngo are substantial shareholders of Tirai Anggerik Sdn. Bhd. Tirai Anggerik Sdn. Bhd. is currently a substantial shareholder of our Company.

Datin Tea Guat Ngo attended 2 Board meetings held during the FYE 2023.

LOW KAI LOON

Non-Independent Executive Director

Age: 30

Gender: Male

Nationality: Malaysian

Low Kai Loon is our Non-Independent Executive Director. He was appointed to our Board on 25 April 2022 and is primarily responsible to spearhead our Group's business development activities.

Low Kai Loon graduated with a Bachelor of Science in Economics from the Singapore Management University in 2016. Upon graduation, he joined Trax Capital Sdn. Bhd. as a Corporate Relationship Manager whereby he was primarily responsible to manage the working relationships of the stakeholders of Trax Capital Sdn. Bhd. such as suppliers, financial institutions, insurers, and Government agencies.

In 2021, Low Kai Loon became the Director of Business Development of our Company whereby he was primarily responsible to spearhead our Group's business development activities such as overseeing the setting up and expansion of our Group's "Pajaking" pawnshops and "Cahaya Gold" retail outlets. He is also the key liaison personnel with the principal bankers of our Group.

Low Kai Loon is a child of Dato' Low Kok Chuan and Datin Tea Guat Ngo, both being our Non-Independent Executive Directors.

Low Kai Loon is also a shareholder of Tirai Anggerik Sdn. Bhd. Tirai Anggerik Sdn. Bhd. is currently a substantial shareholder of our Company

Low Kai Loon attended 2 Board meetings held during the FYE 2023.

Directors' Profile

DATIN LAILY (DATIN FADZLULLAILY BINTI YAKOB)

Non-Independent
Non-Executive Director

Age: 50

Gender: Female

Nationality: Malaysian

Datin Fadzlullaily Binti Yakob is our Non-Independent Non-Executive Director. She was appointed to our Board on 20 May 2022. She is currently a member of our Nomination and Remuneration Committee.

Datin Fadzlullaily Binti Yakob graduated with a Bachelor of Economics (Business Administration) from Universiti Malaya in 1998. Upon graduation, she joined Infieldview Technology Shd Bhd as a Marketing Executive. She left the said company in 2001 and moved on to other organisations whereby between 2001 to 2004, she mainly worked as a marketing and administrative officer.

In 2005, Datin Fadzlullaily Binti Yakob joined Syarikat Perumahan Negara Berhad, a corporation owned by the Minister of Finance (Incorporated) and now under the purview of the Ministry of Housing and Local Government, as an Executive. She served the said organisation for approximately 15 years and in various capacities and functions such as spearheading various committees and task forces that involves policy and

procedure development and improvements, as well as project financings. Datin Fadzlullaily Binti Yakob's dedication was recognised through promotions, culminating in her role as Assistant Head of Department at SPNB Aspirasi Sdn. Bhd before leaving in 2020.

In 2018, Datin Fadzlullaily Binti Yakob ventured into financial technology related businesses whereby she founded Atapttech Sdn. Bhd., a subsidiary of our Company, which holds the proprietary pawn processing system of our Group. She had then sold her entire equity interest in Atapttech to our Company in 2020 in order to pursue other financial technology related businesses.

Datin Fadzlullaily Binti Yakob has no family relationship with any Directors or major shareholders of our Company.

Datin Fadzlullaily Binti Yakob attended 2 Board meetings held during the FYE 2023.

CHOW LAI MUN

Independent
Non-Executive Director

Age: 54

Gender: Female

Nationality: Malaysian

Chow Lai Mun is our Independent Non-Executive Director. She was appointed to our Board on 20 May 2022. She is also the Chairman of our Audit and Risk Management Committee, as well as a member of the Nomination and Remuneration Committee.

Chow Lai Mun obtained her Chartered Institute of Management Accountants in 1999 and she has been a member of the Malaysian Institute of Accountants since 2000.

Chow Lai Mun began her career in 1993 as an Audit Assistant. Between 1996 to 2014, she joined various organisations mainly involved in accounting and finance functions. In 2014, she joined Galasys Plc, a software company, as Financial Controller whereby she was primarily responsible for managing the finance functions of the said company. She left the company in 2017 but was retained as coordinator to assist in the preparation of Galasys Plc's financial statements until 2022.

Between 2020 to 2022, she was also engaged by Circle International Holdings Limited, a media technology company, as coordinator to assist in the preparation of its financial statements. She was appointed as Finance Manager of the said company in 2022 but left later in the same year. To-date, Chow Lai Mun has over 30 years of experience in accounting and finance across a multitude of industries.

Chow Lai Mun has no family relationship with any Directors or major shareholders of our Company.

Chow Lai Mun attended 2 Board meetings held during the FYE 2023.

Directors' Profile

HONG BOON TOH

Independent
Non-Executive Director

Age: 50

Gender: Male

Nationality: Malaysian

Hong Boon Toh is our Independent Non-Executive Director. He was appointed to our Board on 20 May 2022. He is also a member of our Audit and Risk Management Committee.

Hong Boon Toh obtained his Bachelor of Business in Accountancy degree from RMIT University in 1997 and he has been a member of the Certified Practising Accountant (“CPA”) Australia, the Malaysian Institute of Accountants, as well as the Chartered Tax Institute of Malaysia since 2000 and 2001. In addition, he was also admitted as a Fellow of CPA Australia in 2021.

Hong Boon Toh began his career in 1997 with Deloitte KassimChan Tax Services Sdn. Bhd. (now known as Deloitte Tax Services Sdn Bhd), before joining LG CNS Malaysia Sdn. Bhd., an information technology service provider, as a Finance Manager in 2004.

In 2006, he joined Crowe Horwath KL Tax Sdn. Bhd. (now known as Crowe KL Tax Sdn. Bhd.) as Senior Tax Manager. He left the tax consulting services in 2008 and joined Sime Darby Berhad, a conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad, as Assistant Vice President in Group Tax.

He left Sime Darby Berhad in 2014 and moved on to S P Setia Berhad, a property development company listed on the Main Market of Bursa Malaysia Securities Berhad, to assume the role as Head of Tax in the same year. In 2022, he left S P Setia Berhad and is currently an Executive Director of 1Advisory Sdn. Bhd., a corporate and tax advisory service provider. To-date, Hong Boon Toh has over 25 years of experience in accounting and finance across a multitude of industries.

Hong Boon Toh was appointed as Senior Independent Non-Executive Director of Systech Bhd on 25 October 2023, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

Hong Boon Toh has no family relationship with any Directors or major shareholders of our Company.

Hong Boon Toh attended 2 Board meetings held during the FYE 2023.

KENNETH CHAI CHUAN TEONG

Independent
Non-Executive Director

Age: 44

Gender: Male

Nationality: Malaysian

Kenneth Chai Chuan Teong is our Independent Non-Executive Director. He was appointed to our Board on 20 May 2022. He is the Chairman of our Nomination and Remuneration Committee, as well as a member of our Audit and Risk Management Committee.

Kenneth obtained his Bachelor of Science in Economics & Management from the University of London, United Kingdom in 2001 and Master of Business Administration (Finance) from University of Leicester, United Kingdom in 2009.

Kenneth began his career in 2001 with Arab-Malaysian Finance Berhad (now known as AmBank Berhad), a financial institution, as an Officer under its Corporate Planning and Services Department. He left the organisation in 2003 and since then, he had moved on to other organisations where he was mainly involved in corporate planning and strategy, corporate finance and investment functions.

In 2019, Kenneth was appointed as an Independent Non-Executive Director of Ageson Berhad, a company listed on the Main Market of Bursa Securities. He resigned from this position in 2021.

In 2020, Kenneth was appointed as the Independent Non-Executive Chairman of Annum Berhad, a company listed on the Main Market of Bursa Securities. He was redesignated as the Independent Non-Executive Chairman in 2021 and he resigned from this position in 2023.

In 2021, Kenneth founded KACE Consultants that provides business and corporate management advisory and consultancy services, and executive and leadership coaching, training and facilitation services. He is a Professional Certified Coach credentialed by the International Coaching Federation (ICF) and one of the nine global Council of Ambassadors of the ICF Foundation. In addition, he is a Certified Sustainability Reporting Specialist and a Certified Sustainability Practitioner by the Institute of Certified Sustainability Practitioners.

Kenneth has no family relationship with any Directors or major shareholders of our Company.

Kenneth Chai Chuan Teong attended 2 Board meetings held during the FYE 2023.

Additional information of the Directors:

- Save as disclosed in the Profile of Directors, none of the Directors has:
 - any directorship in other public companies and listed issuers;
 - any family relationship with any Director and/or major shareholder of EMCC; and
 - any conflict of interest or potential conflict of interest with EMCC.
- None of the Directors has:
 - been convicted of any offences within the past five years other than traffic offences; and
 - been imposed with any public sanction or penalty by the regulatory bodies during the FYE 2023.

Key Senior Management's Profile



SING SUK FUEN

Chief Executive Officer

Age: 47

Gender: Female

Nationality: Malaysian

Sing Suk Fuen was appointed as our Chief Executive Officer on 1 October 2021 whereby she is primarily responsible to oversee our Group's day-to-day operational activities as well as the execution of our Group's business strategies. In addition, she is also responsible for monitoring our Group's business performances as well as providing regular operational updates to our Executive Directors

Sing Suk Fuen began her career in 1995 as an administrative officer. In 1996, she obtained a Diploma in Accounting from London Chamber of Commerce and Industry and thereafter, in 1998, she joined Evergeen Credit Express Sdn. Bhd., a company founded by Dato' Low Kok Chuan, as an Account Executive.

In 2008, Sing Suk Fuen was transferred to Insan Tiara Sdn. Bhd., a related company of Evergeen Credit Express Sdn. Bhd., to assume the role of Chief Operating Officer whereby she was primarily responsible for overseeing the day-to-day operation activities of Insan Tiara Sdn. Bhd. Between 2010 and 2012, she was appointed as the Chief Operating Officer of Pajak Gadai Delta Sdn. Bhd. and Pajak Gadai E Assets Sdn. Bhd., both being the subsidiaries of our Company. In 2013, she was transferred back to Evergeen Credit Express Sdn. Bhd. to serve as its Chief Operating Officer. In 2020, she was transferred to Trax Capital Sdn. Bhd., the former holding company of our subsidiaries, as Chief Executive Officer and later, in 2021, she took on the role as our Chief Executive Officer. Ms. Sing directly holds 5,319,900 ordinary shares representing 0.48% in the Company.

Sing Suk Fuen has no family relationship with any Directors or major shareholders of our Company.



TAN CHAI SEONG

Chief Operating Officer

Age: 54

Gender: Male

Nationality: Malaysian

Tan Chai Seong was appointed as our Chief Operating Officer on 1 October 2021 whereby he is primarily responsible for monitoring our Group's day-to-day business operation activities, as well as overseeing the security of our pawnbroking, as well as gold and luxury products retail and trading businesses

Tan Chai Seong began his career in 1987 as a goldsmith apprentice. In 1989, he joined Pajak Gadai Thong Heng Sdn. Bhd., a pawnshop, as Administrative Assistant. He then left the company in 2005 and joined Pajak Gadai Rakyat Sdn. Bhd., a pawnshop, as Operation Assistant. He left the company in 2012 and joined Pajak Gadai Insan Tiara Sdn. Bhd., a subsidiary of our Company, as a Manager whereby he is primarily responsible for overseeing the company's day-to-day operations and marketing activities. He then progressed to become the Chief Operating Officer of Trax Capital Sdn. Bhd., the former holding company of our subsidiaries in 2020 and later, in 2021, he took on the role as our Chief Operating Officer.

Tan Chai Seong has no family relationship with any Directors or major shareholders of our Company.

Key Senior Management's Profile



HEE CHEE KEONG

Chief Financial Officer

Age: 52

Gender: Male

Nationality: Malaysian

Hee Chee Keong was appointed as our Chief Financial Officer on 1 August 2022 whereby he is primarily responsible for planning and supervising our Group's overall accounting functions as well as managing our Group's corporate exercises. In addition, he is also responsible for overseeing our Group's investor relations activities.

Hee Chee Keong obtained a Diploma in Accounting from the London Chamber of Commerce and Industry in 1992. He then completed his Association of Chartered Certified Accountants in 2000 and was subsequently admitted as a member and Fellow of the Association of Chartered Certified Accountants in 2003 and 2008 respectively. He is also a member of the Malaysian Institute of Accountants since 2001.

Hee Chee Keong began his career in 1992 as a teacher and later in 1993, he joined an audit firm as an Audit Assistant. Between 1995 to 2020, he joined various commercial organisations mainly involved in the accounting and finance functions.

In 2004, he joined Global Soft (MSC) Berhad, a company listed on the ACE Market of Bursa Securities, as the Finance Director whereby he was primarily responsible for overseeing the said company's financial reporting and planning activities. Later in 2009, he was appointed as a Non-Independent Non-Executive Director of Global Soft (MSC) Berhad. He resigned from this position in 2013 and joined Apple Green Holding Inc, which is principally involved in the business of manufacturing of green energy products, as its Chief Financial Officer. He left the said company in 2014 and joined Galasys PLC, a software company, as its Chief Financial Officer.

He left Galasys PLC in 2017 and was appointed as an Independent Director of GreenPro Capital Corp, a company listed on the Nasdaq Stock Exchange. He resigned from this position in 2019 and later in 2020, was appointed as a consultant and corporate adviser of MPS Telecommunication Sdn. Bhd., which is principally involved in the business of trading of telecommunication products.

He left MPS Telecommunication Sdn. Bhd. in 2022 and joined our Company as the Head of Corporate Finance, and was then promoted to Chief Financial Officer in the same year.

Hee Chee Keong has no family relationship with any Directors or major shareholders of our Company.

Save as disclosed in the Profile of key management personnel, none of the key management personnel has:

- (i) any directorships in other public companies and listed issuers;
- (ii) any family relationship with any Directors and/or major shareholders of EMCC;
- (iii) any conflict of interest or potential conflict of interest with EMCC;
- (iv) been convicted of any offences within the past five years other than traffic offences; and
- (v) been imposed with any public sanction or penalty by the regulatory bodies during the FYE 2023.

Management Discussion and Analysis

DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors, I am honored to present the inaugural Annual Report and Audited Financial Results of EMCC for the financial year ended 31 December 2023 (“FYE 2023”).

ATTAINMENT OF LISTING STATUS: A NEW MILESTONE

In 2023, our Group achieved a significant milestone with our successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 26 September 2023. The listing raised RM64.2 million, providing us with the financial flexibility and resources to execute our expansion plans especially for our pawnbroking business. With the funds raised from the IPO, we will embark on our plans to expand our market presence and enhance brand visibility.



(from left to right) Datin Lavinia Tan Poh Choo, Subsidiary Director, Mr. Tea Kain Chuan, Subsidiary Director, Mr. Low Kai Loon, Executive Director, Mr. Chew Sing Guan, Managing Director of Mercury Securities, Dato' Mohd Azfar Bin Mohamed, Chairman, Dato' Low Kok Chuan, Non-Independent Executive Director-cum-Group Managing Director, Datin Tea Guat Ngo, Non-Independent Executive Director, Datin Fadzlullaily Binti Yakob, Non-Independent Non-Executive Director, Ms. Sing Suk Fuen, Chief Executive Officer, Mr. Hee Chee Keong, Chief Financial Officer.

Management Discussion and Analysis

GROUP BUSINESS OVERVIEW

Established since 2012, our Group is principally involved in the pawnbroking business via our network of 27 “Pajaking” pawnshops in Kuala Lumpur, Selangor, Negeri Sembilan and Pahang. To complement our pawnbroking business, we are also involved in the business of retail and trading of gold and luxury products, as well as pawnbroking consultancy services and information technology (“IT”) solutions.



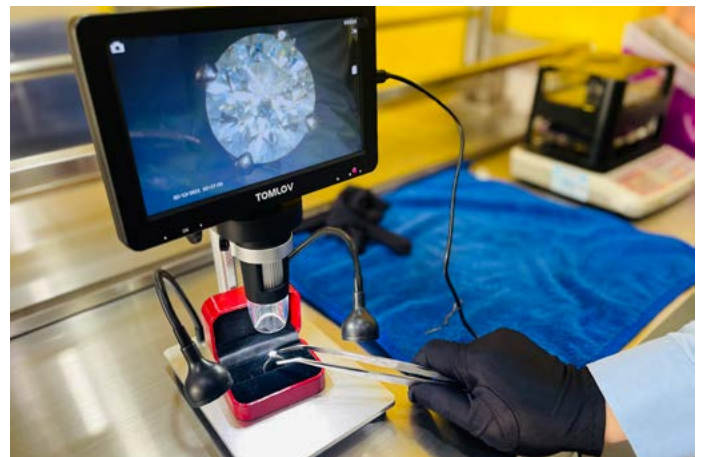
Pawnbroking Services

Pawnbroking services involve the provision of short-term loans secured by collateral. In Malaysia, the Ministry of Housing and Local Government (“KPKT”) governs these services under the Pawnbrokers Act 1972. As a KPKT-licensed entity, we strictly adhere to the regulations outlined in this Pawnbrokers Act 1972.

We have a network of 27 “Pajaking” pawnshops offering pawnbroking services daily to individuals aged 18 and above who require short-term loans. We offer pawn loans with terms of up to 6 months, secured by a range of valuable personal items. Accepted collateral includes gold jewelry, minted gold bars, and luxury products.

Our monthly interest rates range between 1.5% to 2.0% of the pawn loan amount. Each pawnshop determines a fixed interest rate based on factors including local market competition.

Our pawnbroking services fill the gap not served by financial institutions as our pawn loans offer an alternative for the unbanked and underbanked population by allowing them to convert their valuable personal items into cash in order to meet their funding needs. According to Bank Negara Malaysia, approximately 2.3 million people in Malaysia were unbanked in 2021. This translates to roughly 7% of the Malaysian population.



Management Discussion and Analysis



Gold and Luxury Products Retail and Trading

In addition to our pawnbroking services, we engage in the business of retail and trading of gold and luxury products through our “Cahaya Gold” retail outlets. Our 15 “Cahaya Gold” outlets across Kuala Lumpur, Selangor, and Pahang offer both pre-owned gold and luxury items (including unredeemed pledges from our pawnbroking segment) and new gold products sourced from reputable suppliers.

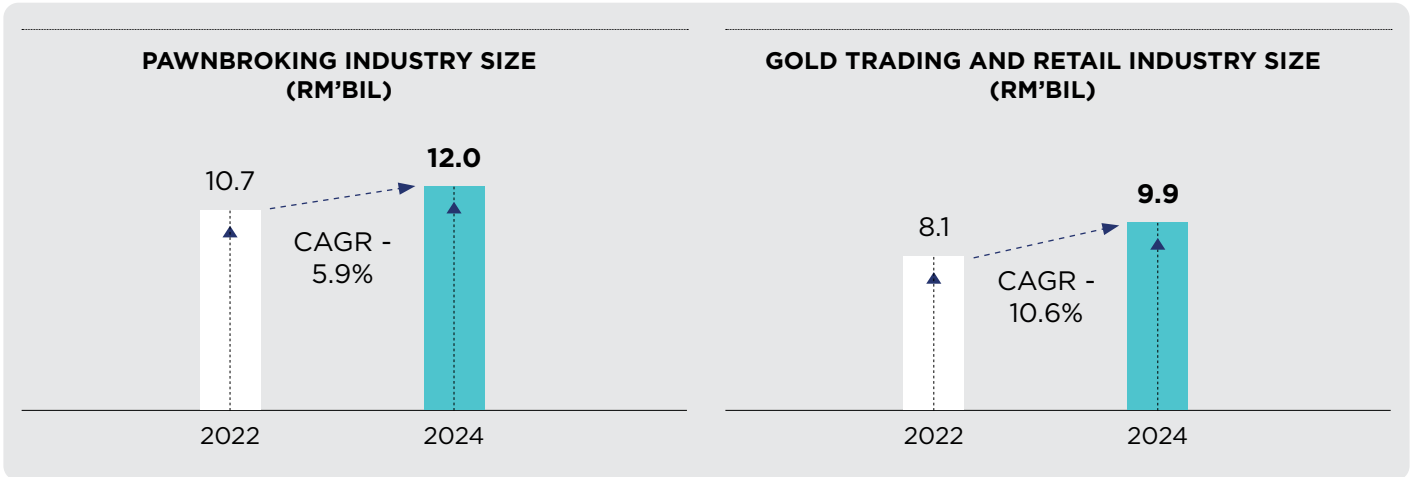
Our retail and trading operations extend online through the “Cahaya Gold” website (<https://cahayagold.com/>) and various social media and e-commerce platforms like Facebook Live, Telegram, WhatsApp, Instagram, TikTok, and Shopee. We also conduct direct sales of pre-owned gold products to gold trading companies, scrap gold collectors, and luxury product retailers.



Overview of Industry Size and Growth in Malaysia

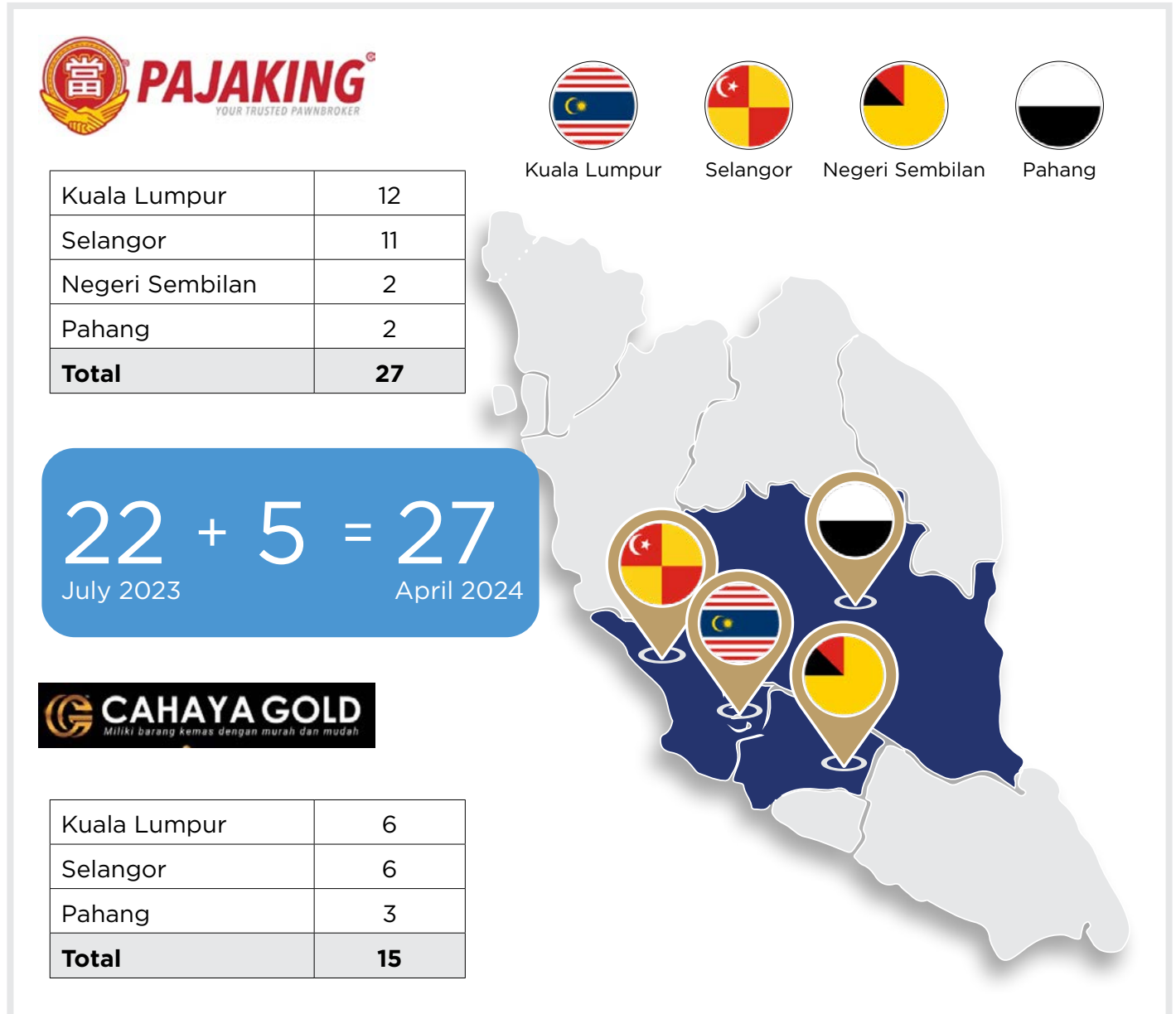
Given that pawn loans are more accessible than those from banks or financial institutions, pawnbrokers’ capacity to process and issue loans on the same day will boost demand for their services. The Malaysian pawnbroking industry is projected to grow at a CAGR of 5.9% from 2022 to 2024, reaching RM12.0 billion by 2024.

Additionally, the demand for gold products is set to increase, driven by a growing working population and sustained economic expansion, which lead to higher disposable incomes. This, in turn, fuels demand for jewellery and gold products. The gold trading and retail sector in Malaysia is expected to expand at a CAGR of 10.6%, from an estimated RM8.1 billion in 2022 to RM9.9 billion in 2024.



OPERATIONAL HIGHLIGHTS

Expansion Plans on Track



As part of our IPO growth plan, we're making significant headway in expanding our pawnbroking footprint. In our prospectus, we stated our plan to establish 5 new "Pajaking" pawnshops in Kuala Lumpur, Selangor, and Pahang by 2024. We're thrilled to announce that we have so far embarked on the acquisition of 5 new pawnshops, which have been completed. This has increased our total number of pawnshops from 22 as at listing to 27 now, giving us the opportunity to better capture a larger market share and significantly enhance our visibility in the pawnbroking industry.

These new locations were carefully selected after thorough evaluation, considering factors such as foot traffic, rental rates, lease duration, and local competition.

Management Discussion and Analysis

The recently completed acquisition of the pawnshops are as follows:-

Company Name & Location	Purchase Consideration	Outstanding Pawn Loans And Pawn Interest Receivables	Net Assets
Acquisitions Completed on 14 Nov 2023:			
	RM mil	RM mil	RM mil
Pajak Gadai Pajamas Sdn. Bhd. (Selangor)	3.8	3.0 ⁽¹⁾	3.0 ⁽¹⁾
Pajak Gadai Sri Petaling Sdn. Bhd. (KL)	1.7	2.7 ⁽¹⁾	2.4 ⁽¹⁾
Acquisitions Completed in 1Q 2024:			
Pajak Gadai SenangKaya Sdn. Bhd. (KL)	2.0	1.4 ⁽²⁾	1.7 ⁽²⁾
Pawn Shop Century First Sdn. Bhd. (KL)	1.4	0.7 ⁽²⁾	0.9 ⁽²⁾
Koperasi Cahaya Al-Kifayah Berhad (Seri Kembangan Branch, Selangor) ⁽³⁾	5.3	0.2 ⁽²⁾	4.2 ⁽²⁾
Pajak Gadai Evolusi Temerloh Sdn. Bhd. (Pahang)	0.1	-	-
Total - 5 pawnshops & 1 outlet	14.3	8.0	12.2

⁽¹⁾ = As at 31 Dec 2022, ⁽²⁾ = As at 31 Dec 2023, ⁽³⁾ Cahaya Gold outlet

Additionally, we have strategically allocated RM30.0 million of our IPO proceeds to increase the cash capital of our existing pawnbroking operations. This enables our “Pajaking” pawnshops to disburse more pawn loans, directly increasing our interest income potential.

Utilisation of IPO Proceeds

All the aforementioned acquisition exercises were funded through a combination of our Group’s internally generated funds and proceeds raised from our IPO, which have been allocated for funding the expansion of our pawnshops. To recap, the utilisation of proceeds from the IPO, amounting to RM64.2 million, along with its utilisation status as of 1 April 2024, are as follows:

Purpose	Proposed Utilisation RM mil	Utilised Amount RM mil	Balance Unutilised RM mil	Estimated Timeframe For Utilisation From The Listing Date
Expansion Of Pawnshops	20.0	9.0	11.0	Within 24 months
Cash Capital For Our Pawnbroking Business	30.0	20.2	9.8	Within 24 months
Repayment Of Bank Borrowings	4.0	4.0	-	-
Working Capital	5.6	5.6	-	-
Estimated Listing Expenses	4.6	4.6	-	-
Total	64.2	43.4	20.8	

Management Discussion and Analysis

REVIEW OF FINANCIAL RESULT FOR THE FYE 2023

Revenue Breakdown by Segment and Gross Profit (“GP”)

	FYE 2022 RM mil	FYE 2023 RM mil	YoY Changes RM mil	YoY Changes
Revenue Breakdown By Segment				
Pawnbroking	28.2	34.0	5.8	20.6%
Gold and Luxury Products Retail and Trading	37.4	62.7	25.3	67.6%
Others	1.6	0.8	(0.8)	(50.0%)
Total Revenue	67.2	97.5	30.3	45.1%
GP	23.4	32.5	9.1	38.9%
GP Margin	34.8%	33.3%	(160bps)	-

(*nm.= not meaningful, bps= basis points)

Operational Highlights	FYE 2022 RM mil	FYE 2023 RM mil	YoY Changes RM mil	YoY Changes
Total Pawn Loans Disbursed	351.2	400.1	48.9	13.9%
Average Gold Prices				
USD Per Ounce	1,825.27	2,063.64	238.37	13.1%
MYR Per Ounce	8,377.99	9,472.11	1,094.12	13.1%
USD/MYR exchange rate	4.59	4.59		
Sales of:				
Unredeemed Pledged Items	82.6 kg	133.0 kg	50.4 kg	61.0%
Pre-Owned Gold Products	46.9 kg	76.5 kg	29.6 kg	63.1%
Unredeemed Pledged Gold Items (in good condition)	33.2 kg	61.8 kg	28.6 kg	86.1%
Pre-Owned Gold Products (sourced from third party pawnshops)	14.3 kg	17.1 kg	2.8 kg	19.6%

Revenue

FYE 2023 saw our Group’s revenue surge by RM30.3 million (45.1%) to RM97.5 million compared to FYE 2022. This positive performance was driven by expansion in the core business segments.

Our pawnbroking segment saw revenue increase by RM5.8 million (20.6%) due to higher pawn loan disbursements of RM48.9 million (13.9%). The increase in pawn loans disbursements was mainly due to the availability of more cash capital for our pawnbroking business through the drawdown of banking facilities.

Additionally, our gold and luxury products retail and trading segment experienced a RM25.3 million (67.6%) topline improvement. This was fueled by increased sales of unredeemed pledged items under our pawnbroking business to gold trading companies and scrap collectors, higher sales of pre-owned gold products sourced from both unredeemed pledges and third parties, and a favorable 13.1% average increase in gold prices.

In tandem with the revenue growth, GP rose by RM9.1 million (38.9%) in line with revenue growth.

Management Discussion and Analysis

Profit/(Loss) Before Tax (“PBT”) and Profit Attributable to Owners of the Company (“Net Profit”)

	FYE 2022 RM mil	FYE 2023 RM mil	YoY Changes RM mil	YoY Changes
Other Operating Income	10.1	1.1	(9.0)	(89.1%)
General and Administration Expenses	(6.4)	(8.1)	(1.7)	nm.
Finance Costs	(2.9)	(3.5)	(0.6)	nm.
PBT	24.2	22.1	(2.1)	(8.7%)
Net Profit	20.1	15.8	(4.3)	(21.4%)

For information purposes, the Audited Financial Statement 2022 recorded a higher other operating income of RM35.3 million mainly due to the recognition of bargain purchase totalling RM 24.7 million which is an accounting gain as a result of adopting the acquisition accounting method in presenting our financial results instead of merger accounting.

FYE 2023 net profit stood at RM15.8 million. The higher net profit recorded in FYE 2022 was mainly attributed to the one-off RM8.9 million gain on disposal of investment properties and other investments in FYE 2022. The increase in general and administrative expenses during FYE 2023 by RM1.7 million was mainly due to a one-off IPO listing costs and impairment of intangible assets.

Cash Flow and Capital Resources

Net Cash from/(used in)	FYE 2022 RM mil	FYE 2023 RM mil	YoY Changes RM mil	YoY Changes
Operating Profit Before Working Capital Changes	21.9	30.0	8.1	36.9%
Operating Activities	(27.4)	(8.7)	18.7	nm.
Investing Activities	13.1	(3.4)	(16.5)	nm.
Financing Activities	32.1	27.7	(4.4)	(13.7%)
Net (decrease)/increase in Cash and Cash Equivalents	17.9	15.5	(2.4)	(13.4%)

During the FYE 2023, our Group reported a net increase of RM15.5 million in cash and cash equivalents, similar to the RM17.9 million increase recorded in FYE 2022.

Operating profit before working capital changes increased by RM8.1 million, reaching RM30.0 million in FYE 2023. This growth underscores the sustainability and profitability of our businesses, including our core pawnbroking operations. The changes in working capital, primarily due to an increase in pawn receivables as we expand our pawnbroking business and disburse more loans, resulted in negative operating cash flows during the financial years under review.

As such, the inherent nature of pawnbroking, where pawn loan disbursements are recorded as operating cash outflows while cash and capital injections are classified as financing cash inflows, explains the negative operating cash flows observed during our growth phase.

The RM3.4 million cash outflow used in investing activities is primarily due to our expansion efforts during the year. These efforts included the acquisition of subsidiaries, as well as the addition of right-of-use assets. Additionally, the FYE 2022 included a one-off gain of RM8.9 million from the disposal of investment properties, contributing to a higher net cash flow increase in that year.

Cash flow from financing activities remained relatively stable, reflecting our disciplined financial management. We maintain tight control over our financing activities. While last year included a larger drawdown due to drawdown of the new bank facilities, we subsequently repay from our own generated funds before the IPO.

Management Discussion and Analysis

Balance Sheet

Net Cash from/(used in)	FYE 2022 RM mil	FYE 2023 RM mil	YoY Changes RM mil	YoY Changes
Total Assets	212.4	281.4	69.0	32.5%
Cash and Bank Balances	17.3	34.8	17.5	101.2%
Total Liabilities	84.3	67.6	(16.7)	(19.8%)
Total Equity	128.1	213.8	85.7	66.9%
Total Borrowings	66.9	47.9	(19.0)	(28.4%)
Gearing Ratio	0.5	0.2	(0.3)	(60.0%)

As of 31 December 2023, EMCC's total assets stood at RM281.4 million, representing a 32.5% YoY increase from RM212.4 million in FYE 2022. This was primarily due to higher trade and other receivables, as well as larger cash and bank balances. The Group's total cash and bank balances at the financial year under review amounted to RM34.8 million.

Meanwhile, the Group's shareholders' equity also grew 66.9% YoY to RM213.8 million from RM128.1 million in FYE 2022 on the back of higher share capital after our IPO and retained earnings.

The Group's total liabilities decreased by 19.8% YoY to RM67.6 million from RM84.3 million in the previous year. This reduction is due to the utilisation of IPO proceeds to repay bank borrowings and a decreased reliance on borrowing. EMCC strengthened its financial position during the year, with gearing ratio reducing to 0.2x for the FYE 2023.

ANTICIPATED RISKS

Our pawnbroking business requires adequate cash capital to operate and grow

Our pawnbroking business are reliant on adequate cash capital to fund pawn loan disbursements. Insufficient cash capital would directly limit our ability to meet rising customer demand and hinder the growth of our businesses. Furthermore, delays in selling unredeemed pledges through "Cahaya Gold" could slow down the cash recovery process for our pawnshops, affecting their liquidity. We strategically allocated a portion of our IPO proceeds to bolster cash capital for existing pawnshops.

To ensure operational efficiency and financial resilience, we consistently monitor our financial position and cash flow. Our future growth depends on securing additional funding to meet our cash capital needs.



Management Discussion and Analysis

We are subject to volatility in the price of gold

Our Group's nature of business inherently exposes us to fluctuations in the price of gold. As a globally traded commodity, gold prices are influenced by various factors beyond our control, including supply and demand, inflation, USD exchange rates, interest rates, and global political and economic conditions.

While the market price of gold has exhibited a general upward trend, there's no guarantee this trend will continue. In the event of a sudden and/or prolonged downward movement in gold price, the profitability of our gold products retail and trading business may also be adversely impacted.



We are exposed to physical security vulnerabilities

We are exposed to physical security risks inherent in our pawnbroking, gold, and luxury product retail and trading businesses, which entail safeguarding cash and valuable items. These risks encompass burglary, theft, robbery, or misappropriation of assets. While we have not experienced any security incidents so far, we remain cognisant of the ongoing potential for such risks.

To mitigate these risks, we have implemented a comprehensive cash and pledge management policy, as well as security and loss prevention measures at all our "Pajaking" pawnshops and "Cahaya Gold" retail outlets. Additionally, we have obtained special contingency insurance policies, including pawnshop insurance for our pawnshops and jeweller's block insurance for our "Cahaya Gold" outlets. These policies provide coverage for various risks such as damages to pledged items, theft, and robbery.



We are subject to changes in the economic landscape, political situation and regulatory requirements in Malaysia

We are exposed to fluctuations in the economic, political, and regulatory landscape in Malaysia, where all our business operations are based. Any shifts in economic conditions, political stability, or regulatory requirements—such as amendments to laws and regulations, changes in fiscal or monetary policies, or alterations in the political environment—could significantly affect our business, financial performance, and expansion initiatives.



Moreover, as we obtain cash capital through various means, including borrowings, any adverse changes in credit conditions—such as stricter lending requirements—may hinder our ability to raise additional funds for our pawnbroking business. Additionally, any upward adjustments in overnight policy rates could lead to increased finance costs, thereby impacting our financial performance.

Management Discussion and Analysis

MOVING FORWARD

Despite escalating global uncertainties, Malaysia's economy remains resilient. The gross domestic product (“**GDP**”) is forecast to expand by 4 - 5% in 2024, fueled by robust domestic demand.

Historically, demand for pawnbroking services persists throughout economic cycles, as these services offer accessible short-term financing options. Our strategically located pawnshops in high-traffic areas position us favourably to capitalise on this demand, and we are well positioned to exploit the growth opportunities presented by our rapid expansion of pawnshops.

Notwithstanding, we remain committed to provide alternative funding solutions for the unbanked and underbanked population. Our goal is to continue growing our network of pawnshops, extending our reach to serve more Malaysians who are in need of financial assistance. We will also leverage on digital marketing, social media, and e-commerce platforms to enhance our brand visibility and better engage with our customers. Superior customer service remains paramount to our growth strategy.

APPRECIATION

On behalf of the Board of Directors, I extend sincere gratitude to all our employees and management for your unwavering dedication, commitment, and diligent efforts. Your contributions have been instrumental in preserving our market leadership as we continue to expand.

I also express appreciation to our esteemed board members, shareholders, clients, distributors, suppliers, consultants, bankers, and business partners for their invaluable support. We are deeply committed to foster mutually beneficial relationships aligned with your best interests. Thank you for your support, which have played a significant role in our remarkable achievements and sustained growth.

Sincerely,

DATO' LOW KOK CHUAN

Executive Director and Group Managing Director

Sustainability Statement

INTRODUCTION

Our Company is firmly committed to integrating sustainable practices into its operations. This commitment reflects our dedication to long-term value creation, while contributing to a sustainable future for our stakeholders, communities, and the environment.

As one of the leading pawnbroking service providers in Malaysia, we recognise EMCC's unique role within the socio-economic ecosystem. Financial inclusion remains the core focus at EMCC, as we strive to provide responsible and accessible services to the unbanked and underbanked population, fostering economic empowerment. At the same time, we acknowledge our environmental responsibility and are implementing strategies to minimise our carbon footprint.

As we move along our sustainability journey, we remain resolute in embedding sustainability across EMCC, building a resilient organisation for the future.

This Sustainability Statement ("**SS2023**") represents EMCC's inaugural report on its initiatives and performance in the areas of Economic, Environmental, Social and Governance ("**EESG**") for the financial year ended 31 December 2023 ("**FYE 2023**").

ABOUT THIS STATEMENT

Reporting Scope and Period

This SS2023 covers the reporting period from 1 January 2023 to 31 December 2023, in line with EMCC's financial year.

The scope of this SS2023 incorporates EMCC's sustainability initiatives and progress of all our operations in Malaysia.

Reporting Frameworks and Standards

EMCC's SS2023 has been prepared in accordance with Bursa Malaysia Securities Berhad's ("**Bursa Securities**") ACE Market Listing Requirements ("**Listing Requirements**"), and with reference to the Sustainability Reporting Guide and Toolkits (3rd Edition) ("**Sustainability Reporting Guide**").

Statement of Assurance

This SS2023 has been reviewed and approved by the EMCC's Board of Directors (the "**Board**") on 18 April 2024. Information and data disclosed in the SS2023 has been verified for accuracy by respective data owners and subsidiaries within EMCC.

OUR COMMITMENT TO SUSTAINABILITY

At EMCC, we believe that our long-term success is inextricably linked to creating a more sustainable and equitable future. We aim to embed sustainability principles into our business operations by promoting ethical practices, environmental responsibility, and positive contributions to our communities.



Our Vision

Our vision is to become an industry leader in pawnbroking, while aiming to be the most trusted and reliable financial partners for our customers at every stage of their lives.



Our Mission

Our mission is to be a strong and reputable provider of microcredit financing solutions, and an experienced pawnbroker. Also, we aim to leverage on the different strengths of our subsidiaries for maximum performance.

Sustainability Statement

SUSTAINABILITY GOVERNANCE

The Board recognises the importance of a robust governance structure, driving action and accountability at every level. Our governance framework ensures that sustainability considerations are embedded in our decision-making processes.

This is achieved through enforcing clear and comprehensive policies and procedures, serving as overarching principles at EMCC. We also establish well-defined roles and responsibilities to further solidify our framework.

The Board spearheads EMCC's sustainability agenda, providing strategic direction and oversight on EESG matters. They are supported by the Key Senior Management ("KSM"), and Head of Departments ("HOD"), who are responsible for ensuring the effective implementation, monitoring, and reporting of our sustainability efforts.

The Board of Directors

Spearheads EMCC's sustainability agenda, providing strategic direction and oversight on EESG matters.



Key Senior Management

Support the Board of Directors in the development of sustainability strategies.



Head of the Departments

Responsible for ensuring the effective implementation, monitoring, and reporting of our sustainability efforts.



STAKEHOLDER ENGAGEMENT

Our Group's stakeholders' input is crucial in understanding the impact of our business practices, and shaping our strategies. We communicate with stakeholders to gain insights on their perspectives and incorporate their input into our operations, where applicable. During FYE 2023, we engaged our stakeholders across multiple platforms. Outlined below are the various forms of stakeholder mechanisms and the areas of interest for each stakeholder group.

Stakeholder Group	Type of Engagement	Areas of Interest
Shareholders/Investors	<ul style="list-style-type: none"> Annual General Meeting Bursa Malaysia announcements Meetings and briefings Corporate website 	<ul style="list-style-type: none"> Business continuity Business performance and financials Corporate governance
Customers	<ul style="list-style-type: none"> Regular engagements Customer satisfaction surveys 	<ul style="list-style-type: none"> Customer satisfaction Product quality and safety Gold commodity prices Data privacy and security
Suppliers	<ul style="list-style-type: none"> Regular interactions Procurement agreements Business reviews Meetings 	<ul style="list-style-type: none"> Supply chain management Ethical and transparent procurement policies Payment arrangements
Employees	<ul style="list-style-type: none"> Daily interactions Memos and intranet Annual performance reviews Trainings and development sessions Company events 	<ul style="list-style-type: none"> Fair Human Resources policies and practices Health and safety Workplace satisfaction Professional growth Key Performance Indicators Whistleblowing policy
Trade Associations	<ul style="list-style-type: none"> Meetings, e-mails, and telephone calls Corporate website 	<ul style="list-style-type: none"> Government policies Industry initiatives
Government/Regulatory agencies	<ul style="list-style-type: none"> Consultation on regulatory matters Participation in consultations and discussions 	<ul style="list-style-type: none"> Accurate and timely reporting Compliance with local laws and regulations
Local Communities	<ul style="list-style-type: none"> Regular interactions Corporate Social Responsibility events 	<ul style="list-style-type: none"> Social responsibility Job opportunity

Sustainability Statement

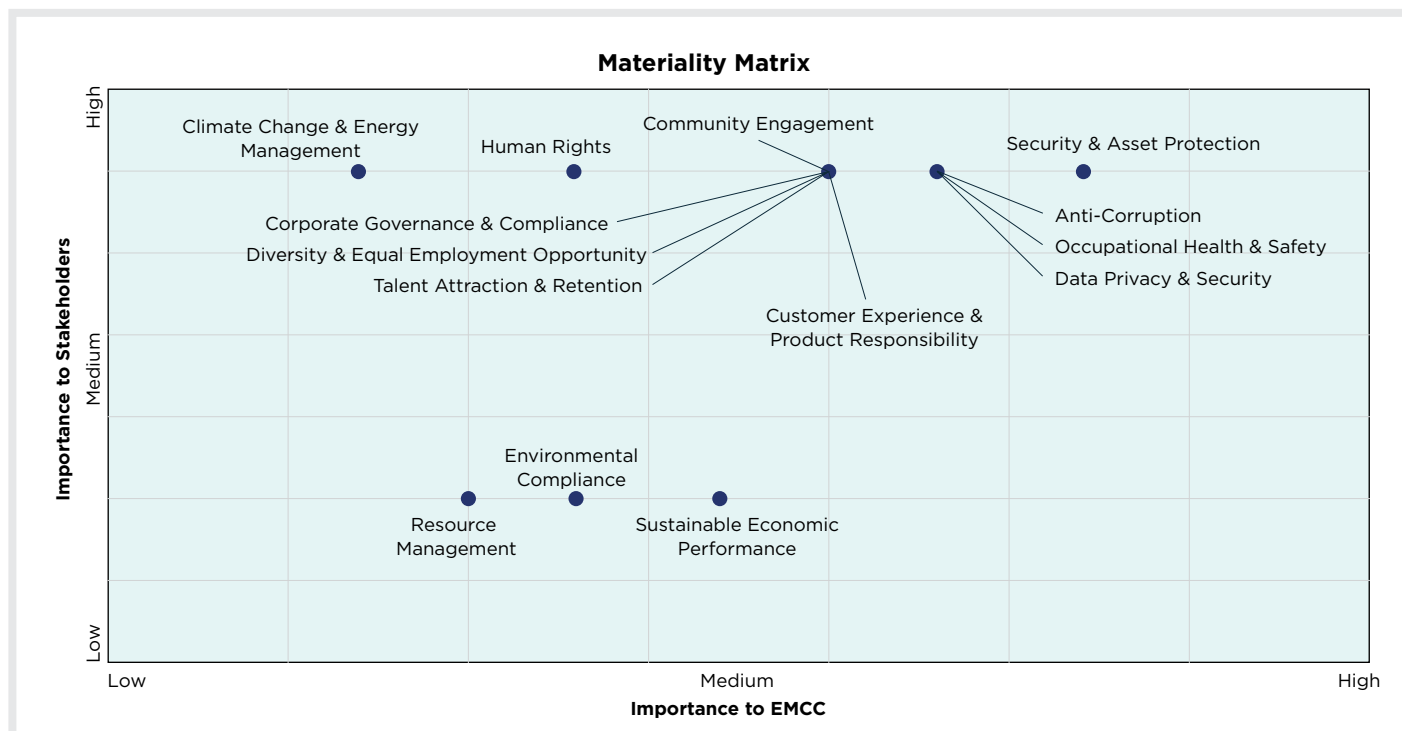
MATERIALITY ASSESSMENT

Materiality assessments are vital in our Group’s value creation journey, helping us pinpoint sustainability matters that are most important to our business, as well as stakeholders. This allows us to make more informed decisions, guiding our Group’s resource allocation and strategic choices. Through this process, we are able to mitigate potential risks, as well as identify opportunities for sustainable growth.

For FYE 2023, we conducted a materiality assessment to identify, categorise, and prioritise EMCC’s EESG topics, following a structured approach guided by Bursa Securities’ Sustainability Reporting Guide.



Based on this assessment, we have prioritised 14 material topics, categorised into 4 sustainability pillars of Economic (E), Environmental (E), Social (S), and Governance (G). The following materiality matrix depicts the outcome of the materiality assessment, illustrating the significance of each EESG matter from the perspective of EMCC and its stakeholders.








ECONOMIC

SUSTAINABLE ECONOMIC PERFORMANCE

At EMCC, we understand that our financial health directly impacts our ability to deliver value to our stakeholders, fuel innovation, and contribute to the broader economy. Thus, by strengthening our business and financial performance, our Group is able to provide greater shareholder returns; meet our obligation to financiers; contribute tax revenue that supports job creation and infrastructure; and invest in communities through donations and partnerships.

ECONOMIC VALUE DISTRIBUTED IN 2023

 <p>Operating costs RM76.6 million</p>	 <p>Payment to Government Taxes RM6.2 million</p>	 <p>Employee Wages & Benefits RM6.4 million</p>
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This commitment to responsible growth also drives our focus on financial inclusivity. As an alternative financial services provider, we endeavour to promote financial inclusiveness by providing convenient and accessible source of credit to individuals that are unserved or underserved by traditional banking systems. This empowers them to meet financial needs by pledging their assets. Currently, our network of 27 “Pajaking” pawnshops and 15 “Cahaya Gold” outlets serve customers across Malaysia.

More information on EMCC’s financial and business overview for FYE 2023 can be found in this Annual Report’s Management Discussion & Analysis section.

Membership of Associations

EMCC is a member of industry associations. This participation allows us to stay ahead of the curve within the pawnbroking sector, proactively addressing industry-specific issues, and identifying new opportunities for growth.

- Malaysia Pawnbrokers Association
- Licensed Money Lenders Association
- Malaysian Employers Federation



27
PAWNSHOPS



15
OUTLETS

Sustainability Statement

ASSET PROTECTION & SECURITY

As a pawnbroking group, EMCC's commitment to security is as valuable as the assets we protect. We understand that the trust our customers place in us demands robust measures to safeguard cash, luxury items such as gold, and pledged items, as well as to prevent any unlawful activities.

Across our "Pajaking" pawnshops and "Cahaya Gold" retail outlets, we have established a multi-layered security system designed to deter and mitigate risks such as burglary, theft, and asset misappropriation.

Cash Management

We enforce strict cash management protocols at all pawnshops. A cash ceiling policy limits on-site cash holdings, with daily deposits of excess funds into secure accounts.

At our pawnshops, all transactions are recorded in our pawn processing system, and daily reconciliations with physical cash are mandatory. Further, as part of our safeguarding measures, internal audits are conducted on a regular basis to provide additional verification of the assets held. As for our "Cahaya Gold" retail outlets, we perform daily inventory and cash counts, with records submitted to head office accounting for verification.

Physical Security Measures

We implement robust security measures at all our branches to prevent unauthorised access.

Pledged items at our pawnshops are stored in secure internal cabinets, which reside in fortified strong rooms with 2-tonne doors secured by passcodes and equipped with time-lock systems. Access to the strong rooms and safe cabinets is strictly controlled and limited to authorised personnel. At our "Cahaya Gold" retail outlets, similar security measures are in place to ensure the protection of gold products and cash.

To further strengthen security, we have implemented security systems in all "Pajaking" pawnshops and "Cahaya Gold" retail outlets. This includes the installation of security alarm systems and closed-circuit television ("CCTV") systems to monitor activities within the premises and deter potential security threats.

Insurance

Beyond physical security, we have put in place the necessary insurance policies to protect against losses. For FYE 2023, our "Pajaking" pawnshops are covered by a special contingency insurance policy with total insured sum of RM196.6 million, while our "Cahaya Gold" outlets are protected by jeweller's block insurance with total sum insured of RM5.5 million, mitigating potential losses.

Customer Due Diligence

At the same time, we adhere to rigorous Know-Your-Customer ("KYC") procedures to prevent unlawful transactions. We analyse transactions for irregularities, as our employees are trained to identify and report suspicious activity in line with legal requirements.

In FYE 2023, we experienced zero incidents of burglary, theft, or robbery at any of our "Pajaking" or "Cahaya Gold" premises. Nonetheless, we remain vigilant, and continuously review our measures to maintain a secure environment.

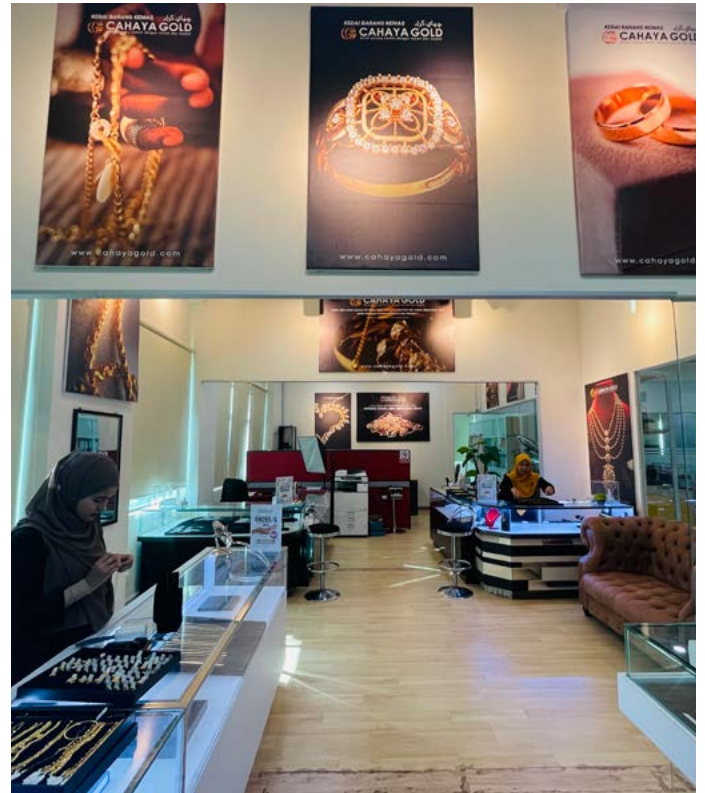


CUSTOMER EXPERIENCE & PRODUCT RESPONSIBILITY

At EMCC, we believe that a good customer experience is important to our long-term success. We focus on building strong trusting relationships with our customers to provide a seamless and positive experience throughout their interactions with us.

We do this by ensuring easy access to the Group's premises, that are strategically scattered at convenient locations across the states of Kuala Lumpur, Selangor, Negeri Sembilan, and Pahang. We are in the midst of expanding our network in the states where we are present in. This will allow us to enhance our accessibility, and serve a wider customer base, strengthening EMCC's presence.

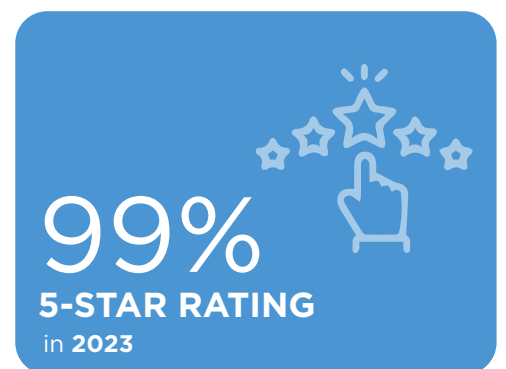
At our outlets, we seek to create a comfortable and secure environment, with our frontline employees well-equipped to serve customers with professionalism. To ensure their expertise, the Group's personnel are required to attend annual training to stay abreast of the latest developments in the pawnbroking industry, and regulatory requirements. This empowers them to provide clear explanations of our pawnbroking terms and processes, ensuring a transparent and informed experience for our customers.



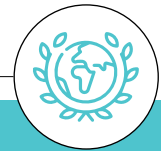
Across our operations, we follow rigorous Quality Assurance (“QA”) and Quality Control (“QC”) procedures designed to safeguard customers, and ensure the authenticity and quality of all items we accept or sell. Our processes involve the verification and assessment by trained personnel, where they conduct careful examinations, including visual inspection, and authenticity checks, among others.

At the same time, we seek to cultivate customer loyalty by offering a range of incentives and programmes. We have a pawnshop membership programme that follows a point collection system, whereby our customers can exchange their points from pawning activities to offset pawn interests. Repeat customers are also offered higher financing margin.

As we progress, we continuously strive to improve our services by listening to our customers. Customers' feedback is collected through Google Business reviews. This input helps us identify areas for improvement, refine our processes, and ensure we consistently evolve to meet the needs of those we serve. For FYE 2023, our “Pajaking” pawnshops achieved a remarkable 99% 5-star rating, with 2,071 customers awarding us the highest score.



Sustainability Statement



ENVIRONMENTAL

Environmental stewardship remains a priority at EMCC. We endeavour to minimise our ecological footprint and promote sustainability across our operations. In the face of pressing global issues like climate change, we actively seek to reduce our environmental impact. This includes taking steps to manage the Group's carbon emissions, optimise energy and water usage, while implementing responsible waste management practices.

ENVIRONMENTAL COMPLIANCE

Throughout FYE 2023, EMCC adhered to relevant environmental laws and regulations, as we commit to maintaining compliance. Our approach is guided by a set of principles that ensure we operate within legal boundaries, while mitigating our ecological impact.

As we progress, we monitor our sustainability performance to identify opportunities to further minimise our carbon footprint.

During the year under review, there were zero major incidences involving fines, penalties, or non-monetary sanctions for non-compliance with environmental laws and regulations.



CLIMATE CHANGE & ENERGY MANAGEMENT

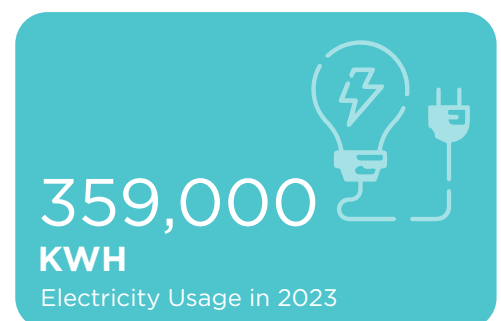
Climate change is a global challenge, with its intensifying impact causing extreme weather patterns, disrupting daily lives and businesses alike. Recognising the collective need to address this, EMCC is committed to play our part in mitigating the effects of climate change, with a focus on energy management.

We understand that energy consumption is a major contributor to environmental impact. With this in mind, we have implemented initiatives to promote energy efficiency across our operations, with the aim of lowering our greenhouse gas (“GHG”) emissions. This includes upgrading to energy-efficient lighting and appliances at our premises.

Besides this, we also promote responsible energy consumption practices among our workforce. Employees are encouraged to adopt simple yet impactful practices, such as turning off lights and equipment when not in use. By empowering our employees to make conscious choices, we foster a collective sense of environmental responsibility within our organisation.

Additionally, we have implemented a low-carbon transportation initiative, providing shuttle services to and from nearby Mass Rapid Transit (“MRT”) and Light Rapid Transit (“LRT”) stations to encourage public transportation use, further minimising the Group's overall carbon footprint.

Moving ahead, we will explore solutions to further lower our carbon footprint, which may involve tracking the Group's GHG emissions.



RESOURCE MANAGEMENT

Water

Water, a critical and limited resource, faces mounting pressure due to climate change worldwide and population growth. Recognising its finite nature, EMCC strives to optimise our water usage and minimise water waste throughout our operations.

We withdraw water from the respective municipal water suppliers in the areas where we operate. The Group's water consumption is monitored, enabling us to identify areas where we can save water and costs. At the same time, we encourage employees at all our locations to adopt water-saving habits.



Waste

EMCC embraces the principles of circular economy, where resources are kept in use for as long as possible.

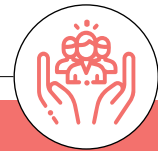
Specifically, we have established recycling systems for paper and plastic waste throughout our facilities, ensuring these materials are responsibly recycled to reduce landfill contributions. We track the amount of paper and plastic we recycle, allowing us to optimise our recycling efforts. To further minimise waste, we encourage paper reduction whenever possible.



For non-recyclable wastes, these by-products are properly handled and disposed to authorised landfills, in accordance with applicable laws and regulations.



Sustainability Statement



SOCIAL

Success at EMCC is measured not just by our financial performance, but also by our social impact. In this respect, we undertake a holistic approach that considers the social well-being of stakeholders. We endeavour to foster a safe and thriving workplace that promote diversity, while making meaningful contribution to our communities.

HUMAN RIGHTS

Protecting basic human rights is a core pillar of our sustainability pledge. At all times, EMCC ensures human rights are upheld throughout our operations, fostering a workplace built on respect, dignity, and fairness.

The Group's Employee Handbook reinforces these principles, ensuring adherence with local laws and regulations. It outlines our labour policies and procedures, addressing matters in relation to fair wages, working hours, and employment benefits, among others. The Handbook is communicated to all new hires, and they are required to formally acknowledge their understanding, ensuring a workforce aligned with EMCC's values.

We have a zero-tolerance approach to discrimination and unfair treatment. The Group's policies and practices are designed to protect the rights and interests of our employees, regardless of background, gender, race, religion, or age, to name a few.

In FYE 2023, EMCC complied with all labour laws and regulations, including the Employment (Amendment) Act 2022, which sets minimum wage levels and safeguards against exploitative practices. EMCC also received zero reported discrimination and human rights violation cases during the year.

TALENT ATTRACTION & RETENTION

Attracting Talents

Our employees are our most valuable asset. This is why we are committed to attracting the right talent and fostering an environment where our people can thrive professionally. We believe that by investing in our employees, we invest in the success of our company overall.

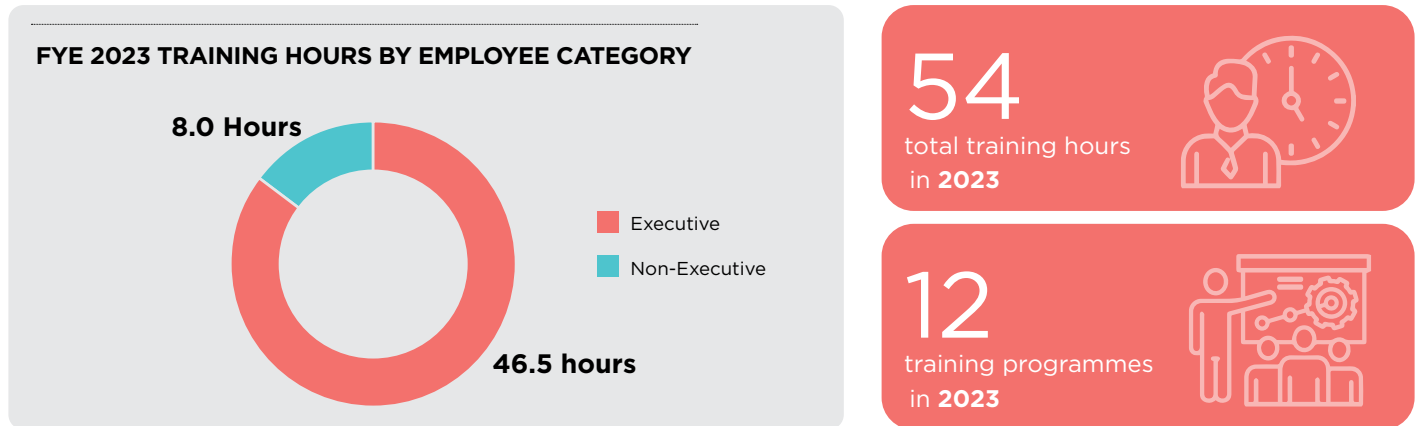
As part of our human resources strategy, we implement a range of initiatives to attract skilled individuals. This includes utilising various recruitment channels, including posting job vacancies on the EMCC's corporate website, through employee referrals, and online job portals, among others. These efforts enable us to connect with a broad pool of potential candidates. Our recruitment process is designed to identify candidates who not only possess the right skills, but also align with our company culture and mission.

- ✓ Adherence to Minimum Wage
- ✓ No Forced Labour
- ✓ Fair Disciplinary Practices
- ✓ Prohibition of Harassment
- ✓ Prevention of Child Labour

Sustainability Statement

Upskilling Our Employees

In FYE 2023, EMCC continued to invest in a diverse range of training initiatives to empower our workforce. These programmes spanned pawnbroking skills development, regulatory compliance, and professional development courses, to name a few. We also prioritise on-the-job training, providing mentorship and guidance from experienced colleagues, allowing employees to gain practical experience.



This commitment to continuous learning ensures EMCC's employees remain adaptable and up-to-date with the evolving operating landscape in the pawnbroking business. This not only allows them to develop their skills, but also create a pathway for a career advancement within EMCC.

Rewarding Our Employees

At EMCC, we provide fair remuneration packages in line with industry standards, along with job benefits including annual leaves, bonus payment, maternity and paternity leave, compassionate leave, and medical coverage, to name a few.

Besides this, we also strive to create a positive work environment through a range of company events in FYE 2023:

- Festive Celebrations**

We embrace inclusivity with events like our festive Chinese New Year dinner and Raya Open House. Our Human Resources team takes meticulous care in selecting venues and food options that cater to the diverse backgrounds of our staff, ensuring that everyone feels welcome.



Sustainability Statement



- **Company Trip to Langkawi**

In FYE 2023, we organised a company trip to Langkawi to express our gratitude for our employees' hard work and dedication. These shared experiences foster camaraderie and a sense of appreciation within our team.



- **Management Luncheons**

During the year, we organised two sessions of management luncheon. These events provide space for open communication and connect our leadership team directly with employees, cultivating a transparent and approachable work environment.

- **Initial Public Offering (“IPO”) Listing Ceremony & Dinner**

In FYE 2023, we celebrated a significant milestone in our journey by hosting an IPO Listing Ceremony & Dinner. This event acknowledged our employees, shareholders, and other stakeholders who have been instrumental in our growth.



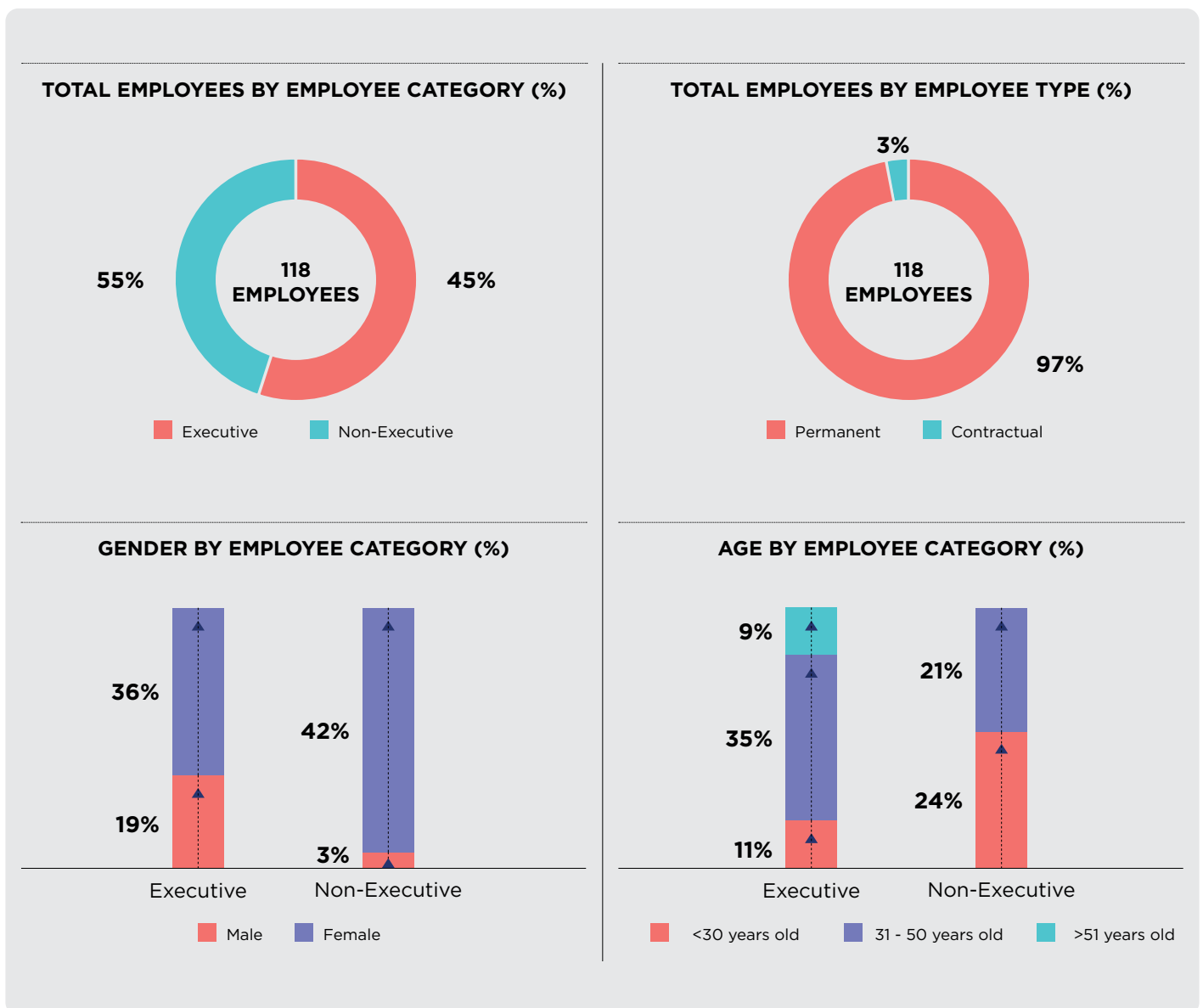
Sustainability Statement

DIVERSITY AND EQUAL EMPLOYMENT OPPORTUNITY

EMCC is dedicated to fostering an inclusive working environment where everyone feels valued and respected. We value diversity, ensuring that our actions promote fairness and equality in the organisation. This is reflected in our recruitment practices, where we ensure fair and unbiased processes in hiring, promotion, and development, providing equal opportunities regardless of gender, age, ethnicity, or any other characteristic. We have a zero-tolerance approach for discrimination or harassment of any kind and encourage open and respectful dialogue across our workforce.

As at 31 December 2023, EMCC's workforce consists of 118 employees, of which 79% are women. This aligns with the Group's customer base we often serve in the pawnbroking industry and enhances our ability to provide empathetic and tailored services.

Meanwhile, 56% of our employees fall within the ages of 31 to 50 years, securing our talent pipeline for EMCC's leadership continuity. The diagrams below showcase the EMCC's workforce profiles.



Sustainability Statement

OCCUPATIONAL HEALTH AND SAFETY

Our pledge to employee well-being extends beyond a positive work environment. We prioritise occupational health and safety (“**OHS**”) as core values, as reflected in the Group’s Safety and Health Policy. As outlined in the policy, we are committed to providing a hazard-free workplace and ensuring compliance with relevant safety laws and regulations. The policy provides an effective framework to cultivate a strong OHS culture throughout the organisation. We proactively mitigate safety risks by conducting regular risk assessment and job hazard analysis, enabling us to identify potential dangers and implement preventive measures. Our policy applies to EMCC’s employees, customers, and visitors.

Upholding safety is a shared responsibility at EMCC. We rely on our employees to actively participate in safety practices. Open communication is critical; employees are encouraged report safety concerns or incidents for prompt investigation and resolution. We have also put in place emergency management strategies to deal with sudden catastrophic events caused by humans or natural forces, such as fires, floods, or explosions. As part of our measures, we aim to conduct periodic fire drills and emergency evacuation drills to ensure emergency preparedness at EMCC. Additionally, a no-smoking rule is enforced at the workplace, contributing to a healthier work environment.

As of FYE 2023, our Group recorded zero work-related fatalities or lost time incidents (“**LTI**”). As we progress, we plan to regularly review and update our safety policies and procedures for continuous improvement.



COMMUNITY ENGAGEMENT

At EMCC, we believe in fostering a connection with the communities we serve. We understand that our success is directly linked to the well-being of those around us and are committed to making a positive impact. This commitment guides our community engagement initiatives.

In this respect, we have allocated an annual budget of at least RM100,000 to support charitable causes and organisations that align with our values. At the same time, we believe in empowering the next generation and offer internship opportunities that provide hands-on experience for aspiring professionals.



GOVERNANCE

Strong governance is the bedrock of our company. Our business abides by relevant laws and regulations through a clear and effective corporate governance system. This includes putting in place internal controls and policies to guide ethical decision-making across the Group.

CORPORATE GOVERNANCE AND COMPLIANCE

A robust corporate governance framework is imperative in ensuring the sustainability and credibility of our business. We operate within a highly regulated pawnbroking industry. As a custodian of our customers' assets, building stakeholder trust is paramount to our long-term success.

EMCC is firmly committed to full compliance with laws governing the pawnbroking and related financial services sectors. This includes strict adherence to the Pawnbrokers Act 1972 and its regulations, the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("**AMLA**"), and the Financial Services Act 2013.

To uphold these responsibilities, we have put in place internal controls including formalising policies and procedures, and raising awareness on governance among our people through training and programmes. The Group's policies provide clear guidelines on fair practices, consumer protection, as well as the prevention of financial crime, among others.

The nature of our pawnbroking and moneylending business require vigilance in preventing money laundering and terrorism financing activities. To address this, we have developed a robust Anti-Money Laundering and Countering Financing of Terrorism ("**AML/CFT**") Policy and Framework. This ensures we maintain the highest ethical standards and remain a trusted leader within the pawnbroking industry.

As we move ahead, EMCC will continue to review and update our corporate governance framework to reflect evolving regulations and industry best practices.

ANTI-CORRUPTION

We maintain a zero-tolerance approach to unethical business conducts, including all forms of bribery and corruption. This steadfastness is mandated by our Group's Anti-Bribery and Corruption ("**ABC**") Policy, which complies with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. Apart from our directors and employees, the policy also applies to the Group's business associates and third-party intermediaries. All employees are required to declare that they have read, understood and will abide by the guidelines in the ABC Policy. We make the policy available through our corporate website and internal communication, accessible to both internal and external stakeholders.

As one of the reporting institutions under Bank Negara Malaysia's AML/CFT compliance programme, our employees are required to adhere to AMLA. As such, we provide anti-bribery and anti-corruption training, including on AML/CFT policies designed to raise awareness among our workforce. We have also uploaded the relevant materials on the cloud for our employees to access at any time.



Anti-Bribery and Corruption Policy



Data Protection Policy



Whistleblowing Policy



AML/CFT Framework/Policy

Sustainability Statement

Our commitment to combating corruption goes beyond policies and awareness training. We have established a Whistleblowing Policy and clear procedures for employees to report suspected wrongdoing confidentially and without fear of retaliation. The Group's Whistleblowing Policy is updated from time to time to maintain relevancy. It is available for reference on EMCC's corporate website.

During the year, we received zero fines, penalties, or settlements from regulatory authorities in relation to corruption. There were also zero anti-money laundering and financing terrorism non-compliance case in FYE 2023.



DATA PRIVACY & SECURITY

At EMCC, we understand the critical importance of data privacy and security. We take our responsibility to protect sensitive customer information seriously, just as we safeguard EMCC's proprietary pawn processing system, which is essential to our operations and the services we offer our clients.

Data Privacy

Being in the business of pawnbroking, EMCC is cognisant of the responsibility of handling a wide range of personal data, including customer information. This encompasses financial and other personal details obtained with the full consent of the data owner. In managing this data, we strictly adhere to relevant data privacy laws, such as Malaysia's Personal Data Protection Act ("PDPA") 2010. To ensure data confidentiality, we implement robust protection mechanisms including information and communication technology ("ICT") security systems, and restricted access limited to authorised employees. Moreover, we have also instituted a Data Protection Policy, and PDPA standard operating procedures ("SOPs") to guide our data handling practices.



In FYE 2023, we are pleased to inform that there were zero incidents of data breaches.

Data Security

To facilitate our pawnbroking operations, we utilise the Group's proprietary pawn processing system developed by our subsidiary, Attaptech Sdn. Bhd. ("Attaptech"). This system manages records of pawned items, pawn tickets, customer details, loan amounts, and interest rates. Nonetheless, our system is subject to the risk of security breaches, or system disruptions and breakdowns.

To mitigate our risk, we implement cybersecurity measures and have a disaster recovery plan. In the event of system failure, we have a disaster recovery facility where all our data are backed up in real time. Along with that, we encrypt data transmitted over the internet and engage a third-party service provider to monitor our computer servers for cyberattacks. To date, we have not encountered any cybersecurity breaches, nor prolonged system disruptions or breakdowns.

Corporate Governance Overview Statement

With a rich history and a strong presence in multiple geographic locations in the Klang Valley, Evergreen Max Cash Capital Berhad has positioned itself as a leader in revolutionising the traditional practices of pawnbrokers.

The Board of Directors (“**the Board**”) recognises the importance of upholding good corporate governance and its responsibility in maintaining high standards of accountability and integrity across the Group. The Group remains committed to promoting greater internalisation of corporate governance culture and transparency across the Group, with the aim of enhancing the long-term value of the Group, and maintaining shareholders’ confidence.

This Corporate Governance Overview Statement (“**CG Overview Statement**”) provides shareholders with an overview of the Board’s commitment towards a high standard of corporate governance practices and ethical business conducts for the financial year ended 31 December 2023 (“**FYE 2023**”), in line with the principles and best practices set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”), where possible.

This Statement is prepared in accordance with Rule 15.25 of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), and is to be read together with the FYE 2023 Corporate Governance Report of the Group (“**CG Report**”) which is available on the Group’s website at <https://emc.capital/>.

The CG Overview Statement makes reference to the following three (3) key principles of the MCCG 2021:

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Applicable Period

In view that the Company has only been listed on the ACE Market of Bursa Securities on 26 September 2023 (i.e. “**Listing Date**”), this Statement shall only cover the period from 26 September 2023, being the Listing Date up to 31 December 2023 or where applicable, up to the latest practicable date.

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Roles and Responsibilities

The Board assumes the mantle of governance, leadership, and oversight for the Group. In this capacity, the Board sets the overall strategic direction for the Group, ensuring alignment with long-term interests of stakeholders and evolving market landscape. As the steward of the Group, the Board is entrusted to discharge its fiduciary duties, provide vigilant leadership, as well as uphold ethical practices in order to preserve stakeholders’ interests.

During FYE 2023, the Board adopted the following policies and codes, which are accessible at <https://emc.capital/>:

- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Health and Safety Policy
- Data Protection Policy
- AML/CFT Policy

Corporate Governance Overview Statement

Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has adopted a Board Charter outlining the authority, responsibilities, membership and operation of the Board of the Group's, adopting principles of good corporate governance and practices, in accordance with applicable laws in Malaysia. The Board Charter serves as primary guidance, detailing the roles and responsibilities of the Board in accordance with the principles of good corporate governance set out by regulatory authorities.

As defined in the Board Charter, the Board is accountable to the shareholders for the management and performance of the Group. The full Board Charter can be accessed on the Group's website at <https://emc.capital/>. The charter will be reviewed periodically to ensure relevance with the needs of EMCC, and applicable laws and regulations.

Board Committees

The two (2) Board Committees, namely the Audit and Risk Management Committee ("**ARMC**"), and the Nomination and Remuneration Committee ("**NRC**"), operate within the respective Terms of Reference ("**TOR**") approved by the Board.

The TOR of the respective Board Committees are periodically reviewed and assessed to ensure the TOR remain relevant and sufficient in governing the functions and responsibilities of the Committee concerned. Notwithstanding the above, all Board Committees do not have executive powers, but only the power to make recommendations to the Board. The ultimate responsibility for the final decision lies with the Board.

Separation of Roles of Chairman and Chief Executive Officer / Managing Director

In order to ensure continual effective supervision and accountability of the Board and management, there is a clear division of responsibilities between the Chairman, the Group Managing Director ("**GMD**"), and the Chief Executive Officer ("**CEO**"). The roles of the Chairman and the GMD/CEO are separated and clearly defined to ensure that there is a balance of power and authority in the Board.

Dato' Mohd Azfar bin Mohamed, as the Independent Non-Executive Chairman, who acts independently in the best interest of the Group and is accountable for the stewardship and smooth functioning of the Board and its effectiveness on all aspects of its role.

Whereas, Dato' Low Kok Chuan, the GMD plays a crucial role in shaping the strategic direction and ensuring the overall success of the Group, while Sing Suk Fuen, the CEO oversees the day-to-day operations and businesses, ensuring smooth functioning and alignment with company goals. Both the GMD and CEO maintain open communication with the Board, providing timely and accurate reports on relevant matters.

The Board Charter states that the GMD is responsible for implementing the policies, strategies, and decisions made by the Board. Additionally, the GMD maintains open communication with the Board, providing timely and accurate reports on any material and relevant matters.

Company Secretaries

The Board is assisted by three (3) qualified and competent Company Secretaries who possess valid Practising Certificates issued by the Companies Commission of Malaysia ("**CCM**"). They have the requisite credentials and are qualified to act as company secretary under Section 235 of the Companies Act 2016.

The Company Secretaries are present for all Board and Board Committee meetings and act as an advisory role to the Board, particularly in regard to the Group's Constitution, Board policies and procedures as well as compliance with regulatory requirements, codes, guidance and legislations.

The Company Secretaries also serve as the main point of contact for stakeholders and matters relating to corporate governance. The Board is updated by the Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Corporate Governance Overview Statement

Board Meetings and Access to Information

The Board members have direct and unrestricted access to all the relevant Group's information and the senior key management team to assist in the discharge of the Board's duties and responsibilities.

The Board meets on a regular basis, with a minimum of four (4) scheduled meetings in a financial year to facilitate the discharge of its responsibilities. Non-financial Board papers are to be circulated at least five (5) days prior to the Board meeting. Meanwhile, financial materials must be circulated at least four (4) days in advance. This enables the Directors to have sufficient time to peruse the papers and seek further clarification before each meeting.

Apart from the Board members, Senior Management (“**SM**”) personnel as well as other external professionals may be invited to attend the meetings to furnish the Board with views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

In FYE 2023, a total of two (2) Board meetings were conducted, with full attendance from the Directors.

The proceedings and resolutions of all Board meetings will be minuted by the Secretary of the Board. After obtaining approval from the Board, the minutes of the meeting must be circulated to all Board members within four (4) weeks of the meeting. These minutes will be tabled for confirmation at the following Board meeting, and then signed by the Chairman who presided over the recorded meeting or by the Chairman of the next meeting.

II. Board Composition

Throughout FYE 2023, the Board composition complies with Rule 15.02 of the Listing Requirements, whereby at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors (“**IDs**”), as well as Practice 5.2 and 5.9 of the MCCG, which stipulates that at least 50% of the Board comprises IDs, and at least 30% women directors, respectively.

As at 31 December 2023, the Board comprises eight (8) members, comprising three (3) Non-Independent Executive Directors (“**EDs**”), one (1) Non-Independent Non-Executive Director, and four (4) Independent Non-Executive Directors (“**INEDs**”), as set out below:

No.	Board of Directors	Directorship
1.	Dato' Mohd Azfar bin Mohamed	Independent Non-Executive Chairman
2.	Dato' Low Kok Chuan	Non-Independent Executive Director
3.	Datin Tea Guat Ngo	Non-Independent Executive Director
4.	Low Kai Loon	Non-Independent Executive Director
5.	Datin Fadzlullaily binti Yakob	Non-Independent Non-Executive Director
6.	Chow Lai Mun	Independent Non-Executive Director
7.	Hong Boon Toh	Independent Non-Executive Director
8.	Kenneth Chai Chuan Teong	Independent Non-Executive Director

Corporate Governance Overview Statement

As stipulated in the Board Charter, the Board shall consist of qualified individuals with diverse experience, backgrounds and perspectives. The Board believes its present composition constitutes an optimal size for EMCC's business profile and facilitates the making of informed and critical decisions, reflecting a balanced mix of qualified, skilled and experienced professionals from the fields of economics, engineering, audit and accounting, among others.

The Directors have diverse backgrounds equipped with industry-specific knowledge and experience. The Board's spectrum of skills and experience provides the strength needed to lead the Group forward to meet its goals. The Board is of the opinion that the Directors, with their various backgrounds and specialisations, collectively bring with them the required expertise and experience to discharge the Board's duties and responsibilities effectively. As such, the Group is led and guided by a skilled and capable Board.

The profile of each Director is presented under Directors' Profile on pages 8 to 11 of this FYE 2023 Annual Report.

All the IDs have exercised their independent judgement, where issues were fully discussed and examined after taking into account the long-term interest of shareholders as well as other stakeholders such as the employees, customers and business associates.

The IDs do not participate in the daily operations and management of the Group, and there are no relationships or circumstances which are likely to affect, or could appear to affect, the IDs' judgment. They are pivotal in bringing impartiality and scrutiny to the Board's deliberation and decision-making process, providing effective check and balance in the functioning of the Board to safeguard the interests of all stakeholders.

Tenure of Independent Directors

Under the MCCG, the tenure of an ID should not exceed a cumulative term of nine (9) years. EMCC's Board Charter mandates that all Directors, including IDs, shall retire from office at least once every three (3) years, but shall be eligible for re-election. This ensures that the tenure of IDs do not exceed a cumulative term limit of nine (9) years in accordance with Practice 5.3 of MCCG. Currently, all members of the Board have served for less than three (3) years on the Board.

Upon completion of the nine (9) years, an ID may continue to serve on the Board as a Non-ID upon the recommendation of NRC to the Board for approval. If the Board intends to retain an ID beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process.

Appointment and Re-Election of Directors

The Board is responsible for the appointment and re-election of the Directors to the Board. In accordance with the EMCC's Constitution, one-third (1/3) of the Directors are subject to retirement by rotation such that each Director shall retire from office once (1) in every three (3) years at the Annual General Meeting ("AGM"), but shall be eligible for re-election.

Corporate Governance Overview Statement

Time Commitment

Since Listing on 26 September 2023, there were two (2) Board meetings held during the financial year ended 31 December 2023, and details of Directors' attendance were set out below:

No.	Board of Directors	Attendance
1.	Dato' Mohd Azfar bin Mohamed	2/2
2.	Dato' Low Kok Chuan	2/2
3.	Datin Tea Guat Ngo	2/2
4.	Low Kai Loon	2/2
5.	Datin Fadzlullaily binti Yakob	2/2
6.	Chow Lai Mun	2/2
7.	Hong Boon Toh	2/2
8.	Kenneth Chai Chuan Teong	2/2

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Group. This was reflected in the attendance record of the Directors at Board meetings.

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to ensure they are equipped to carry out their duties effectively and the need to keep abreast of changes in the regulatory and business environments, on sustainability-related matters, as well as new developments within the industry in which the Group operates.

During the financial year ended 31 December 2023, the Directors have attended various training programmes and seminars as follows:

Director	Training / Conference / Forum / Seminar / Webinar / Workshop	Date
Dato' Mohd Azfar bin Mohamed	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 29 March 2023 15 December 2023
Dato' Low Kok Chuan	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 15 December 2023
Datin Tea Guat Ngo	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 15 December 2023
Low Kai Loon	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 29 March 2023 15 December 2023

Corporate Governance Overview Statement

Director	Training / Conference / Forum / Seminar / Webinar / Workshop	Date
Datin Fadzlullaily binti Yakob	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 15 December 2023
Chow Lai Mun	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 15 December 2023
Hong Boon Toh	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Anti-Money Laundering Act 	<ul style="list-style-type: none"> 26 - 27 June 2023 15 December 2023
Kenneth Chai Chuan Teong	<ul style="list-style-type: none"> Anti-Money Laundering Act Anti-Money Laundering Act Navigating The Global Reset Performance Through People: Transforming Human Capital Into Competitive Advantage Dynamic Leader Development: Go Beyond Skills, Develop Capability Unleashing Potential With Coaching Change Vs. The Brain: Why Leading Change Is So Difficult Curiosity: The Key to Improving Engagement, Productivity and Innovation International Coaching Federation Converge 2023 Certified Master Coach Program International Coaching Summit 2023 Sustainability Environment Asia 2023 Securities Commission's Audit Oversight Board Conversation with Audit Committees GRI Sustainability Standards Certified Training 	<ul style="list-style-type: none"> 29 March 2023 15 December 2023 18 January 2023 17 March 2023 26 April 2023 12 May 2023 6 June 2023 6 June 2023 23 to 26 August 2023 19, 20 & 21 July, and 28, 29 & 30 August 2023 16 & 17 November 2023 22 November 2023 27 November 2023 18, 19 & 20 December 2023

All members of the Board had attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

Effectiveness of Board, Board Committees and Individual Directors

The Board, through the NRC, assesses the effectiveness and performances of the Board, including reviewing the required mix of skills and experience of the Board, on an annual basis.

The NRC currently comprises three (3) members, with two (2) being IDs:

No.	Director	Designation	Directorship
1.	Kenneth Chai Chuan Teong	Chairman	Independent Non-Executive Director
2.	Datin Fadzlullaily binti Yakob	Member	Non-Independent Non-Executive Director
3.	Chow Lai Mun	Member	Independent Non-Executive Director

Corporate Governance Overview Statement

The TOR of the NRC is accessible on EMCC's corporate website at <https://emc.capital/>. The Board has stipulated specific TOR for the NRC, covering inter-alia, overseeing the selection and assessment of Directors to ensure Board composition meets the needs of the Group. While the Board considers that its composition and size remain balanced and able to reinforce effective oversight and independent review function, the Board, through the NRC, continues to identify suitable and qualified individuals in meeting the Company's future needs, taking into consideration of diverse perspectives and insights. The Board will utilise a variety of approaches and sources available to identify suitable candidates, which may include sourcing from Directors' network, recommendation of major shareholders, as well as independent sources.

The evaluation forms were circulated to each and every Director for completion. The Directors are required to assess his/her own performance, as well as the performance of his/her peers based on the questionnaire provided. The evaluation results were compiled by the Company Secretaries and tabulated at the NRC Meeting, for the NRC's review.

The NRC was satisfied with the effectiveness of the Board and the Board Committees for FYE 2023, and acknowledged that the Board and the Board Committees have discharged their duties according to their respective Board Charter and Terms of Reference

Annual Assessment on Independence of Directors

The Board, through the NRC, carried out an annual assessment of the independence of the INEDs during FYE 2023.

The criteria used in assessing the independence of the INEDs are based on the definition under Rule 1.01 of the ACE LR and whether the INEDs are able to provide objective and independent views on various issues dealt with at Board and Board Committee level.

The NRC had received assurance from the following INEDs vide their Letters of Declaration, confirming their independence and have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company:-

- Dato' Mohd Azfar bin Mohamed
- Chow Lai Mun
- Hong Boon Toh
- Kenneth Chai Chuan Teong

Based on the outcome of the abovementioned assessment conducted by the NRC for the FYE 2023, the Board was satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

The Board considers that its Independent Directors provide objective and independent views on various issues dealt with at the Board and Board Committee level. All INEDs are independent and free from management. The Board is of the view that the current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

Board Diversity

The Board supports gender diversity at all levels, including the Board. In this respect, the Board encourages equality, diversity and inclusion throughout the organisation, including the selection of Board members and SM to eliminate unlawful discrimination. At present, the Board comprises eight (8) Directors, of whom three (3) are women, translating to 37.5% of woman representation on the Board.

The Board strives to provide timely and transparent disclosures to shareholders. Any changes in the Board are communicated to shareholders via announcements to Bursa Securities' Listing Information Network ("**Bursa LINK**").

Corporate Governance Overview Statement

III. Remuneration

The Board believes in a remuneration package that fairly supports the Directors' responsibilities and fiduciary duties in steering and growing the Group to achieve its long-term goals and to enhance its shareholders' value.

The Board's objective, in this respect, is to offer competitive remuneration packages in order to attract, develop and retain directors of such calibre to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board.

To this end, the Board delegates to the NRC the responsibility to set the principles, parameters and framework relating to the Group's remuneration matters. Each Director is to be fairly remunerated for his or her contribution, taking into account corporate and individual performance.

The remuneration package of the EDs includes fixed salaries, bonuses, and other emoluments, among others. The EDs concerned do not play a part in deciding the remuneration package and shall refrain from discussions relating to their remuneration. The NRC would recommend the remuneration package to the Board for its review.

Meanwhile, Non-EDs, including INEDs, shall be paid fixed fees and meeting allowances. The Board as a whole, with the assistance of the NRC, determines the fees and allowances for INEDs, with each Director concerned abstaining from any decision with regards to his or her own remuneration. The Directors' annual fees shall reflect their respective job scopes and levels of responsibilities.

The Directors have abstained from the deliberation and voting on the agenda item in relation to their individual remuneration. The Directors' remuneration for the financial year ended 31 December 2023 are set out below:

Director	Fees RM'000	Salary RM'000	Bonus RM'000	Total RM'000
Dato' Mohd Azfar bin Mo-hamed	60	-	-	60
Dato' Low Kok Chuan	-	180	15	195
Datin Tea Guat Ngo	-	180	15	195
Low Kai Loon	-	180	15	195
Datin Fadzlullaily binti Yakob	60	-	-	60
Chow Lai Mun	72	-	-	72
Hong Boon Toh	60	-	-	60
Kenneth Chai Chuan Te-ong	60	-	-	60

The key SM's remuneration, who are not Directors of the Company, for the financial year ended 31 December 2023 are set out below (in the band of RM50,000):

Remuneration Band Per Annum	No. of Senior Management
RM150,000 to RM200,000	2
RM200,001 to RM250,000	1

The Board has considered the recommendation by the MCCG to disclose the detailed remuneration of top five (5) SM on a named basis.

The Board is of the opinion that the disclosure of the remuneration of the key SM shall not be on a named basis as it is imperative for the Group to maintain our employees' remuneration private and confidential and avoid discontentment among employees and to further address talent retention issues.

Corporate Governance Overview Statement

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee (“ARMC”)

The Board has established an ARMC, which assists and supports the Board in fulfilling its fiduciary responsibilities in reviewing the audit, recurring audit-related and non-audit services provided by the external auditor.

The ARMC currently comprises three (3) members, all of whom are INEDs:

No.	Director	Designation	Directorship
1.	Chow Lai Mun	Chairman	Independent Non-Executive Director
2.	Hong Boon Ton	Member	Independent Non-Executive Director
3.	Kenneth Chai Chuan Teong	Member	Independent Non-Executive Director

During the year under review, three (3) meetings were held and attended by all members of the ARMC. The TOR of the ARMC is accessible on EMCC’s corporate website at <https://emc.capital/>.

In compliance with Practice 9.1 of the MCCG, the ARMC is chaired by Ms. Chow Lai Mun, which is a separate person from the chair of the Board. Collectively, the ARMC members possess a wide range of necessary skills to discharge their duties and responsibilities. All ARMC members are financially literate and have carried out their duties in accordance with the TOR of the ARMC.

The ARMC members are expected to update their knowledge and enhance their skillsets continuously by attending training programmes from time to time, to keep themselves abreast of the latest developments in accounting and auditing standards, practices and Rules and Regulations.

In compliance with Practice 9.2 of the MCCG, none of the ARMC members were former partners of the Group’s existing auditing firm within the previous three (3) years. This is outlined in the TOR of the ARMC.

Under the TOR, the ARMC is responsible for the nomination, appointment, and re-appointment of external auditors, including the audit fees. The ARMC is accorded the authority to meet with the external auditors without the presence of EDs, at least twice a year.

During FYE 2023, the external auditors had confirmed to the ARMC members of their independence throughout the conduct of the audit engagement for FYE 2023 with EMCC in accordance with the independence criteria set out under the *By Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants.

The ARMC had assessed the objectivity, independence and service quality of the external auditors for FYE 2023, and was satisfied that they were sufficiently resourced and had demonstrated their objectivity, independence and proficiency in carrying out the audit according to the audit scope and plan. With the recommendation from the ARMC, the Board is agreeable and satisfied with the suitability and independence of the external auditors.

Further information on the ARMC are detailed in the ARMC Report on pages 52 to 55 of this FYE 2023 Annual Report.

Corporate Governance Overview Statement

II. Risk Management and Internal Control Framework

The Board is accountable for maintaining a robust risk management and internal control system. The Board, through the ARMC, has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board, and the ARMC on a periodic basis.

To maintain total independence in the management of internal control environment and to remain in compliance with the Listing Requirements, the Group has outsourced its internal audit function to a professional consulting firm, which assists the ARMC in the discharge of its duties.

During FYE 2023, the ARMC reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function of the Group for the FYE 2023 and the internal audit function performed by the internal auditors was satisfactory and adequate.

The Statement on Risk Management and Internal Control is set out on pages 56 to 58 of this FYE 2023 Annual Report, providing an overview of the state of risk management and internal controls within the Group.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of effective dialogue with its stakeholders and is committed to utilise various channels to provide transparent and regular communication with shareholders and other stakeholders on various matters regarding the business, operations and financial performance of the Group.

In line with best practices, the Board strives to disclose relevant information to stakeholders while being mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Board abides by the Corporate Disclosure Guide as issued by Bursa Securities, which is calibrated in line with the disclosure requirements stipulated in the Listing Requirements of Bursa Securities.

The Group maintains various methods of communication with its stakeholders through the following channels:

Announcements to Bursa Malaysia Securities Berhad

The Group strives to provide all material information publicly through Bursa Securities' website on a timely basis, which include quarterly results and full year financial results announcements, and other relevant material transactions undertaken by the Group.

Corporate website

Information of the Group is accessible through the Group's corporate website at <https://emc.capital/>, which has a dedicated Investor Relations section, providing updates on the Group, that is easily accessible by stakeholders.

Corporate Governance Overview Statement

Annual General Meeting

The AGM also serves as a platform and principal forum for dialogue with shareholders, where they will be given the opportunity to clarify any matters on the proposed resolutions. Status of all resolutions tabled at the AGM shall be made public and announced to Bursa Securities at the end of the meeting day. The Summary of Key Matters discussed will be summarised and published on the corporate website at <https://emc.capital/>.

Annual Report

The Group's Annual Report serves as an alternate channel of communication between the Group, its shareholders and stakeholders by outlining a series of comprehensive information of the Group, comprising business overview, financial performance, corporate governance, sustainability management, risk management, internal control system as well as the Group's prospects.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue and interaction with shareholders. In line with Practice 13.1 of the MCCG, the Group endeavours to circulate the Notice of AGM at least twenty-eight (28) days before the AGM to enable shareholders make adequate preparation to attend and participate in the AGM. In addition, the Notice of AGM will be advertised in the newspapers.

The upcoming 2nd AGM will be the first general meeting of the Company since listing on 26 September 2023. All the Directors have expressed their intention to attend and participate in the upcoming 2nd AGM of the Company.

The Chairman will ensure that general meetings support meaningful engagement between the Board, SM, and shareholders. Opportunity is given to the shareholders to ask questions and seek clarification on various matters concerning the Group including the performance and direction moving forward.

The forthcoming 2nd AGM will be held fully virtual and entirely via remote participation and voting. Shareholders are able to attend, speak (including posing questions to the Group/Board of Directors) and vote remotely at the AGM. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to EMCC's share registrar in hard copy or by electronic means.

The Group will conduct poll voting on all resolutions for all general meetings in compliance with the Listing Requirements of Bursa Securities, and the outcome of all resolutions proposed at the forthcoming 2nd AGM will be announced to Bursa Securities accordingly. An independent scrutineer will be appointed to validate the votes cast at the AGM.

Key CG future priorities for FYE 2024

Bursa Securities has on 26 September 2022 issued amendments to the Listing Requirements in relation to enhanced sustainability reporting framework as well as the updated sustainability reporting guide and toolkits (Enhanced Sustainability Disclosures). Taking cue from Bursa Securities' directives and emphasis, ESG adoption and sustainability disclosure shall remain the key CG priority of the Board for FYE 2024.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group shall continue to refine and seek to build upon the enhanced corporate governance practices and procedures in the best interest of our stakeholders. The Group has in all material aspects satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the Corporate Governance Report.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 18 April 2024.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Listing**”) on 26 September 2023. In conjunction with the Listing, the Company undertook a public issue of 267,600,000 new ordinary shares at an issue price of RM0.24 per share, raising gross proceeds of RM64.2 million. The status of the utilisation of the gross proceeds for the financial period/year ended 1 April 2024 is as follows:

Details of utilisation	Propose utilisation RM million	Actual utilisation RM million	Balance unutilised RM million	Estimated timeframe for utilisation upon listing
Expansion Of Pawnshops	20.0	9.0	11.0	Within 24 months
Cash Cash Capital For Our Pawnbroking Business	30.0	20.2	9.8	Within 24 months
Repayment Of Bank Borrowings	4.0	4.0	-	-
Working Capital	5.6	5.6	-	-
Estimated Listing Expenses	4.6	4.6	-	-
Total	64.2	43.4	20.8	

The utilisation of the proceeds as disclosed above should be read in conjunction with the prospectus of the Company dated 29 August 2023.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees payable to the external auditors by the Group and the Company for the financial year ended 31 December 2023 are as follows:

	The Company RM	The Group RM
Audit fees	60,000.0	271,300.0
Non-audit fees	6,000.0	6,000.0
Total	66,000.0	277,300.0

3. MATERIAL CONTRACTS OR LOANS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

Save as disclosed in Note 27 of the audited financial statements for the year ended 31 December 2023, there were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of the directors, chief executive or major shareholders, either still subsisting at the end of the financial period/year ended 31 December 2023 or entered into since the end of the previous period.

Additional Compliance Information

4. RECURRENT RELATED PARTY TRANSACTIONS

Save as disclosed in Note 27 of the audited financial statements, there were no recurrent related party transactions entered by the Company and its subsidiaries during the financial period/year ended 31 December 2023.

5. EMPLOYEES SHARE SCHEME

The Company did not issue any Employees Share Scheme during the financial period ended 31 December 2023.

6. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial year then ended.

During the preparation of the financial statements for the financial year ended 31 December 2023, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

Audit and Risk Management Committee Report

The Board is pleased to present the Audit and Risk Management Committee (“ARMC”) Report to provide insights on the discharge of the ARMC’s functions during the FYE 2023, in compliance with Rule 15.15 of the ACE Market Listing Requirements.

The Board has established the ARMC to assist the Board in discharging its fiduciary and statutory duties and responsibilities relating to financial practices of the Group. In addition, the ARMC also assisted in fulfilling the Board’s stewardship accountability to its stakeholders. The ARMC is committed to its role in ensuring the integrity of the Group’s financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit process, and such other matters that may be specifically delegated to the ARMC by the Board

COMPOSITION OF THE ARMC

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors which satisfied the requirement under Step-Up Practice Note 9.4 of the MCGG. All of the members of the ARMC also satisfied the test of independence under the ACE Market Listing Requirements and met the requirements of the MCGG.

The current composition of the ARMC is as follows:

No.	Director	Designation	Directorship
1.	Chow Lai Mun	Chairman	Independent Non-Executive Director
2.	Hong Boon Ton	Member	Independent Non-Executive Director
3.	Kenneth Chai Chuan Teong	Member	Independent Non-Executive Director

The Chairman of the ARMC, Ms. Chow Lai Mun is an Independent Non-Executive Director, a qualified accountant and is the member of the Malaysian Institute of Accountants since 2000. In this respect, the Company complies with Rules 15.09 and 15.10 of the Listing Requirements. Furthermore, in compliance with Practice Note 9.1 of the MCGG, the Chairman of the ARMC is not the Chairman of the Board.

ASSESSMENT ON THE TERM OF OFFICE AND PERFORMANCE OF THE ARMC

The Nomination Remuneration Committee (“NRC”) had reviewed the term of office and performance of the ARMC as well as whether its members have carried out their duties in accordance with the Terms of Reference (“TOR”) of ARMC for the FYE 2023. Upon review, the NRC is satisfied with the overall performance of the ARMC and its individual members for FYE 2023. The NRC had reported the outcome of assessment to the Board for notation.

ATTENDANCE OF THE ARMC MEMBERS

Since EMCC’s listing on 26 September 2023, the ARMC held a total of three (3) meetings during the FYE 2023 and the attendance of the members during the financial year under review were as follows:

No.	Name of ARMC Members	Attendance
1.	Chow Lai Mun	3/3
2.	Hong Boon Ton	3/3
3.	Kenneth Chai Chuan Teong	3/3

The lead audit partner of the external auditors responsible for the Group had attended one (1) ARMC meeting held in FYE 2023. For FYE 2023, one (1) private session was held between the ARMC with the external auditors without the presence of the Executive Board members and management personnel.

Audit and Risk Management Committee Report

All deliberations during the ARMC Meetings were duly minuted by the Company Secretary in attendance. Minutes of the ARMC Meetings were tabled for confirmation at every succeeding ARMC Meeting.

The Chairman of the ARMC presented the ARMC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of the ARMC would convey to the Board, matters of significant concern raised by the internal and external auditors.

TERMS OF REFERENCE

The ARMC assists the Board to inter alia, fulfilling its oversight responsibilities relating to the corporate accounting, system of internal controls and risk management, management and financial reporting practices, reviewing the Group's quarterly financial results and annual audited financial statements.

The Terms of Reference of the ARMC is available on the Company's website at <https://emc.capital/>.

SUMMARY OF ACTIVITIES OF THE ARMC

During the FYE 31 December 2023 the main activities carried out by the ARMC, amongst others, include the following:

1. Financial Reporting

- a) Reviewed the quarterly unaudited financial results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release of the Group's financial results to Bursa Securities;
- b) Reviewed the annual Audited Financial Statements (“**AFS**”) for the FYE 2023 of the Group before recommending to the Board for approval and inclusion in this Annual Report of the Company to be submitted to Bursa Securities;
- c) Reviewed the Group and the Company's quarterly interim financial statements and related disclosures to ensure a true and fair view of the Group's and the Company's financial position and performance and are in compliance with the applicable approved financial reporting standards in Malaysia as well as the applicable disclosure provisions of the Listing Requirements; and
- d) Reviewed and took note of all related party transactions reported for the FYE 2023 to ensure that the transactions were at arm's length basis and on normal commercial terms.

2. External Audit

- a) Reviewed with the external auditors on their audit scope and audit planning memorandum as well as their proposed fees for the statutory audit of the Group;
- b) Reviewed and discussed with the external auditors of their audit findings and areas of concern inclusive of system evaluation, audit fees, issues raised, significant and unusual events or transactions, audit recommendations and management's response to those recommendations;
- c) Discussed with the external auditors the significant accounting and auditing issues, impact of new or proposed changes in financial reporting standards and regulatory requirements applicable to the Group; and
- d) Evaluated the performance, objectivity and independence of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services for the FYE 2023 and make recommendation to the Board on their re-appointment and remuneration for ensuing year.

Audit and Risk Management Committee Report

The ARMC received confirmation from the external auditors, Messrs. ChengCo PLT that they adhered to 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’ Code of Ethics for Professional Accountants (“**IESBA Code**”) in relation to communication of breaches of auditor independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code.

The ARMC undertook an annual assessment of the performance of the external auditors for the FYE 2023, covering areas such as scope of work, calibre, quality control processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the external auditors. The ARMC was satisfied that Messrs. ChengCo PLT were unlikely to create any conflict of interest nor impair the independence, suitability and performance of Messrs. ChengCo PLT and thus, recommended to the Board to seek shareholders’ approval for the re-appointment of Messrs. ChengCo PLT as external auditors for the ensuing year at the ARMC meeting held on 18 April 2024.

3. Internal Audit

- a) Reviewed and assessed the adequacy of the scope and areas of coverage of the internal audit plan and the proposed internal audit fee for the FYE 2024;
- b) Reviewed the internal audit reports presented by the internal auditors and considered the audit findings and recommendations to improve any weaknesses or non-compliance and the respective management responses thereto; and
- c) Reviewed the effectiveness of the Group’s risk management and internal control system.

4. Recurrent Related Party Transactions (“RRPT”) and Related Party Transactions (“RPT”)

- a) Reviewed the RPTs entered by the Company and the Group and disclosure of such transactions pursuant to Chapter 10 of the Listing Requirements, Financial Reporting Standard 124 and the Companies Act 2016.
- b) Reviewed the Circular to Shareholders in relation to the proposed shareholders’ mandate for RRPT.
- c) Reviewed the processes and procedures in the Policy on RPTs to ensure that related parties are appropriately identified and that RPTs are appropriately declared, approved, and reported.

The ARMC was satisfied that the processes were adequate to ensure the transactions have been made at arm’s length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner. However, the Group did not have any RRPT and RPT transacted during the financial year under review.

5. Other Activities

- a) Reviewed the Company’s compliance with the Listing Requirements, applicable approved financial reporting standards and other relevant legal and regulatory requirements;
- b) Reviewed the Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Controls before recommending to the Board for approval and inclusion in the Annual Report; and
- c) Report to the Board on its activities and significant findings and results.

Audit and Risk Management Committee Report

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The ARMC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function's principal role is to assist the ARMC and the Board in conducting independent assessment and systematic reviews on the Group's internal control system and governance practices, so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The ARMC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The Group has engaged Indah Corporate Governance Sdn. Bhd, an independent and established consulting company specialised in internal audit services as the Internal Auditors of the Company and the Group, to conduct high-level review of the internal control framework of the Group with the objective to assist the ARMC in ensuring the adequacy and effectiveness of the Group's internal control systems by identifying the area of improvement, if any, and to improve the adequacy and robustness of the internal control functions of the Group. Each audit review is engaged by approximately two to three internal auditors depending on the areas of audit.

The ARMC reviewed and recommendations on the areas of concern highlighted by the internal auditors and the respective Management's responses thereto. The internal auditors monitored the implementation of Management's action plan on outstanding issues through follow-up reports to ensure that all highlighted key risks and control weaknesses are being properly addressed.

The Internal Auditors conduct reviews in accordance with the internal audit plan and scope approved by the ARMC. During the financial year, the Internal Auditors have assessed the adequacy and effectiveness of internal control over the audit area of valuation of collateral and anti-money laundering/countering financing of terrorism ("**AML/CFT**") of Pajak Gadai Sri Permaisuri Sdn. Bhd., Pajak Gadai Delta Sdn. Bhd., Pajak Gadai Adventure Sdn. Bhd., & Pajak Gadai Insan Tiara Sdn. Bhd.

The total costs incurred by the Company in respect of the internal audit services performed by IA Essentials for the FYE 2023 was approximately RM15,000.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control on pages 56 to 58 in this Annual Report.

The ARMC Report was presented and approved by the Board of Directors on 18 April 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of Evergreen Max Cash Capital Berhad (“EMCC” or the “Company”) (the “Board”) is pleased to provide the following Statement on Risk Management and Internal Control (“SORMIC”) of the Company and its subsidiaries (collectively, the “Group”) which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2023, pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code on Corporate Governance (“MCCG”) and as guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board understands the principle risks of the businesses that the Group is engaged in and is committed towards maintaining a sound system of risk management and internal control in achieving its business objectives and operational efficiency. The Board periodic receives and reviews the reports on the effectiveness of the risk management and internal control of the Group and is of the view that it is adequate to safeguard shareholders’ interest and the Group’s assets.

The Board recognises that the system of risk management and internal control should be continuously improved and fine-tuned in line with the evolving business and operating environment. Nonetheless, it should be noted that whilst reasonable risk management and internal control system have been in place, they can only serve to manage the identified risk factors rather than eliminating them. Therefore, a sound system of internal control can only provide reasonable, but not an absolute assurance, against the risks of material misstatement of financial information, loss or fraud and reduces, but cannot eliminate, the possibility of poor judgment in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has outlines the principles of risk management, the Board’s and Management’s risk management responsibilities and the objectives that the Board expects to achieve by putting in place a formal, structured and documented integrated risk management framework for the Group.

Currently, the risk management process of identifying, evaluating, monitoring and managing significant risks faced by the Group are embedded in the Group’s operating and business processes. These processes are undertaken by the Executive Director, Chief Executive Officer (“CEO”) and the Management team in their daily course of work on an ongoing basis. The Board confirms that the aforesaid risk management process is in place for the financial year under review and up to the date of issuance of this SORMIC.

The Board uses the following key controls, processes, information and review mechanisms to follow up on the progress of management actions and to ensure that the established policies, guidelines and procedures are followed and complied with, to derive comfort on the state of internal control and risk management within the Group:

- An Audit and Risk Management Committee (“ARMC”) has been set up to constantly identify, evaluate and monitor significant risks faced by the Group. The said committee is also responsible for the development of risk mitigation strategies and plans;

Statement on Risk Management and Internal Control

- Board discussions with the Management team during board meetings on the Group's business and operational issues as well as the measures taken by the Management team in managing the identified risks of the current business environment;
- Delegation and separation of responsibilities between the Board and Management. The Management team reports to the Board on the performance of the Group's operations while the Board scrutinises the Management team's performance so to ensure its effectiveness and objectivity;
- The Executive Director and the Management team meet periodically to discuss and review the Group's cash flows, financial and business units' performances, funding and operational issues to ensure that challenges and risks are addressed timely and appropriately;
- Regular internal audit reviews are carried out to identify any areas of improvement, besides compliance with internal control best practices, guidelines and objectives to ensure that the system of internal control is effectively administered and regularly monitored;
- The ARMC reviews and discusses with the Management team of the unaudited quarterly financial results and audited financial statements of the Group and to recommend the same to the Board for approval;
- The ARMC also discuss with the External Auditors on the key concerns and findings on financial and internal control matters at the audit planning, interim and final stage of the audit, and the follow-up actions by Management;
- Legal advices are sought to ensure that contractual risks are appropriately addressed and managed before entering into material contracts or agreements.

The system of internal control is also structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on the Group's objectives arising from a future event or situation is at the acceptable level to the business, through a combination of prevention, detective and corrective measures.

INTERNAL AUDIT FUNCTION

The Group has appointed Indah Corporate Governance Sdn. Bhd. ("**ICG**"), an independent consulting company specialises in internal audit services and a corporate member of The Institute of Internal Auditors Malaysia, to undertake the internal audit function of the Company and the Group. ICG acts as the Internal Auditors of the Group and reports directly to the ARMC during the ARMC meetings and to assist the ARMC in reviewing the effectiveness of the Group's internal control system while ensuring that there is an appropriate balance of internal controls and risks throughout the Group in achieving its overall business objectives.

The ARMC is chaired by an Independent Non-Executive Director and its members comprising all Independent Non-Executive Directors. The ARMC is of the opinion that the internal audit function is effective and is able to function independently.

ICG perform independent assessment on the effectiveness and efficiency of the Group's internal control system, utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC. ICG is free from any relationships or conflicts of interest which could impair their objectivity and independence of the internal audit function.

The ARMC approves the internal audit plan and any subsequent changes thereto during the ARMC meeting each year. The scope of internal audit covers the audits of units and operations as stated in the letter of engagement. The following internal audit work was/has been scheduled for financial years 2023/2024:

- i. Valuation of collateral process
- ii. Anti-money laundry and countering financing of terrorism
- iii. Procurement management
- iv. Asset management
- v. Payment management

Statement on Risk Management and Internal Control

The ARMC and the Board agreed that the internal audit review carried out for the financial year under review was in accordance with the approved internal audit plan and the scope of coverage was adequate.

The total cost incurred by the Company in respect of the outsourced internal audit function and internal audit services performed by ICG for the financial year ended 31 December 2023 is approximately RM15,000.00.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

The Management team is responsible for assisting the Board in identifying risks relevant to the business of the Group, implementing Board's policies and strategies, maintaining sound system of risk management and internal control, and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group from achieving its objectives and performance.

The responsibilities of Management team in respect of risk management include but not limited to the following:

- identify the key risks relevant to the businesses of the Group and the achievement of the Group's objectives and strategies;
- design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the ARMC and the Board.

The Board has received assurance from the Executive Directors and Group CEO that to the best of their knowledge, the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, throughout the financial year under review and up to the date of issuance of this SORMIC.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control in accordance with Rule 15.23 of the AMLR of Bursa Securities and pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Company for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

CONCLUSION

For the financial year under review and up to the date of approval of this SORMIC, the Board is satisfied that the existing risk management and internal control system in place is adequate and effective to safeguard the Group's interests and enable the Group to achieve its business objectives. There were also no material losses arising from significant control weaknesses that require additional disclosure in the Annual Report.

This SORMIC was presented and approved by the Board of Directors on 18 April 2024.

Financial Statements



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Directors' Report

For the financial year ended 31 December 2023

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

PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year is engaged as investment holding company. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	Group RM	Company RM
Net profit for the financial year	15,818,835	703,388

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of material and unusual nature.

DIVIDENDS

There were no dividends paid or declared by the Group and the Company since the end of the previous financial period. The directors did not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increase its shares capital from RM90,025,891 to RM152,238,171 by way of:

Date	Nature of transaction	Issue Price (RM)	No of shares	RM
26 September 2023	Initial Public Offering	0.24	267,600,000	62,212,280

The newly issue shares rank pari passu in respect with the previously issued shares. There was no issue of any debentures by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up any unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under options.

Directors' Report

For the financial year ended 31 December 2023

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Mohd Azfar Bin Mohamed
Dato' Low Kok Chuan
Datin Tea Guat Ngo
Low Kai Loon
Datin Fadzlullaily Binti Yakob
Chow Lai Mun
Hong Boon Toh
Kenneth Chai Chuan Teong

The following is a list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year until the date of this report:

Low Kok Hu
Low Kai Sein
Low Kok Poh
Tan Chai Seong
Wong Kam Mun
Lavinia Tan Poh Choo
Tan Beng Yen
Tea Kain Chuan

DIRECTORS' INTERESTS

The direct and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were directors at financial year end (including the interests of the spouses or children of the directors who themselves are not directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Bought	Sold	
<i>Direct interest</i>				
Chow Lai Mun	-	300,000	-	300,000
Hong Boon Toh	-	300,000	(100,000)	200,000
Datin Fadzlullaily Binti Yakob	-	316,000	-	316,000
Kenneth Chai Chuan Teong	-	300,000	-	300,000

Directors' Report

For the financial year ended 31 December 2023

DIRECTORS' INTERESTS (CONT'D)

Holding company - Tirai Anggerik Sdn. Bhd.

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Bought	Sold	
<i>Deemed interest</i>				
Dato' Low Kok Chuan	662,778,946	- (43,000,000)		619,778,946
Datin Tea Guat Ngo	662,778,946	- (43,000,000)		619,778,946

Other than as disclosed above, none of the other directors holding office as at 31 December 2023 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the director of the Company has received nor become entitled to receive any benefit (other than those shown under directors' remuneration) 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 except for any benefits which may be deemed to have arisen from the transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 27(a) to the financial statements.

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

DIRECTORS' REMUNERATION

The details of directors' remuneration paid to or receivable by directors in respect of the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Directors of the Company:		
- Salaries, allowance and bonuses	540,000	540,000
- Fees	336,000	336,000
- Defined contribution plans	61,200	61,200
- Others	8,817	8,817
	946,017	946,017

Directors' Report

For the financial year ended 31 December 2023

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in 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.

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

- (a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

INDEMNITIES TO DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or insurance effected for any directors, officer or auditors of the Company during the financial year.

Directors' Report

For the financial year ended 31 December 2023

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events during the financial year are disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENT AFTER THE REPORTING DATE

Details of the significant event after the reporting date are disclosed in Note 38 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM277,300 and RM66,000 during the financial year.

HOLDING COMPANY

The Company is a subsidiary of Tirai Anggerik Sdn. Bhd., a company incorporated in Malaysia which hold 55.6% of the equity interest.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

.....
Dato' Low Kok Chuan

Director

.....
Datin Tea Guat Ngo

Director

Kuala Lumpur,

Date: 18 April 2024

Statement by Directors

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Dato' Low Kok Chuan and Datin Tea Guat Ngo, being two of the directors of Evergreen Max Cash Capital Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements as set out on pages 70 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the results of their financial performance and their cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

.....
Dato' Low Kok Chuan
Director

.....
Datin Tea Guat Ngo
Director

Kuala Lumpur,
Date: 18 April 2024

Statutory Declaration

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, Dato' Low Kok Chuan, being the director primarily responsible for the financial management of Evergreen Max Cash Capital Berhad, do solemnly and sincerely declare that the financial statements of the Group and of the Company as set out on pages 70 to 133, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Kuala Lumpur on 18 April 2024)

on this

Before me,

.....
Dato' Low Kok Chuan
Director

.....
Zuliza Binti Khamisdan (W 1008)

Independent Auditors' Report

TO THE MEMBERS OF EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Evergreen Max Cash Capital Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 December 2023, and notes to the financial statements, including a material accounting policies information and other explanatory information, as set out on pages 70 to 133.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditors' Report

TO THE MEMBERS OF EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)] (Incorporated in Malaysia)

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

Key Audit Matters (Cont'd)

Impairment of trade receivables

The Group's trade receivables amounting to RM200.6 million, representing approximately 82% of the Group's total current assets as at 31 December 2023.

The assessment of recoverability of trade receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have performed the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.
- We assessed the recoverability of trade receivables by checking past collection trend and assessing the receipts during the financial year and subsequent to year end collections.
- We have reviewed the appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and of 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.

Independent Auditors' Report

TO THE MEMBERS OF EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)] (Incorporated in Malaysia)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report

TO THE MEMBERS OF EVERGREEN MAX CASH CAPITAL BERHAD
[Registration No.: 202101028602 (1428902-D)] (Incorporated in Malaysia)

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

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

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

OTHER MATTERS

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

CHENGCO PLT

201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

Kuala Lumpur,
18 April 2024

TAN WAE LENG

02850/05/2024 J
Chartered Accountant

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	2,825,329	3,091,649	86,819	49,423
Right-of-use assets	6	12,258,189	10,939,134	-	-
Investment properties	7	12,738,016	13,089,608	-	-
Investment in subsidiaries	8	-	-	93,022,315	87,529,726
Intangible assets	9	8,365,076	6,142,598	-	-
		36,186,610	33,262,989	93,109,134	87,579,149
Current assets					
Inventories	10	1,988,394	647,693	-	-
Trade receivables	11	200,601,132	165,291,520	-	-
Other receivables, deposits and prepayments	12	4,471,876	1,655,895	2,232,735	105,822
Amount due from subsidiaries	13	-	-	66,968,037	50,382,089
Current tax assets		3,433,019	3,224,388	465,534	-
Cash and bank balances	14	34,752,204	17,263,112	30,709,502	15,674,069
		245,246,625	188,082,608	100,375,808	66,161,980
TOTAL ASSETS		281,433,235	221,345,597	193,484,942	153,741,129
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	150,959,620	90,025,891	150,959,620	90,025,891
Retained profits		62,855,838	47,037,003	2,907,122	2,203,734
TOTAL EQUITY		213,815,458	137,062,894	153,866,742	92,229,625
Non-current liabilities					
Borrowings	16	45,943,739	45,614,638	22,950,000	22,075,000
Deferred tax liabilities	17	187,065	155,969	-	4,400
Lease liabilities	18	13,615,674	12,926,681	-	-
Other payable	20	566,965	-	-	-
		60,313,443	58,697,288	22,950,000	22,079,400
Current liabilities					
Trade payables	19	128,559	114,868	-	-
Other payables and accruals	20	2,370,558	2,320,315	1,365,018	1,296,265
Amount due to subsidiaries	13	-	-	15,303,182	18,093,364
Borrowings	16	1,996,296	21,246,673	-	20,000,000
Lease liabilities	18	1,549,177	999,565	-	-
Current tax liabilities		1,259,744	903,994	-	42,475
		7,304,334	25,585,415	16,668,200	39,432,104
TOTAL LIABILITIES		67,617,777	84,282,703	39,618,200	61,511,504
TOTAL EQUITY AND LIABILITIES		281,433,235	221,345,597	193,484,942	153,741,129

The accompanying notes form an integral part of these financial statements

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023

	Note	Group		Company	
		1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Revenue	21	97,524,474	82,351,628	5,951,253	5,225,837
Cost of sales		(65,001,308)	(53,524,725)	-	-
Gross profit		32,523,166	28,826,903	5,951,253	5,225,837
Other operating income	22	1,136,684	35,283,235	3,693,686	5,356,722
General and administration expenses		(8,065,801)	(8,669,562)	(5,485,475)	(5,973,683)
Profit from operations		25,594,049	55,440,576	4,159,464	4,608,876
Finance costs	23	(3,539,274)	(3,242,190)	(3,166,643)	(2,358,267)
Profit before tax	24	22,054,775	52,198,386	992,821	2,250,609
Tax expense	25	(6,235,940)	(5,160,352)	(289,433)	(46,875)
Profit for the financial year/period represented total comprehensive income for the financial year/period		15,818,835	47,038,034	703,388	2,203,734
Earnings per share (sen per share)					
Basis and diluted	28	1.72	5.55		

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the financial year ended 31 December 2023

	Share capital RM	Retained profits RM	Total RM
Group			
At 3 September 2021 (date of incorporation)	1	-	1
Total comprehensive income for the financial period	-	47,038,034	47,038,034
<i>Transaction with owners</i>			
- Acquisition of subsidiaries	-	(1,031)	(1,031)
- Issuance of shares (Note 15)	90,025,890	-	90,025,890
	90,025,890	(1,031)	90,024,859
At 31 December 2022 and 1 January 2023	90,025,891	47,037,003	137,062,894
Total comprehensive income for the financial year	-	15,818,835	15,818,835
<i>Transaction with owners</i>			
- Issuance of shares (Note 15)	62,212,280	-	62,212,280
- Share issuance expenses (Note 15)	(1,278,551)	-	(1,278,551)
	60,933,729	-	60,933,729
At 31 December 2023	150,959,620	62,855,838	213,815,458
Company			
At 3 September 2021 (date of incorporation)	1	-	1
Total comprehensive income for the financial period	-	2,203,734	2,203,734
<i>Transaction with owners</i>			
- Issuance of shares (Note 15)	90,025,890	-	90,025,890
	90,025,890	-	90,025,890
At 31 December 2022 and 1 January 2023	90,025,891	2,203,734	92,229,625
Total comprehensive income for the financial year	-	703,388	703,388
<i>Transaction with owners</i>			
- Issuance of shares (Note 15)	62,212,280	-	62,212,280
- Share issuance expenses (Note 15)	(1,278,551)	-	(1,278,551)
	60,933,729	-	60,933,729
At 31 December 2023	150,959,620	2,907,122	153,866,742

The accompanying notes form an integral part of these financial statements

Statements of Cash Flows

For the financial year ended 31 December 2023

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Cash flows from operating activities				
Profit before tax	22,054,775	52,198,386	992,821	2,250,609
Adjustments for:				
Bad debt written off	46,790	23,220	-	-
Impairment loss on trade receivables	241,421	-	-	-
Impairment of intangible assets	840,227	-	-	-
Bargain purchase	-	(24,735,936)	-	-
Depreciation of:				
- investment properties	351,592	391,065	-	-
- property, plant and equipment	804,996	1,075,868	13,103	8,942
- right-of-use assets	1,559,187	1,634,312	-	-
Gain on disposal of:				
- investment properties	-	(5,834,334)	-	-
- investment in subsidiaries	-	-	-	(3,107,836)
- property, plant and equipment	-	(137,004)	-	-
Interest expense	4,507,249	4,472,716	3,166,643	2,358,267
Interest income	(445,179)	(31,551)	(3,664,886)	(2,179,226)
Loss on foreign exchange (unrealised)	924,315	306,563	924,315	306,563
Property, plant and equipment written off	6,985	87,726	-	-
Rental concession (Note 6)	(63,829)	(245,225)	-	-
Operating profit/(loss) before working capital changes	30,828,529	29,205,806	1,431,996	(362,681)
Changes in:				
Inventories	(1,251,651)	6,330,154	-	-
Trade receivables	(29,950,164)	(49,698,288)	-	-
Other receivables, deposits and prepayments	(2,720,406)	2,071,733	(2,126,913)	(105,822)
Trade payables	22,505	(16,702,313)	-	-
Other payables and accruals	717,119	1,730,592	68,753	1,296,265
Cash (used in)/generated from operations	(2,354,068)	(27,062,316)	(626,164)	827,762
Interest received	445,179	7,939	444,129	7,939
Tax paid	(5,993,485)	(6,962,022)	(801,846)	-
Net cash (used in)/generated from operating activities	(7,902,374)	(34,016,399)	(983,881)	835,701

Statements of Cash Flows

For the financial year ended 31 December 2023

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Cash flows from investing activities				
Acquisition of subsidiaries, net cash acquired (Note 34)	(2,453,334)	(77,550,102)	(5,492,587)	-
Acquisition of right of use assets (Note 6)	(585,345)	-	-	-
Acquisition of intangible assets (Note 9)	(840,227)	-	-	-
Proceeds from disposal of investment in subsidiaries	-	-	-	5,604,000
Proceeds from disposal of investment properties	-	7,650,000	-	-
Purchase of property, plant and equipment	(406,428)	(362,669)	(50,499)	(58,365)
Proceeds from disposal of property, plant and equipment	1,722	213,945	-	-
Net cash (used in)/generated from investing activities	(4,283,612)	(70,048,826)	(5,543,086)	5,545,635
Cash flows from financing activities				
Interest paid	(1,037,730)	(2,039,938)	(1,107,496)	(1,444,808)
Interest received	-	23,612	3,220,757	2,171,287
Fixed deposit pledged (Note 14)	(2,021,056)	-	(2,021,056)	-
Proceeds from issuance of shares (Note 15)	60,933,729	90,025,891	60,933,729	-
Drawdown from bank borrowings (Note 35)	6,000,000	46,702,000	-	41,768,437
Repayment of bank borrowings (Note 35)	(31,734,091)	(10,135,768)	(20,049,315)	-
Bank borrowing interest paid	(3,469,519)	(2,432,778)	(2,059,147)	(913,459)
Repayment of lease liabilities (Note 35)	(1,013,153)	(819,641)	-	-
Net change in advance from subsidiary companies (Note 35)	-	-	(19,376,130)	(32,288,725)
Net cash generated from financing activities	27,658,180	121,323,378	19,541,342	9,292,732
Net increase in cash and cash equivalents	15,472,194	17,258,153	13,014,375	15,674,068
Cash and cash equivalents at beginning of financial year/date of incorporation	17,258,154	1	15,674,069	1
Cash and cash equivalents at end of financial year/period (Note 14)	32,730,348	17,258,154	28,688,446	15,674,069

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and was listed on ACE Market of Bursa Malaysia Securities Berhad on 26 September 2023. The registered office of the Company is located at 18-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

The principal activity of the Company during the financial year is engaged as investment holding. The principal place of business of the Company is located at Lot 11-10, 11th Floor, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

The Company is a subsidiary of Tirai Anggerik Sdn. Bhd., a company incorporated in Malaysia which hold 55.6% of the equity interest.

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors on 18 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The financial statements of the Group and of the Company, have been prepared under the historical cost basis except as otherwise disclosed in the accounting policies below.

The following comprise accounting standards, interpretations and amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company.

MFRS (Including the Consequential Amendments)	Effective Date
MFRS 7: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
MFRS 16: Leases Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
MFRS 107: Statement of Cash Flows – Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
MFRS 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
MFRS 10: Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 128: Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. BASIS OF PREPARATION (CONT'D)

2.1 Statement of compliance (cont'd)

The initial application of the abovementioned new and amendments to published standards and IC interpretation, where applicable, are not expected to have any material financial impact to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Functional currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which it operates (“**the functional currency**”). The financial statements are presented in Ringgit Malaysia, which is the functional currency of the Group and of the Company.

3.2 Business combinations

(a) *Subsidiaries*

Subsidiaries are all entities (including structure entities) over which the Company has control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale for distribution. The cost of investment includes transaction costs.

(b) *Business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as the fair value of the consideration transferred plus the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Business combinations (Cont'd)

(b) *Business combinations (Cont'd)*

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(c) *Acquisitions of non-controlling interests*

The Group account for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(d) *Non-controlling interests*

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

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(e) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.3 Property, plant and equipment

(a) *Measurement basis*

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which they are incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Property, plant and equipment (Cont'd)

(a) Measurement basis (Cont'd)

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of 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 Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Air conditioner	10 years
CCTV and alarm system	5 - 10 years
Computer equipment	4 - 5 years
Furniture and fittings	5 - 10 years
Motor vehicles	5 years
Office equipment	5 - 10 years
Pawnshop equipment	5 years
Renovations	5 - 10 years
Safe cabinets	10 years
Signboard	5 - 10 years
Tools and equipment	10 years
Wiring and electrical items	5 - 10 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Property, plant and equipment (Cont'd)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment properties are either stated at cost less accumulated depreciation and impairment losses, or fair value, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties excluded the freehold land has an unlimited useful life and therefore is not depreciated.

Leasehold land and buildings are depreciated on a straight-line basis over the lease terms of 55 to 90 years. Freehold building is depreciated on a straight-line basis over its estimated useful life of 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Upon derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

3.5 Financial instruments

Financial instruments are recognised in the combined statement of financial position when, and only when, the Group and of the Company becomes a party to the contract provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group and of the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and of the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (Cont'd)

(a) Subsequent measurement

Financial assets

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group and of the Company categorise the financial instruments as follows:

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and of the Company reclassify financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group and of the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and of the Company classify its debt instruments:

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (Cont'd)

(a) Subsequent measurement (cont'd)

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.6. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (“FVOCI”)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (“FVPL”)**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the combined statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (Cont'd)

(a) *Subsequent measurement (cont'd)*

Financial liabilities

The Group and of the Company classify its financial liabilities in the following measurement categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and of the Company have not designated any financial liability as at FVPL.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) *Regular way purchase or sales of financial assets*

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and of the Company commit itself to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (Cont'd)

(b) *Regular way purchase or sales of financial assets (Cont'd)*

Financial liabilities

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(c) *Derecognition*

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire; or
- (ii) the Group and of the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and of the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and of the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and of the Company evaluate if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and of the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and of the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and of the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Financial instruments (Cont'd)

(d) *Offsetting of financial instruments*

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.6 Impairment of assets

(a) *Impairment of financial assets*

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and of the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group and of the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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 of 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 and of the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and of the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Impairment of assets (Cont'd)

(a) Impairment of financial assets (Cont'd)

The Group and of the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and of the Company in full, without taking into account any credit enhancements held by the Group and of the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and of the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument 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 of the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and of the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Impairment of assets (Cont'd)

(a) *Impairment of financial assets (Cont'd)*

- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and of the Company determine that the debtor does not have assets or source 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 and of the Company's procedure for recovery of amounts due.

(b) *Impairment of non-financial assets*

The carrying amounts of non-financial assets (except for inventories and deferred tax assets measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and of the Company make an estimate of the asset's recoverable amount.

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 non-financial assets or cash generating units ("**CGUs**").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Impairment of assets (Cont'd)

(b) *Impairment of non-financial assets (Cont'd)*

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.7 Inventories

Inventories mainly comprise gold products held for trading and retailing activities.

All the inventories of the Group are measured at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make for sale.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise short-term cash fund, cash at banks, cash in hand and fixed deposits with license bank which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.9 Share capital

Ordinary shares are equity instruments, which are contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period in which they are declared. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Provisions

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

Provisions are reviewed at the reporting date 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.

3.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, of which conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

(a) Right-of-use assets

Right-of-use assets are initially recognised at cost, which comprise 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 the site on which it is located, less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the useful life of the underlying asset, from the commencement date of the underlying assets, as follows:

	Useful lives
Pawnshop	10 - 15 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Leases (Cont'd)

As a lessee (Cont'd)

(b) Lease liabilities (Cont'd)

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- the amount expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the leases and reduced for the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery, equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Leases (Cont'd)

As a lessee (Cont'd)

(c) *Short-term leases and leases of low-value assets (Cont'd)*

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the other operating income in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

3.12 Revenue recognition

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax and discounts.

The Group and the Company recognised revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group and the Company transfer control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group and the Group and the Company perform;
- (b) the Group's and the Company's performance create or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's and the Company Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.12 Revenue recognition (cont'd)

(a) *Pawnbroking - Interest charges*

Interest income on pawnshop loans is recognised on an accrual basis from the initial date a collateral is pledged to the Company, up to the date of the redemption, at fixed interest rates varying between 1.5% - 2% per month.

(b) *Pawnbroking - Administrative fees*

Revenue from the pawnbroking - administrative fees is recognised at a point in time when the performance obligation is satisfied upon the transfer of the services to the customer.

(c) *Sale of gold and luxury products*

The Group is in the business of trading and retails of gold and luxury products.

Revenue from these sales is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold.

(d) *Rendering of services*

Revenue from the rendering of services such as providing IT solution and pawnbroking consultancy services are recognised on an accrual basis upon the render of such services.

3.13 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.14 Taxes

Tax expense recognised in profit or loss comprise current tax and deferred tax, except to the extent that it relates to business combinations or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to, using the tax rates and tax laws used to compute the amount that are enacted or substantively enacted at the end of the reporting period, plus any adjustments to tax payable in respect of previous financial year.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.14 Taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

3.15 Employee benefits

(a) *Short-term employee benefits*

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Company.

(b) *Defined contribution plans*

As required by the law, the Company contributes to the Employees Provident Fund (“**EPF**”), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) *A person or a close member of that person's family is related to a reporting entity if that person:*

- (i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (ii) has control or joint control over the reporting entity; or
- (iii) has significant influence over the reporting entity.

(b) *An entity is related to a reporting entity if any of the following conditions applies:*

- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the entity is a member).
- (iii) both entities are joint ventures of the same third entity.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.16 Related parties (Cont'd)

(b) *An entity is related to a reporting entity if any of the following conditions applies: (Cont'd)*

- (iv) one entity is a joint ventures of a third party and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) the entity, or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- (viii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurements take 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.

For financial reporting purposes, fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

3.18 Foreign currency

Foreign currency transactions

Transaction in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.18 Foreign currency (Cont'd)

Foreign currency transactions (Cont'd)

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the financial statements requires director 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future period.

4.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

(a) *Determining the lease term of contracts with renewal options - company as lessee*

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

The Group and the Company had lease contracts that include extension options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Company reassess 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. (eg, construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company included the renewal period as part of the lease term for the leases of pawnshops. The Group and the Company typically exercise its option to renew for these leases because there will be a significant negative effect on its operations if a replacement asset is not readily available.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group and of the Company are in measuring:

(a) *Impairment of non-financial assets*

The Group and of the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The value in use calculation is based on a discounted cash flow model. The director estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(b) *Income taxes*

Significant judgement is required in determining the Company's estimation for current and deferred taxes because the ultimate tax liability for the Group and the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and the Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The tax expense of the Group and the Company is disclosed in Note 25 to the financial statements.

(c) *Measurement of expected credit loss ("ECL")*

Significant judgement is required in determining ECL. Directors need to identify and categorise financial assets into relevant segments by similar characteristics and credit risk. The directors need to apply suitable measurement methods to measure ECL on the relevant segments.

Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans.

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of the individual pawnshop. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation are involved in using the historical non-redemption data to derive the probability of default as the pawnshop loans age as well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 11 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.2 Key sources of estimation uncertainty (Cont'd)

(d) *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. The directors estimate the useful lives of these property, plant and equipment based on factors such as business plan and expected level of usage. Future results of operations could be materially affected by changes in these estimates which could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment is disclosed in Note 5 to the financial statements.

(e) *Discount rate used in leases*

The Group cannot readily determine the interest rate implicit in the leases, therefore it uses an incremental borrowing rate to measure the lease liabilities. An 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. PROPERTY, PLANT AND EQUIPMENT

Group	Air conditioner		CCTV and alarm system		Computer equipment		Furniture and fittings		Motor vehicles		Office equipment		Pawnshop equipment		Renovation cabinets		Signboard equipment		Tools and electrical items		Wiring and electrical items		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost																							
At 3 September 2021 (date of incorporation)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary company	186,915	272,952	1,067,150	568,390	218,732	369,493	325,482	5,779,270	544,668	424,312	23,570	354,600	10,135,534										
Additions	4,040	3,000	124,779	29,798	-	32,188	64,186	5,080	74,350	23,748	-	1,500	362,669										
Disposals	-	-	(85,500)	-	-	(34,720)	-	-	-	-	-	-	(120,220)										
Written off	(118,197)	-	(126,850)	(194,821)	-	(73,482)	-	(1,579,504)	(3,500)	(11,280)	-	(74,770)	(2,182,404)										
At 31 December 2022 and 1 January 2023	72,758	275,952	979,579	403,367	218,732	293,479	389,668	4,204,846	615,518	436,780	23,570	281,330	8,195,579										
Acquisition of subsidiary company	-	129,263	62,759	39,057	-	40,336	-	209,785	-	16,025	-	-	497,225										
Additions	14,990	5,049	79,527	2,051	-	87,333	25,534	15,811	104,903	71,230	-	-	406,428										
Disposals	-	-	(2,650)	-	-	-	-	-	-	-	-	-	(2,650)										
Written off	(4,440)	(1,993)	(9,079)	-	-	-	(300)	-	(10,178)	-	-	-	(25,990)										
At 31 December 2023	83,308	408,271	1,110,136	444,475	218,732	421,148	414,902	4,430,442	710,243	524,035	23,570	281,330	9,070,592										

Notes to the Financial Statements

For the financial year ended 31 December 2023

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

Group	Air conditioner		CCTV and alarm system		Computer equipment		Furniture and fittings		Motor vehicles		Office equipment		Pawnshop equipment		Renovation		Safe cabinets		Signboard equipment		Tools and electrical items		Wiring and electrical items		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Accumulated depreciation																									
At 3 September 2021 (date of incorporation)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary company	130,860	165,908	652,610	374,682	214,620	185,990	207,405	3,444,014	251,561	255,135	17,088	266,146	6,166,019												
Charge for the financial period	15,692	39,711	178,438	47,831	4,109	62,173	54,783	457,050	107,587	83,372	589	24,533	1,075,868												
Disposal	-	-	(34,908)	-	-	(8,371)	-	-	-	-	-	-	(43,279)												
Written off	(99,390)	-	(115,375)	(190,466)	-	(72,803)	-	(1,529,106)	(1,488)	(11,280)	-	(74,770)	(2,094,678)												
At 31 December 2022 and 1 January 2023	47,162	205,619	680,765	232,047	218,729	166,989	262,188	2,371,958	357,660	327,227	17,677	215,909	5,103,930												
Acquisition of subsidiary company	-	92,864	50,141	30,134	-	28,156	-	143,962	-	11,013	-	-	356,270												
Charge for the financial year	5,844	35,936	124,334	21,072	-	44,120	50,111	382,725	76,087	51,310	-	13,457	804,996												
Disposal	-	-	(928)	-	-	-	-	-	-	-	-	-	(928)												
Written off	(2,109)	(1,001)	(9,079)	-	-	(158)	-	(6,658)	-	-	-	-	(19,005)												
At 31 December 2023	50,897	333,418	845,233	283,253	218,729	239,265	312,141	2,898,645	427,089	389,550	17,677	229,366	6,245,263												
Net carrying amount																									
At 31 December 2022	25,596	70,333	298,814	171,320	3	126,490	127,480	1,832,888	257,858	109,553	5,893	65,421	3,091,649												
At 31 December 2023	32,411	74,853	264,903	161,222	3	181,883	102,761	1,531,797	283,154	134,485	5,893	51,964	2,825,329												

Notes to the Financial Statements

For the financial year ended 31 December 2023

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

Company	Air conditioner RM	Computer equipment RM	Furniture and fittings RM	Office equipment RM	Safe cabinets RM	Signboard RM	Total RM
Cost							
At 3 September 2021 (date of incorporation)	-	-	-	-	-	-	-
Additions	-	32,546	3,600	14,498	5,471	2,250	58,365
At 31 December 2022 and 1 January 2023	-	32,546	3,600	14,498	5,471	2,250	58,365
Additions	2,030	19,197	1,960	23,552	-	3,760	50,499
At 31 December 2023	2,030	51,743	5,560	38,050	5,471	6,010	108,864
Accumulated depreciation							
At 3 September 2021 (date of incorporation)	-	-	-	-	-	-	-
Charge for the financial period	-	6,807	30	1,668	137	300	8,942
At 31 December 2022 and 1 January 2023	-	6,807	30	1,668	137	300	8,942
Charge for the financial year	203	7,844	556	3,440	547	513	13,103
At 31 December 2023	203	14,651	586	5,108	684	813	22,045
Net carrying amount							
At 31 December 2022	-	25,739	3,570	12,830	5,334	1,950	49,423
At 31 December 2023	1,827	37,092	4,974	32,942	4,787	5,197	86,819

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. RIGHT-OF-USE ASSETS

The Group had a lease contract for shop lot used in its operations that has lease terms of 15 years and an option to renew this lease. Lease payments are increase every 3 years to reflect current market rental. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amount of right-of-use assets recognised and the movement during the financial year/ period:

Group	Shoplots RM	Motor vehicle RM	Total RM
Cost			
At 3 September 2021 (date of incorporation)	-	-	-
Acquisition of subsidiaries	15,179,338	-	15,179,338
Addition	77,122	-	77,122
Remeasurement	173,427	-	173,427
At 31 December 2022 and 1 January 2023	15,429,887	-	15,429,887
Acquisition of subsidiaries	621,020	-	621,020
Addition	2,357,150	170,423	2,527,573
At 31 December 2023	18,408,057	170,423	18,578,480
Accumulated depreciation			
At 3 September 2021 (date of incorporation)	-	-	-
Acquisition of subsidiaries	2,683,014	-	2,683,014
Remeasurement	173,427	-	173,427
Charge for the financial period	1,634,312	-	1,634,312
At 31 December 2022 and 1 January 2023	4,490,753	-	4,490,753
Acquisition of subsidiaries	270,351	-	270,351
Charge for the financial year	1,553,506	5,681	1,559,187
At 31 December 2023	6,314,610	5,681	6,320,291
Net carrying amount			
At 31 December 2022	10,939,134	-	10,939,134
At 31 December 2023	12,093,447	164,742	12,258,189

The maturity analysis of lease liabilities is disclosed in Note 31(ii) to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. RIGHT-OF-USE ASSETS (CONT'D)

The following are the amounts recognised in profit or loss:

	Group	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.22 RM
Depreciation of right-of-use assets	1,559,187	1,634,312
Rent concession	(63,829)	(245,225)
Interests on lease liabilities	968,610	1,230,526

The additional of right-of-use assets acquired by:

	Group	
	2023 RM	2022 RM
Cash	18,380	-
Lease liabilities	1,942,228	77,122
Other payables	566,965	-
	2,527,573	77,122

Right-of-use assets of the Group with carrying amount of RM164,742 (2022:RM Nil) has been charged for the banking facilities in Note 18.

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. INVESTMENT PROPERTIES

Group	Freehold building RM	Leasehold land and building RM	Total RM
At cost			
At 3 September 2021 (date of incorporation)	-	-	-
Acquisition of subsidiaries	2,164,507	16,078,194	18,242,701
Disposal	(2,164,507)	(526,366)	(2,690,873)
At 31 December 2022, 1 January 2023 and 31 December 2023	-	15,551,828	15,551,828
Accumulated depreciation			
At 3 September 2021 (date of incorporation)	-	-	-
Acquisition of subsidiaries	786,437	2,159,925	2,946,362
Charge for the financial period	50,505	340,560	391,065
Disposal	(836,942)	(38,265)	(875,207)
At 31 December 2022 and 1 January 2023	-	2,462,220	2,462,220
Charge for the financial year	-	351,592	351,592
At 31 December 2023	-	2,813,812	2,813,812
Net carrying amount			
At 31 December 2022	-	13,089,608	13,089,608
At 31 December 2023	-	12,738,016	12,738,016

The following investment properties have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 16:

	2023 RM	2022 RM
Net carrying amount:		
Leasehold land and building	12,738,016	13,089,608

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. INVESTMENT PROPERTIES (CONT'D)

The following are recognised in profit or loss in respect of investment properties:

Group	1.1.2023	3.9.2021
	to 31.12.2023	(date of incorporation) to 31.12.2022
	RM	RM
Rental income	589,590	1,293,650
Direct operating expenses		
- income generating investment properties	776,292	884,387

8. INVESTMENT IN SUBSIDIARIES

	Company RM
Unquoted shares, at cost	
At 3 September 2021 (date of incorporation)	-
Additions	90,025,890
Disposal	(2,496,164)
At 31 December 2022 and 1 January 2023	87,529,726
Additions	5,492,589
At 31 December 2023	93,022,315

Details of the subsidiary companies are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership	
			2023	2022
Pajak Gadai Insan Tiara Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Terus Wangsa Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Total Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai SP Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Sungai Way Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Brickfields Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Adventure Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Nilai Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Angkasa Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Principal activities	Country of incorporation	Effective ownership	
			2023	2022
Pajak Gadai Maju Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai E Assets Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Kenanga Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai Delta Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Pajak Gadai SenangKaya Sdn. Bhd.	Dormant	Malaysia	100%	100%
Pawn Shop Century First Sdn. Bhd.	Dormant	Malaysia	100%	100%
EMCC 26 Sdn. Bhd.	Dormant	Malaysia	100%	100%
EMCC 27 Sdn. Bhd.	Dormant	Malaysia	100%	100%
Atapttech Sdn. Bhd.	Provision of IT Solutions	Malaysia	100%	100%
Cahaya Gold & Jewellery Sdn. Bhd.	Retail of gold and luxury products as well as provision islamic financing and related businesses	Malaysia	100%	100%
Pajak Gadai Pajamas Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	-
Pajak Gadai Sri Petaling Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	-
Subsidiaries held by Pajak Gadai Brickfields Sdn. Bhd.				
Pajak Gadai Global Wealth Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Subsidiaries held by Pajak Gadai Adventure Sdn. Bhd. and the Company directly by 50% each				
Pajak Gadai Nilai Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%
Subsidiaries held by Pajak Gadai Nilai Sdn. Bhd.				
Pajak Gadai Sri Permaisuri Sdn. Bhd.	Pawnbroking and related businesses	Malaysia	100%	100%

All subsidiaries are audited by CHENGCO PLT.

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment test for investment in subsidiaries

The directors review the carrying amount of the investment in subsidiaries at each reporting date to determine whether there is any indication of impairment. The assessment is based on internal and external sources of information as well as indicative values (value-in-use) calculations. If such indication exists, the recoverable amount of the investment is estimated to be the fair value of the investment and an impairment loss is subsequently recognised.

As at the end of the reporting date, there is no indication of impairment in the investment in subsidiaries within the Group.

The Group does not have material non-controlling interest as at the end of the reporting date.

9. INTANGIBLE ASSETS

	Group RM
<u>Goodwill on consolidation</u>	
At 3 September 2021 (date of incorporation)	-
Addition during the period	6,142,598
At 31 December 2022 and 1 January 2023	6,142,598
Addition during the year	2,222,478
At 31 December 2023	8,365,076
<u>Clientele</u>	
At 3 September 2021 (date of incorporation), 31 December 2022 and 1 January 2023	-
Addition during the year	840,227
Impairment during the year	(840,227)
At 31 December 2023	-
	8,365,076

10. INVENTORIES

	Group	
	2023 RM	2022 RM
Trading goods, at cost	1,988,394	647,693
Inventories recognised as an expense	65,001,308	25,534,718

Notes to the Financial Statements

For the financial year ended 31 December 2023

11. TRADE RECEIVABLES

	Group	
	2023 RM	2022 RM
Pawned loans receivables	175,549,365	155,365,041
Interest receivable on pawned loans	10,594,910	9,833,626
Third parties	14,698,278	92,853
	200,842,553	165,291,520
Less: Accumulated impairment losses	(241,421)	-
	200,601,132	165,291,520

Pawned loans receivables are loans to customers extended under pawnbroking business which are interest-bearing, ranging between 1.5% to 2.0% (2022: 1.5% to 2.0%) per month, up to a maximum of 6 months (2022: 6 months). The quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Company.

The reconciliation of the impairment losses (lifetime expected credit loss) are as follows:

	Group	
	2023 RM	2022 RM
At beginning of the financial year/date of incorporation	-	-
Addition	241,421	-
At end of the financial year/period	241,421	-

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	538,016	135,125	1,000	122
Deposits	2,975,000	640,566	2,227,180	45,700
Prepayments	958,860	880,204	4,555	60,000
	4,471,876	1,655,895	2,232,735	105,822

13. AMOUNT DUE FROM/TO SUBSIDIARIES

The amount due from/to subsidiaries are non-trade in nature, unsecured with interest charge at 6% (2022: 6%) per annum and has no fixed term of repayment.

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash in hand	1,721,557	2,030,687	299	982,110
Cash at bank	27,898,640	15,232,425	25,577,196	14,691,959
Fixed deposit with licensed bank	2,021,058	-	2,021,058	-
Money market instrument	3,110,949	-	3,110,949	-
	34,752,204	17,263,112	30,709,502	15,674,069

Money market instrument placement in highly liquid instrument with financial institution in Malaysia and are redeemable with two (2) day notice. This fund is subject to an insignificant risk of changes in value and form part of cash and cash equivalents. Fund distribution income from its fund is tax exempt and is calculated daily.

The fixed deposit of the Group and of the Company amounting to RM2,021,058 (2022:RM Nil) has been pledged to a licensed bank as security for credit facilities.

For the purpose of presenting the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	34,752,204	17,263,112	30,709,502	15,674,069
Less: Bank overdraft (Note 16)	(798)	(4,958)	-	-
Less: Fixed deposit pledged	(2,021,058)	-	(2,021,058)	-
	32,730,348	17,258,154	28,688,444	15,674,069

15. SHARE CAPITAL

	Group and Company		Group and Company	
	Number of ordinary shares		2023	2022
	2023	2022	RM	RM
Issued and fully paid:				
At beginning of financial year/date of incorporation	847,302,499	1	90,025,891	1
Issuance of new shares	267,600,000	529,564,061	62,212,280	90,025,890
Share issuance expenses	-	-	(1,278,551)	-
Bonus issue	-	317,738,437	-	-
At end of financial year/period	1,114,902,499	847,302,499	150,959,620	90,025,891

Notes to the Financial Statements

For the financial year ended 31 December 2023

15. SHARE CAPITAL (CONT'D)

During the financial year, the Company increase its share capital from RM90,025,891 to RM150,959,620 by way of:

Date	Nature of transaction	Issue Price (RM)	No of shares	RM
26 Sept 2023	Initial Public Offering	0.24	267,600,000	62,212,280

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

16. BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current liabilities				
Secured				
Bank overdraft	798	4,958	-	-
Revolving loan	-	20,000,000	-	20,000,000
Term loan	1,995,498	1,241,715	-	-
	1,996,296	21,246,673	-	20,000,000
Non-current liabilities				
Secured				
Term loan				
Later than 1 year but not later than 5 years	7,907,690	4,918,006	-	-
Later than 5 years	15,086,049	18,621,632	-	-
	22,993,739	23,539,638	-	-
Unsecured				
Term loan				
Later than 1 year but not later than 5 years	22,950,000	22,075,000	22,950,000	22,075,000
	45,943,739	45,614,638	22,950,000	22,075,000
	47,940,035	66,861,311	22,950,000	42,075,000

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. BORROWINGS (CONT'D)

Term loan

Term loan of the Group bear interest at fixed rate at 6%, base lending rate (“BLR”) minus 0.50% to 2.10% and above 0.50% to 1.25% per annum and is secured by:

- (i) Corporate guarantee by the Company;
- (ii) Joint and several guarantee by the directors of the subsidiary companies;
- (iii) Secured over legal charge by the investment properties of the Group (Note 7) and/or the properties under the ownerships of the directors of the Group; and
- (iv) Related party open charge under the National Land Code.

Bank overdraft

Bank overdraft bears interest at 0.50% per annum over the bank’s base lending rate and is secured by:

- (i) Legal charge over the property held by a director of the Group; and
- (ii) Joint and several guarantee by certain directors of the Group.

Borrowing are denominated in following currencies:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	24,990,035	44,786,311	-	20,000,000
United States Dollar	22,950,000	22,075,000	22,950,000	22,075,000
	47,940,035	66,861,311	22,950,000	42,075,000

17. DEFERRED TAX LIABILITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of financial year/date of incorporation	155,969	-	4,400	-
Acquisition of subsidiaries	7,024	84,716	-	-
Recognised in profit or loss (Note 25)	24,072	71,253	(4,400)	4,400
At end of financial year/period	187,065	155,969	-	4,400

The deferred tax liabilities arise from capital allowances over depreciation of property, plant and equipment.

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. LEASE LIABILITIES

	Shoplots RM	Motor vehicle RM	Group	
			2023 RM	2022 RM
At beginning of financial year/date of incorporation	13,926,246	-	13,926,246	-
Acquisition of subsidiaries	373,356	-	373,356	14,991,112
Addition	1,790,185	152,043	1,942,228	77,122
Interest charged	967,975	635	968,610	1,239,526
Repayments	(1,978,590)	(3,170)	(1,981,760)	(2,136,289)
Rent concessions	(63,829)	-	(63,829)	(245,225)
At end of financial year/period	15,015,343	149,508	15,164,851	13,926,246
<i>Future minimum lease payments</i>				
Not later than 1 year	2,521,969	30,420	2,552,389	1,942,845
Later than 1 year but not later than 5 years	9,324,024	134,196	9,458,220	8,250,717
Later than 5 years	8,431,748	-	8,431,748	9,088,086
	20,277,741	164,616	20,442,357	19,281,648
Less: future finance charges	(5,262,398)	(15,108)	(5,277,506)	(5,355,402)
	15,015,343	149,508	15,164,851	13,926,246
<i>Present value of:</i>				
Current				
Not later than 1 year	1,518,757	25,139	1,549,177	999,565
Non-current				
Later than 1 year but not later than 5 years	6,408,221	124,369	6,527,309	5,310,989
Later than 5 years	7,088,365	-	7,088,365	7,615,692
	13,496,586	124,369	13,615,674	12,926,681
	15,015,343	149,508	15,164,851	13,926,246

The amount recognised in the Group's profit or loss for the financial year ended 31 December 2023 is disclosed in Note 6.

At reporting period, the lease liabilities of the Group bear effective interest rate ranging from 4.39% to 7% (2022: 7%).

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. TRADE PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-related parties	128,559	114,868	-	-

20. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Other payables	566,965	-	-	-
Current				
Other payables	254,825	249,170	115,098	8,314
Deposit received	113,675	202,175	-	-
Accruals	2,002,058	1,868,970	1,249,920	1,287,951
	2,370,558	2,320,315	1,365,018	1,296,265
	2,937,523	2,320,315	1,365,018	1,296,265

The other payables and accruals are denominated in following currencies:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	2,118,979	1,537,438	546,474	513,388
United States Dollar	818,544	782,877	818,544	782,877
	2,937,523	2,320,315	1,365,018	1,296,265

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. REVENUE

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Pawnbroking and islamic financing profit				
- Administrative fee	106,103	107,588	-	-
- Interest income	34,116,209	32,732,893	-	-
Gold and luxury products retail and trading				
- New gold	2,444,835	3,769,810	-	-
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	60,185,177	43,579,344	-	-
Others:				
- IT solution processing fee	19,225	1,017,192	-	-
- Management fee	-	460,050	5,951,253	5,225,837
- Pawnbroking consultancy service	652,925	684,751	-	-
	97,524,474	82,351,628	5,951,253	5,225,837
Timing of revenue recognition				
At a point in time	63,408,265	49,618,735	5,951,253	5,225,837
Over time	34,116,209	32,732,893	-	-
	97,524,474	82,351,628	5,951,253	5,225,837

Notes to the Financial Statements

For the financial year ended 31 December 2023

22. OTHER OPERATING INCOME

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Compensation fee received	-	5,308	-	-
Bargain purchase	-	24,735,936	-	-
Gain on disposal of:				
- investment in subsidiaries	-	3,107,836	-	3,107,836
- investment properties	-	5,834,334	-	-
- property, plant and equipment	-	137,004	-	-
Insurance claim received	21,912	11,521	-	-
Interest income	445,179	7,939	444,129	7,939
Loan interest income	-	23,612	3,220,757	2,171,287
Other income	68,003	6,355	-	-
Rental income	601,590	1,377,500	28,800	61,200
Wages subsidies grant received	-	35,890	-	8,460
	1,136,684	35,283,235	3,693,686	5,356,722

23. FINANCE COSTS

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
<i>Interest expense on:</i>				
Bank overdraft interest	69,120	290,382	-	-
Finance lease interest	635	-	-	-
Lease liabilities interest	967,975	1,230,526	-	-
Loan interest	-	519,030	2,495,621	1,444,808
Term loan interest	3,469,519	2,432,778	671,022	913,459
	4,507,249	4,472,716	3,166,643	2,358,267
<i>The following finance costs are segregated to:</i>				
Cost of sales	967,975	1,230,526	-	-
Finance costs	3,539,274	3,242,190	3,166,643	2,358,267
	4,507,249	4,472,716	3,166,643	2,358,267

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. PROFIT BEFORE TAX

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
<i>Profit before tax is arrived after charging:</i>				
Auditors' remuneration				
- current financial year/period	277,300	204,275	66,000	16,500
- under provision in prior financial period	600	3,976	-	-
Bad debts written off	46,790	23,220	-	-
Depreciation of:				
- investment properties (Note 7)	351,592	391,065	-	-
- property, plant and equipment (Note 5)	804,996	1,075,868	13,103	8,942
- right-of-use assets (Note 6)	1,559,187	1,634,312	-	-
Directors' fee	318,000	312,000	312,000	312,000
Employee benefits expenses (Note 26)	6,417,725	6,861,299	2,718,429	2,964,891
Impairment loss of trade receivables	241,421	-	-	-
Impairment of intangible assets	840,227	-	-	-
Lease of equipment	20,253	19,360	-	-
Lease of office	378,230	685,411	235,680	-
Loss on foreign exchange (unrealised)	924,315	306,563	924,315	306,563
Property, plant and equipment written off	6,985	87,726	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. TAX EXPENSE

(a) Major components of tax expense

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
<i>Income tax</i>				
Current financial year/period	5,833,853	4,953,650	-	42,475
Under/(Over) provision in financial year/ period	378,015	(95,957)	293,833	-
	6,211,868	4,857,693	293,833	42,475
Real property gain tax	-	231,406	-	-
<i>Deferred tax (Note 17)</i>				
Current financial year/period	43,274	205,003	-	4,400
Over provision in prior financial period	(19,202)	(133,750)	(4,400)	-
	24,072	71,253	(4,400)	4,400
	6,235,940	5,160,352	289,433	46,875

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and accounting profit

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Profit before tax	22,054,775	52,198,386	992,821	2,250,609
Income tax calculated at tax rate of 24%	5,293,146	12,527,613	238,277	540,146
Tax effects of expenses not deductible for tax purposes	557,028	6,824,578	(238,277)	252,610
Income not subject to tax	(16,321)	(14,173,192)	-	(745,881)
Real property gain tax	-	231,406	-	-
Deferred tax asset recognised during the financial year/period	43,274	12,715	-	-
Utilisation of of deferred tax assets during the financial year/period	-	(33,061)	-	-
Under/(Over) provision of income tax in prior financial year/period	378,015	(95,957)	293,833	-
Over provision of deferred tax in prior financial year/period	(19,202)	(133,750)	(4,400)	-
	6,235,940	5,160,352	289,433	46,875

26. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Defined contribution plan	287,979	733,311	234,163	268,577
Other benefits	102,263	167,484	512,869	79,066
Salaries, bonus and other emoluments	3,061,545	5,871,599	1,953,135	2,597,909
SOCSO and EIS	48,381	88,905	18,262	19,339
	3,500,168	6,861,299	2,718,429	2,964,891

Notes to the Financial Statements

For the financial year ended 31 December 2023

26. EMPLOYEE BENEFITS EXPENSES (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Group and certain members of senior management of the Group during the financial year as below:

(a) Directors

	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Group and Company		
Directors of the Company:		
- Salaries, allowance and bonuses	540,000	645,000
- Fees	336,000	312,000
- Defined contribution plans	61,200	77,400
- Others	8,817	9,848
	946,017	1,044,248

(b) Other key management personnel

	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
Group and Company		
<i>Key management personnel compensation:</i>		
- Salaries, allowance and bonuses	533,000	684,500
- Defined contribution plans	59,040	81,540
- Others	10,003	12,250
	602,043	778,290

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. RELATED PARTY DISCLOSURES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place on terms mutually agreed during the financial year:

(a) Significant related party transactions

	Group		Company	
	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	3.9.2021 (date of incorporation) to 31.12.2022 RM
<u>Transactions with entities within the Group</u>				
<i>Income received in relation to:</i>				
Interest income from loan	-	-	3,220,757	3,298,267
IT solution	-	-	-	207,285
Management fee	-	-	5,951,253	4,311,823
Rental income	-	-	28,800	28,800
Sale of unredeemed pledged items and pre-owned gold products	-	-	-	17,543,175
<i>Expenses paid in relation to:</i>				
Loan interest expense	-	-	1,107,496	1,423,422
<u>Transactions with related companies</u>				
<i>Income received in relation to:</i>				
Gain on disposal of investment properties	-	5,472,435	-	-
IT solution	-	654,030	-	-
Management fees	-	342,787	-	-
Rental income	580,590	1,020,547	-	27,000
<i>Expenses paid in relation to:</i>				
Loan interest expense	-	503,701	-	-
Management fees	-	-	-	83,583
Rental	339,350	147,140	-	-
<u>Transactions with directors</u>				
<i>Income received in relation to:</i>				
Gain on disposal of investment in subsidiaries	-	3,107,836	-	3,107,836
Rental income	12,000	23,000	-	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on term and conditions that are not materially different from that obtainable in transactions with unrelated parties.

Notes to the Financial Statements

For the financial year ended 31 December 2023

27. RELATED PARTY DISCLOSURES (CONT'D)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place on terms mutually agreed during the financial year:
(Cont'd)

(b) Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation is paid to the directors of the Group as disclosed in Note 26(b).

28. EARNING PER SHARE

	2023	2022
Profit attributable to owners of the Group (RM)	15,818,835	47,038,034
Number of ordinary shares (weighted average)	917,919,166	847,302,499
Basis earnings per share (RM Sen)	1.72	5.55

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basis earnings per share.

Notes to the Financial Statements

For the financial year ended 31 December 2023

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Amortised cost				
Financial assets:				
Trade receivables	200,601,132	165,291,520	-	-
Other receivables and deposits	3,513,016	775,691	2,228,180	45,822
Amount due from subsidiaries	-	-	66,968,037	50,382,089
Cash and bank balances	34,752,204	17,263,112	30,709,502	15,674,069
	238,866,352	183,330,323	99,905,719	66,101,980
Financial liabilities:				
Trade payables	128,559	114,868	-	-
Other payables and accruals	2,937,523	2,320,315	1,365,018	1,296,265
Amount due to subsidiaries	-	-	15,303,182	18,093,364
Borrowings	47,940,035	66,861,311	22,950,000	42,075,000
Lease liabilities	15,164,851	13,926,246	-	-
	66,170,968	83,222,740	39,618,200	61,464,629

30. SEGMENT REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's operating businesses 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 services, and serves different markets.

The Group's reportable segments under MFRS 8 are as follows:

Segments

Pawnbroking services
Gold and luxury product retail and trading
Others

Product and services

Provision of pawnbroking services
Sales of jewellery and gold products
Pawnbroking consultancy, IT solutions and management fees

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. SEGMENT REPORTING (CONT'D)

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

31 December 2023	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
Revenue					
Total external revenue	34,044,170	63,461,079	19,225	-	97,524,474
Inter-segment revenue	48,369,580	-	6,166,018	(54,535,598)	-
Total segment revenue	82,413,750	63,461,079	6,185,243	(54,535,598)	97,524,474
Segment results					
Operating results	20,811,457	4,890,125	3,777,236	(4,394,705)	25,084,113
Finance income	-	-	445,179	-	445,179
Finance costs	(4,601,667)	(100,912)	(3,166,643)	4,394,705	(3,474,517)
Profit before tax	16,209,790	4,789,213	1,055,772	-	22,054,775
Tax expense	(4,547,233)	(1,416,007)	(272,700)	-	(6,235,940)
Net profit after tax	11,662,557	3,373,206	783,072	-	15,818,835
Assets and Liabilities					
Segment assets	216,552,060	19,875,894	45,005,281	-	281,433,235
Segment liabilities	40,894,050	2,034,445	24,689,282	-	67,617,777
Other segment information					
Depreciation	2,514,773	84,327	116,675	-	2,715,775
Impairment	-	1,081,648	-	-	1,081,648

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. SEGMENT REPORTING (CONT'D)

31 December 2022	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
Revenue					
Total external revenue	60,672,395	20,007,897	1,671,336	-	82,351,628
Inter-segment revenue	22,376,276	-	5,022,875	(27,399,151)	-
Total segment revenue	83,048,671	20,007,897	6,694,211	(27,399,151)	82,351,628
Segment results					
Operating results	25,610,334	1,983,844	27,846,398	-	55,440,576
Finance costs	(883,112)	(403)	(2,358,675)	-	(3,242,190)
Profit before tax	24,727,222	1,983,441	25,487,723	-	52,198,386
Tax expense	(4,410,047)	(461,910)	(288,395)	-	(5,160,352)
Net profit after tax	20,317,175	1,521,531	25,199,328	-	47,038,034
Assets and Liabilities					
Segment assets	197,588,556	1,516,423	22,240,618	-	221,345,597
Segment liabilities	40,233,828	108,406	43,940,469	-	84,282,703
Other segment information					
Depreciation	2,898,263	60,040	142,942	-	3,101,245

31. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk. The Group and the Company's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group and the Company's senior management.

(i) Credit risk

Credit risk is the risk of financial loss of the Group and of the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises (primarily from trade and other receivables) and from its financing activities. The Group and the Company have a credit policy and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

As at the end of the reporting date, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT

(i) Credit risk

Credit risk concentration profile

The Group and the Company have no significant concentration of credit risk from its receivables. The Group and the Company minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group and the Company apply the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the life expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group and the Company's trade receivables using a provision matrix are as follows:

	Trade receivables				Total RM
	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	Above 60 days past due RM	
2023					
Group					
Expected credit loss rate	2.50%	0%	0%	0%	0%
Gross carrying amount at default	185,300,471	10,184,519	4,983,502	374,061	200,842,553
Expected credit loss	(241,421)	-	-	-	(241,421)
	185,059,050	10,184,519	4,983,502	374,061	200,601,132
2022					
Group					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default	149,049,315	11,647,831	4,594,374	-	165,291,520
Expected credit loss	-	-	-	-	-
	149,049,315	11,647,831	4,594,374	-	165,291,520

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

Other receivables and other financial assets

For other financial assets (including cash and cash equivalents) of the Group and of the Company minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and of the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.6(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

As at the end of the report date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk

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

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group and the Company's operations and mitigate the effect of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the Group and the Company's financial instruments at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 years RM	> 5 years RM
At 31 December 2023					
Trade payables	128,559	128,559	128,559	-	-
Other payables and accruals	2,937,523	2,937,523	23,270,558	-	566,965
Borrowings	47,940,035	61,104,698	4,965,168	41,344,872	14,794,658
Lease liabilities	15,164,851	20,442,357	2,552,389	9,458,220	8,431,748
	66,170,968	84,613,137	30,916,674	50,803,092	23,793,371
At 31 December 2022					
Trade payables	114,868	114,868	114,868	-	-
Other payables and accruals	2,320,315	2,320,315	2,320,315	-	-
Borrowings	66,861,311	71,717,554	30,921,223	30,006,157	10,790,174
Lease liabilities	13,926,246	19,281,748	1,942,945	8,250,717	9,088,086
	83,222,740	93,434,485	35,299,351	38,256,874	19,878,260

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk (Cont'd)

Company	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 years RM	> 5 years RM
At 31 December 2023					
Other payables and accruals	1,365,018	1,365,018	1,365,018	-	-
Amount due to subsidiaries	15,303,182	15,303,182	15,303,182	-	-
Borrowings	22,950,000	28,458,000	1,377,000	27,081,000	-
	39,618,200	45,126,200	18,045,200	27,081,000	-
At 31 December 2022					
Other payables and accruals	1,296,265	1,296,265	1,296,265	-	-
Amount due to subsidiaries	18,093,364	18,093,364	18,093,364	-	-
Borrowings	42,075,000	48,660,000	21,317,000	27,343,000	-
	61,464,629	68,049,629	40,706,629	27,343,000	-

(iii) Market risk

Market risk is the risk that the fair value of future cash flow on the financial instruments that with fluctuate because of changes in market prices. The various components of market risk that the Group are exposed to are discussed below:

(a) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value of future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their borrowings floating interest rates.

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk (cont'd)

(a) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Carrying amount RM	Change in basis point	Effect on profit RM
Group			
2023			
Term loan	(24,990,035)	+ 25	(47,481)
		- 25	<u>47,481</u>
2022			
Revolving loan	(20,000,000)	+ 25	(38,000)
		- 25	<u>38,000</u>
Term loan	(24,786,311)	+ 25	(47,094)
		- 25	<u>47,094</u>
Company			
2022			
Revolving loan	(20,000,000)	+ 25	(38,000)
		- 25	<u>38,000</u>

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Market risk (cont'd)

(b) Foreign exchange risk

The objectives of the Group's currency risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognized assets and liabilities. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

The currency exposure of financial liabilities of the Group and of the Company that are not denominated in the functional currency are set out below:

	Group and Company	
	2023 RM	2022 RM
Denominated in USD		
Other payables	(818,544)	-
Borrowings	(22,950,000)	(22,075,000)
Net exposure	(23,768,544)	(22,075,000)

The sensitivity of the Group's profit after tax for the financial year/period and equity to a reasonably possible change in the USD exchange rate against the functional currencies of RM, with all other factors remaining constant and based on the composition of assets and liabilities at the reporting date are set out as below.

	Group and Company	
	2023 RM	2022 RM
Effect on profit after tax		
USD/RM		
- Strengthened 10%	(1,806,409)	(1,677,700)
- Weakened 10%	1,806,409	1,677,700

The impact on profit after tax for the financial year are mainly as a result of foreign currency gain/losses on translating of USD denominated borrowings.

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32. CAPITAL MANAGEMENT

The primary objective of the Group and of the Company capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group and the Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to its shareholder, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitors capital using a gearing ratio. The gearing ratio is calculated as net debts divided by equity attributable to the owners of the Company. The gearing ratio as at 31 December 2023 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Borrowings (excluding lease liabilities)	47,940,035	66,861,311	22,950,000	42,075,000
	47,940,035	66,861,311	22,950,000	42,075,000
Total equity	213,815,458	137,062,894	153,866,742	92,229,625
Gearing ratio	0.22	0.49	0.15	0.46

33. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, short-term receivables, payables and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of the financial assets and financial liabilities at the statement of financial position date approximate the fair values due to the relatively short-term maturity of these financial instruments.

Other long term financial assets and liabilities are reasonable approximation of fair value because they are floating are instruments which are re-priced to market interest rates or estimated by discounting future cash flows using current lending rates for similar types or arrangements.

It is not practical to determine the fair value of finance lease liabilities and lease liabilities which are at fixed rate due to lack of market information of comparable instruments with similar characteristic and risk profile.

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34. ACQUISITION OF SUBSIDIARIES

On 12 October 2023, EMCC had entered into a share sale agreement with a third party to acquire the entire issue share capital of Pajak Gadai Pajamas Sdn. Bhd. and Pajak Gadai Sri Petaling Sdn. Bhd. at total purchase consideration amounted to RM3,791,194 and RM1,701,393 respectively.

	RM
Assets	
Property, plant and equipment	140,955
Right-of-use assets	350,669
Inventories	89,050
Trade and other receivables	5,743,231
Amount due from related company	198,742
Current tax assets	76,660
Cash and bank balances	3,039,253
	<hr/> 9,638,560
Liabilities	
Trade and other payables	(47,513)
Amount due to related company	(42,500)
Borrowings	(5,892,663)
Lease liabilities	(373,356)
Deferred tax liabilities	(12,419)
	<hr/> 6,368,451
Fair value of the identifiable assets and liabilities acquired	3,270,109
Purchase consideration	5,492,587
	<hr/> Goodwill 2,222,478
Net cash outflow arising from acquisition of a subsidiary:	
Purchase consideration	5,492,587
Cash and cash equivalents of the subsidiary acquired	(3,039,253)
	<hr/> 2,453,334

Notes to the Financial Statements

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35. CASH FLOWS INFORMATION

Reconciliation of liabilities arising from financing activities:

Group	1 January RM	Cash flows RM	Non-cash RM	Acquisition of subsidiary RM	31 December RM
2023					
Borrowings	66,856,353	(16,493,174)	3,469,519	(5,892,663)	47,940,035
Lease liabilities	13,926,246	(1,013,153)	2,625,114	(373,356)	15,164,851
	80,782,599	(15,849,823)	4,438,129	(6,266,019)	63,104,886
2022					
Borrowings	-	36,566,232	30,290,121	-	66,856,353
Lease liabilities	-	(819,641)	14,745,887	-	13,926,246
	-	35,746,591	45,036,008	-	80,782,599
Company	1 January RM	Cash flows RM	Non-cash RM	31 December RM	
2023					
Amount due from subsidiaries	(50,382,089)	(16,585,948)	-	(66,968,037)	
Amount due to subsidiaries	18,093,364	(2,790,182)	-	15,303,182	
Borrowings	42,075,000	(21,184,147)	2,059,147	22,950,000	
	9,786,275	(40,560,277)	2,059,147	(28,714,855)	
2022					
Amount due from subsidiaries	-	(50,382,089)	-	(50,382,089)	
Amount due to subsidiaries	-	18,093,364	-	18,093,364	
Borrowings	-	41,768,437	306,563	42,075,000	
	-	9,479,712	306,563	9,786,275	

36. COMPARATIVE FIGURES

The financial statements for the current financial year is from 1 January 2023 to 31 December 2023.

The financial statements for the previous financial period is from 3 September 2021 (date of incorporation) to 31 December 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) On 29 August 2023, the Company had issued the Prospectus in relation to the IPO which comprise a public issue of 267,600,000 new Shares and an offer for sale of 43,000,000 existing Shares at an IPO price of RM0.24 per Share.
- (ii) On 25 September 2023, the Company issued and allotted 267,600,000 new Shares at an issue price of RM0.24 each in conjunction with the Company listing on the ACE Market of Bursa Securities. The entire enlarged issued share capital of the Company of RM152.2 million comprising 1,114,902,499 Shares were listed on the ACE Market of Bursa Securities on 26 September 2023.
- (iii) On 24 November 2023, the Company announced a proposal to establish an employees' share option scheme (“**ESOS**”) which involves up to 10% of the Company total number of issued ordinary shares, excluding treasury shares, if any, at any point in time during the duration of the ESOS for the eligible Directors and/or employees of our group of companies, excluding dormant and foreign subsidiaries, if any. On 16 January 2024, the Company submitted the application to Bursa Securities.
- (iv) On 21 December 2023, the Company had entered into a share sale agreement with third party for the acquisition of the entire equity interest in Pajak Gadai SenangKaya Sdn Bhd for a total cash consideration of RM1,974,492. The said acquisition was completed on March 2024.
- (v) On 21 December 2023, the Company had entered into a share sale agreement with a third party for the acquisition of the entire equity interest in Pawn Shop Century First Sdn Bhd for a total cash consideration of RM1,397,285. The said acquisition was completed on March 2024.
- (vi) On 30 December 2023, Cahaya Gold & Jewellery Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a business takeover agreement with third party for the acquisition of the assets and business of Koperasi Cahaya for a total cash consideration of RM5,300,000. The said acquisition was completed on January 2024.

38. SIGNIFICANT EVENT AFTER THE REPORTING DATE

- (i) On 8 January 2024, the Company had entered into a share sale agreement with a third party for the acquisition of the entire equity interest in Pajak Gadai Evolusi Temerloh Sdn Bhd for a total cash consideration of RM50,000. The said acquisition was completed on February 2024.

List of Properties

No.	Location	Description/ Existing Use	Tenure	Built-up / Land Area sq m	Approximate Age of Building	Net Book Value as at 31 December 2023 RM'000	Date of Last Revaluation (R) / Acquisition (A)
(a)	No. 38A, 38B, 38C & 38D (Front), 38D(2) and 38D (Back), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan	4 units of 2-storey semi-detached factory rented out	60 years lease expiring on 15 Mar 2069	4,691 / 3,840	43 years	12,097	29 March 2024 (R)
(b)	No. 27, Ground Floor, 1st and 2nd Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu	3-storey shop office rented out	99-years lease expiring on 1 Jun 2110	194 / 521	6 years	641	13 Dec 2011 (A)

Analysis of Shareholdings

As at 29 March 2024

Total Number of Issued Shares : **1,114,902,499 Ordinary Shares**
Class of Shares : Ordinary Shares
Number of Shareholders : 3,772
Voting Rights : One (1) vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	1	0.03	47	0
100 - 1,000	289	7.66	150,900	0.01
1,001 - 10,000	1,392	36.90	9,203,000	0.83
10,001 - 100,000	1,610	42.68	58,151,000	5.22
100,001 - 55,745,123 (*)	479	12.70	427,618,606	38.35
55,745,124 and above (**)	1	0.03	619,778,946	55.59
Total	3,772	100.00	1,114,902,499	100.00

Remark:

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 29 MARCH 2024

(As per Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	Tirai Anggerik Sdn. Bhd.	619,778,946	55.59	-	-
2.	Dato' Low Kok Chuan	-	-	*619,778,946	55.59
3.	Datin Tea Guat Ngo (F)	-	-	*619,778,946	55.59
4.	Low Kok Hu	-	-	*619,778,946	55.59

Remark:-

* Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her shareholding in Tirai Anggerik Sdn. Bhd.

Analysis of Shareholdings

As at 29 March 2024

DIRECTORS' SHAREHOLDINGS AS AT 29 MARCH 2024 (As per Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	Dato' Mohd Azfar Bin Mohamed	-	-	-	-
2.	Dato' Low Kok Chuan	-	-	*619,778,946	55.59
3.	Datin Tea Guat Ngo (F)	-	-	*619,778,946	55.59
4.	Low Kai Loon	-	-	-	-
5.	Datin Fadzlullaily Binti Yakob (F)	316,000	0.03	-	-
6.	Chow Lai Mun (F)	300,000	0.03	-	-
7.	Hong Boon Toh	200,000	0.02	-	-
8.	Kenneth Chai Chuan Teong	300,000	0.03	-	-

* Deemed interest through Tirai Anggerik Sdn. Bhd.

CHIEF EXECUTIVE OFFICER'S SHAREHOLDING AS AT 29 MARCH 2024

No.	Name	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	SING SUK FUEN	5,319,900	0.48	-	-

LIST OF TOP 30 LARGEST SHAREHOLDERS (According to the Record of Depository as at 29 March 2024)

No.	Name of Shareholders	No. of Shares Held	%
1	TIRAI ANGGERIK SDN. BHD.	619,778,946	55.590
2	HSBC NOMINEES (ASING) SDN. BHD. J.P. MORGAN SECURITIES PLC	29,785,900	2.671
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OONG BOON EOK	22,450,000	2.013
4	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEONG KOK WAH	16,728,500	1.500
5	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.	14,887,300	1.335
6	TEE KUN SHEN	13,948,720	1.251
7	ANG KOK SEONG	10,295,000	0.923
8	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.	8,702,400	0.780

Analysis of Shareholdings

As at 29 March 2024

LIST OF TOP 30 LARGEST SHAREHOLDERS (CONT'D) (According to the Record of Depository as at 29 March 2024)

No.	Name of Shareholders	No. of Shares Held	%
9	SASBARA SDN. BHD.	8,000,000	0.717
10	CITIGROUP NOMINEES (ASING) SDN. BHD. UBS AG	6,392,000	0.573
11	MUHAMMAD ASHRAF NADHIR BIN NURHIDAYAT	6,330,000	0.567
12	SIN SOON LEE REALTY COMPANY (M) SDN. BHD.	6,160,000	0.552
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BEH KIM LING	6,000,000	0.538
14	JENDELA PUJIAN SDN. BHD.	5,704,998	0.511
15	LIM SOON GUAN	5,500,000	0.493
16	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MTRUSTEE BERHAD FOR PHILLIP PEARL FUND (UT-PM-PPF) (419471)	5,384,500	0.482
17	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	5,213,300	0.467
18	UOBM NOMINEES (ASING) SDN. BHD. UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	4,713,400	0.422
19	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN TENG BOON (E-KLC)	4,500,000	0.403
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG HUNG HENG	4,440,000	0.398
21	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU YONG YING	4,100,000	0.367
22	UOBM NOMINEES (TEMPATAN) SDN. BHD. UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR MALAYSIAN TIMBER COUNCIL (OF-EQ)	4,015,500	0.360
23	YII MING SUNG	4,000,000	0.358
24	LIEW YAU SENG	3,964,800	0.355
25	NG KIEN LIM	3,840,000	0.344
26	SING SUK FUEN	3,400,000	0.304
27	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.	3,355,000	0.300
28	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP MASTER EQUITY GROWTH FUND (50144 TR01)	3,200,000	0.287
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ONG HUNG HENG	3,200,000	0.287
30	HONG HUEI HOU	3,153,848	0.282
	Total	841,144,112	75.445

Notice of Second Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“2nd AGM”) of Evergreen Max Cash Capital Berhad (“EMCC” or the “Company”) which will be conducted on a fully virtual manner through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Wednesday, 26 June 2024 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 3) (Resolution 1)**
2. To approve the payment of Directors’ fees up to an amount of RM360,000.00 for the period from the conclusion of 2nd AGM until the next AGM of the Company.
3. To re-elect the following Directors who are retiring by rotation in accordance with Clause 111 of the Company’s Constitution and, who being eligible, offer themselves for re-election:
 - (i) Dato’ Low Kok Chuan **(Resolution 2)**
 - (ii) Datin Tea Guat Ngo **(Resolution 3)**
 - (iii) Mr. Low Kai Loon **(Resolution 4)**
4. To re-appoint Messrs. Chengco PLT as External Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:

5. **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act, 2016** **(Resolution 6)**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), the Constitution of the Company and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company be and are hereby authorised to allot and issue new shares in the Company, grant rights to subscribe for new shares in the Company, convert any securities into new shares in the Company, or allot new shares in the Company under an agreement or option or offer (collectively, the “New Shares”) from time to time, at such issue price, to such persons and for such purposes and upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of such New shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed General Mandate”)

Notice of Second Annual General Meeting

THAT such approval of the Proposed General Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with Clause 65 of the Constitution of the Company, approval be and is given to waive the Company’s shareholders’ statutory pre-emptive rights of the shareholders of the Company to be offered with the New Shares ranking equally to the existing issued shares of the Company arising from issuance of the New Shares in the Company to the allottees.

THAT the Directors be and are hereby authorised to issue any New Shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors of the Company may determine.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares to be issued on the ACE Market of Bursa Securities

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

6. **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Existing RRPT Mandate”)** **(Resolution 7)**

“THAT subject to Rule 10.09 of the ACE Market Listing Requirements of Bursa Securities, the Company and/or its subsidiaries be and are hereby authorised to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 26 April 2024 with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries’ day-to-day operations and which are carried out in the ordinary course of business on terms which are not more favorable to the related parties than those generally available to the public and are not to the detriment of its minority shareholders.

Notice of Second Annual General Meeting

THAT the authority conferred by such mandate shall commence upon the pasting of this resolution and continue to be in force until:

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

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give full effect to the transactions contemplated and/or authorized by this resolution.”

7. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

TAN KOK SIONG (SSM PC NO. 202008001592) (LS0009932)

YEE SEK LING (SSM PC NO. 202008004358) (LS0010508)

Company Secretaries

Kuala Lumpur

Date: 26 April 2024

Notes:-

1. IMPORTANT NOTICE

An online meeting platform can be recognised as the meeting venue under Section 327(2) of the Companies Act, 2016 if the online meeting platform in Malaysia and all meeting participants including the Chairman of the meeting, board member and shareholders are to participate in the meeting online.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the 2nd AGM via the Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 2nd AGM in order to participate remotely via RPV facilities.

Notice of Second Annual General Meeting

2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to participate at this 2nd AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 19 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- (b) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to participate and vote at this AGM of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- (d) Where a member of the Company is an exempt authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (g) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) In electronic form
In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 2nd AGM on the procedures for electronic lodgement of Proxy Form.
- (h) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (i) Last date and time for lodging the Proxy Form is on **Monday, 24 June 2024 at 10.00 a.m.**
- (j) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or adjourned 2nd AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Notice of Second Annual General Meeting

- (k) A corporate member who has appointed a representative, please deposit the **ORIGINAL** or **DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES ON ORDINARY BUSINESS

3. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 (“**the Act**”) does not require a formal approval from the shareholders. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

4. Resolution 1 - Directors’ Fees

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of the Company shall be approved at a general meeting.

The Nomination and Remuneration Committee had reviewed the Directors’ fees for the Non-Executive Directors for the following period, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors’ fees from 26 June 2024 until the next AGM of the Company to be held in 2025.

5. Resolutions 2 to 4 - Re-election of Directors

Dato’ Low Kok Chuan, Datin Tea Guat Ngo and Low Kai Loon who retire by rotation in accordance with the Company’s Constitution and being eligible, have offered themselves for re-election at the 2nd AGM.

The Board had through the Nomination and Remuneration Committee (“**NRC**”) carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

6. Resolution 5 - Re-appointment of Auditors

The Board has through the Audit and Risk Management Committee (“**ARMC**”) assessed the suitability and independence of the External Auditors, Messrs. Chengco PLT (“**Chengco**”) and considered the re-appointment of Chengco as Auditors of the Company for the financial year ending 31 December 2024. The Board and ARMC collectively agreed and satisfied that Chengco has the relevant criteria prescribed by Rule 15.21 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad. .

Notice of Second Annual General Meeting

7. Explanatory Notes on Special Business

(i) Resolution 6 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 6 is prepared for the purpose of granting a renewed general mandate (“**General Mandate**”) and empowering the Directors to allot shares in the Company to be utilised for such purposes as the Directors consider would be in the interest of the Company, up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The General Mandate will provide flexibility to the Company to issue and allot new shares in the Company without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional cost and time. The purpose of this Proposed General Mandate is to facilitate possible future fund-raising exercises including but not limited to placement of shares for purposes of funding acquisition and/or investment exercises, working capital, repayment of bank borrowings, operational expenditure and settlement of trade creditors

Pursuant to Section 85 of the Act read together with Clause 65 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Resolution 6, if passed, will exclude the shareholders’ pre-emptive right to be offered new shares to be issued by the Company.

(ii) Resolution 7 – Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7, if passed, will take immediate effect upon conclusion of the 2nd AGM and will continue to be in force until the conclusion of the next AGM of the Company’s or until the expiration of the period within which the next AGM is required by law to be held (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act), unless revoked or varied by the Company in a general meeting, whichever is earlier.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Administrative Guide

For the Second Annual General Meeting (“2nd AGM”)

Day, Date and Time : Wednesday, 26 June 2024 at 10.00 a.m.
Meeting Venue : Online Meeting Platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia
Meeting Platform : TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A212781)

MODE OF MEETING

The 2nd AGM of the Company will be conducted fully virtual basis through live streaming and online voting via Remote Participation and Voting (“RPV”) facilities via TIIH Online website at <https://tiihonline>.

An online meeting platform used to conduct the meeting can be recognised as the meeting venue as required under Section 327(2) of the Companies Act 2016, provided that the online platform located in Malaysia and all meeting participants including the chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 2nd AGM using RPV facilities from Tricor.

A shareholder who has appointed a proxy(ies) or attorney or authorised representative(s) to participate at this 2nd AGM via RPV must request his/her proxy(ies), attorney(s) or authorised representative(s) to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 2nd AGM using the RPV facilities:

Before the 2nd AGM Day

Procedure	Action
i Register as a user with TIIH Online	<ul style="list-style-type: none">Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance.Registration as a user will be approved within one (1) working day and you will be notified via e-mail.If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

Administrative Guide

For the Second Annual General Meeting (“2nd AGM”)

Procedure	Action
ii	Submit your request to attend 2 nd AGM remotely
	<ul style="list-style-type: none"> • Registration is open from Friday, 26 April 2024 until the day of 2nd AGM on Wednesday, 26 June 2024. Shareholder(s)/proxy(ies)/attorney/corporate representative(s) are required to pre-register their attendance for the 2nd AGM to ascertain their eligibility to participate in the 2nd AGM using the RPV. • Login with your user ID (i.e. email address) and password and select the corporate event: “(REGISTRATION) EVERGREEN MAX CASH CAPITAL BERHAD 2ND AGM”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting” • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at 19 June 2024, the system will send you an e-mail on 24 June 2024 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>

On the 2nd AGM Day

i	Login to TIIH Online	<ul style="list-style-type: none"> • Login with your user ID and password for remote participation at the 2nd AGM at any time from 9.00 a.m. i.e. 1 hour before the commencement of the 2nd AGM on Wednesday, 26 June 2024 at 10.00 a.m.
ii	Participate through Live Streaming	<ul style="list-style-type: none"> • Select the corporate event: “(LIVE STREAM MEETING) EVERGREEN MAX CASH CAPITAL BERHAD 2ND AGM” to engage in the proceedings of the 2nd AGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by remote participants during the 2nd AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii	Online Remote Voting	<ul style="list-style-type: none"> • Voting session commences from 10.00 a.m. on Wednesday, 26 June 2024 until a time when the Chairman announces the end of the session. • Select the corporate event: “(REMOTE VOTING) EVERGREEN MAX CASH CAPITAL BERHAD 2ND AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv	End of remote participation	<ul style="list-style-type: none"> • Upon the announcement by the Chairman on the closure of the AGM, the Live Streaming will end.

Note to users of the RPV facilities:

1. Should your registration for the RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

Administrative Guide

For the Second Annual General Meeting (“2nd AGM”)

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 19 June 2024 shall be eligible to attend, speak and vote at the 2nd AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
- If you are not able to participate in the 2nd AGM remotely, you are encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 2nd AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 2nd AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 24 June 2024 at 10.00 a.m.:**

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All shareholders can have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: “Evergreen Max Cash Capital Berhad 2nd AGM - Submission of Proxy Form”. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.

Administrative Guide

For the Second Annual General Meeting (“2nd AGM”)

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate event: “Evergreen Max Cash Capital Berhad 2nd AGM - Submission of Proxy Form”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate event: “Evergreen Max Cash Capital Berhad 2nd AGM - Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the 2nd AGM via Tricor’s TIIH Online website at <https://tiih.online> by selecting **“e-Services”** to login, pose questions and submit electronically no later than **Monday, 24 June 2024 at 10.00 a.m.** The Board will endeavor to answer the questions received at the AGM.

NO DOOR GIFT/VOUCHER

There will be no distribution of door gift or voucher for the AGM.

We thank you for your continuous support to the Company.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar at:

Tricor Investor & Issuing House Services Sdn. Bhd. Registration No. 197101000970 (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia		Telephone Number
	General Line	603-2783 9299
	Ashvinder Singh	603-2783 7962 ashvinder.singh@my.tricorglobal.com
	Muhammad Asyran	603-2783 9249 muhammad.asyran@my.tricorglobal.com
	Fax Number	603-2783 9222
	Email	is.enquiry@my.tricorglobal.com

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EVERGREEN MAX CASH CAPITAL BERHAD
(Registration No. 202101028602 (1428902-D))

Proxy Form

No. of Shares Held:	
CDS Account No.:	

I/We _____ NRIC/ Passport/ Registration No. _____
[Full name in block as per NRIC/Passport]

of _____
[Address]

Email Address: _____ Contact No.: _____

being member(s) of **Evergreen Max Cash Capital Berhad**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address:		Contact No.:	

and (if more than one (1) proxy)^

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address:		Contact No.:	

or failing him/her, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Second Annual General Meeting (“**2nd AGM**”) of the Company, which will be conducted on a fully virtual manner through live streaming and online meeting platform of TIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its website at <https://tiah.online> or <https://tiah.com.my> (Domain Registration No. with MYNIC - D1A282781) on **Wednesday, 26 June 2024 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1	To approve the payment of Directors’ fee of up to an amount of RM360,000.00 for the period from the conclusion of 2 nd AGM until the next AGM of the Company.		
2	Re-election of Dato’ Low Kok Chuan as Director of the Company pursuant to Clause 111 of the Company’s Constitution.		
3	Re-election of Datin Tea Guat Ngo as Director of the Company pursuant to Clause 111 of the Company’s Constitution.		
4	Re-election of Mr. Low Kai Loon as Director of the Company pursuant to Clause 111 of the Company’s Constitution.		
5	Re-appointment of Messrs. Chengco PLT as External Auditors of the Company for the financial year ended 31 December 2024 and to authorise the Directors to fix their remuneration.		
6	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
7	Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____ 2024

Signature*
Member

^ Delete whichever is not applicable

* Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. IMPORTANT NOTICE

An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act, 2016 if the online meeting platform in Malaysia and all meeting participants including the Chairman of the meeting, board members and shareholders are to participate in the meeting online.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 2nd AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 2nd AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

(a) For the purpose of determining who shall be entitled to participate at this 2nd AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 19 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

(b) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.

- (c) A member of the Company who is entitled to participate and vote at this AGM of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- (d) Where a member of the Company is an exempt authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (f) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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The Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

[Registration No. 197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

Please fold here

(g) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) In electronic form

In the case of an appointment made via online lodgement facility, please lodge the Proxy Form electronically via TIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 2nd AGM on the procedures for electronic lodgement of Proxy Form.

(h) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

(i) Last date and time for lodging the Proxy Form is on **Monday, 24 June 2024 at 10.00 a.m.**

(j) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time

appointed for holding the 2nd AGM or adjourned 2nd AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

(k) A corporate member who has appointed a representative, please deposit the **ORIGINAL or DULY CERTIFIED** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 2nd AGM dated 26 April 2024.



<https://emc.capital>



EVERGREEN MAX CASH CAPITAL BERHAD

(Registration No. 202101028602 (1428902-D))

Lot 11-10, Tingkat 11, Wisma Trax,
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55200, Kuala Lumpur. Wilayah Persekutuan

Tel : 03-92246222

Website : www.emc.capital

info@emc.capital