

**KUMPULAN KITACÓN BERHAD**  
202201006838 (1452535-V)



# 2023

A N N U A L R E P O R T



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# CORPORATE INFORMATION

## Board of DIRECTORS

### Datuk Dr. Siti Hamisah Binti Tapsir

Independent  
Non-Executive Chairperson

### Tan Ah Kee

Managing Director

### Teow Choo Hing

Non-Independent  
Non-Executive Director

### Gam Boon Tin

Executive Director /  
Chief Operating Officer

### Goh Yin Huat

Executive Director /  
Chief Financial Officer

### Low Chin Ann @ Han Chin Ann

Independent  
Non-Executive Director

### Chang Sua Yearn

Independent  
Non-Executive Director

### Nooriah Binti Hassan

Independent  
Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

Low Chin Ann @ Han Chin Ann  
(Chairperson)  
Chang Sua Yearn  
Nooriah Binti Hassan

## NOMINATION COMMITTEE

Nooriah Binti Hassan (Chairperson)  
Teow Choo Hing  
Chang Sua Yearn

## REMUNERATION COMMITTEE

Chang Sua Yearn (Chairperson)  
Low Chin Ann @ Han Chin Ann  
Teow Choo Hing

## COMPANY SECRETARIES

Ng Hao Ern  
(MAICSA 7072518)  
SSM PC NO.: 201908003771

Chin Jin Sin  
(MAICSA 7049404)  
SSM PC NO.: 202208000316

## REGISTERED OFFICE

52A, Lebuhr Enggang, 41150 Klang,  
Selangor Darul Ehsan, Malaysia  
Tel : (03) 3343 7145

## SHARE REGISTRAR

BOARDROOM SHARE  
REGISTRARS SDN. BHD.  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : (03) 7890 4700  
Fax : (03) 7890 4670

## PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
HSBC Amanah Malaysia Berhad  
RHB Bank Berhad  
Standard Chartered Bank Malaysia  
Berhad  
United Overseas Bank (Malaysia) Bhd

## EXTERNAL AUDITORS

CROWE MALAYSIA PLT  
Suite 50-3, Setia Avenue  
No. 2, Jalan Setia Prima S U13/S  
Setia Alam, Seksyen U13  
40170 Shah Alam  
Selangor Darul Ehsan, Malaysia  
Tel : (03) 3343 0730  
Fax : (03) 3344 3036

## HEAD OFFICE

No. 24, Jalan Rengas  
Taman Selatan  
41200 Klang  
Selangor Darul Ehsan, Malaysia  
Tel : (03) 3372 4162  
Fax : (03) 3372 4342

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market  
Stock Name : KITACON  
Stock Code : 5310  
Listed on 17 January 2023

## WEBSITE:

[www.kitacon.com.my](http://www.kitacon.com.my)



## PROFILE OF BOARD OF DIRECTORS



### DATUK DR. SITI HAMISAH BINTI TAPSIR

Independent Non-Executive Chairperson

#### Nationality



#### Gender



#### Age

63

#### Date of Appointment:

25 May 2022

#### Length of Tenure as director:

1 year 10 months (as at 31 March 2024)

#### Membership of Board Committee:

None

**Datuk Dr. Siti Hamisah Binti Tapsir**, a Malaysian aged 63, is our Independent Non-Executive Chairperson. She was appointed to our Board on 25 May 2022.

She graduated with a Diploma in Civil Engineering with Institut Teknologi MARA (now known as Universiti Teknologi MARA) in 1982, Bachelor of Science in Civil Engineering from New England College, USA in 1984 and a Master of Science in Civil Engineering from the University of Lowell (now known as University of Massachusetts Lowell), USA in 1987. She also obtained a Doctor of Philosophy in Civil Engineering from the University of Leeds, United Kingdom in 1994.

She is a registered professional engineer with the Board of Engineers, Malaysia since 2001, a Fellow member of the Institution of Engineers, Malaysia since 2007 and a Professional Technologist of the Malaysia Board of Technologists since 2017. She is also a President of the Malaysia Board of Technologists since 2021 and a member of the Institute of Corporate Directors Malaysia since September 2022. In November 2022, she was appointed as a member of the Board of Governors for UCSI Hospital Sdn Bhd.

She started her career with Universiti Teknologi Malaysia (“UTM”) as Lecturer in 1987. Between 1991 and 1994, she was granted leave to pursue her Doctor of Philosophy in Civil Engineering from the University of Leeds, United Kingdom. During her tenure with UTM, she held various positions which include, among others, Head of Laboratory, Associate Professor, Assistant Director, Programme Director, Dean, Deputy Vice-Chancellor and she was mainly responsible for lecturing, research, consultancy and management.

She left UTM as Campus Director of UTM International Campus in 2009 to join the Ministry of Higher Education as Deputy Director General in the same year. She was promoted to Director General of Higher Education in 2016, where she was responsible for overseeing the implementation of higher education policies at both public and private universities.

She left the Ministry of Higher Education and was appointed as Secretary General of the Ministry of Energy, Science, Technology, Environment and Climate Change (now known as the Ministry of Science, Technology and Innovation) in 2019, where she was responsible for developing and overseeing the rollout of national policy on energy, science, technology, innovation and climate change in Malaysia. Following the restructuring of the said ministry by the Government in March 2020, she continued to hold the position of Secretary General up until March 2021. During this period, she was appointed as Adjunct Professor of UTM in January 2020 until her departure in January 2021.

In March 2021, she was re-appointed as Secretary General of the Ministry of Science, Technology and Innovation on a 6-month contract basis, where she was developing and overseeing the national agenda of science, technology and innovation of all the ministries. In addition, she was assigned to lead the rollout of the COVID-19 Vaccination Plan under the COVID-19 Immunisation Task Force in Malaysia before her retirement in September 2021.

Upon retirement from her full-time civil service in September 2021, she was appointed as Group Chief Executive Officer of UCSI Group and Vice-Chancellor of UCSI University in October 2021, where she mainly oversees the strategic agenda of the education, technology, hotels and travel segments as well as monitoring the performance and fiduciary duties of the UCSI Group and its group of companies. From May to August 2022, she was the Chairman of the Healthcare Work Culture Improvement Task Force established by the Ministry of Health Malaysia to cover aspects of work culture as well as human resources management of healthcare personnel.

She also serves on the boards of Sime Darby Berhad, Malayan Cement Berhad and Oppstar Berhad, which are listed on the Main Market and ACE Market of Bursa Malaysia Securities Berhad respectively, as the Independent Non-Executive Director/Chairman.



## Profile of Board of Directors (Cont'd)



### TAN AH KEE

Managing Director

#### Nationality



#### Gender



#### Age

63

#### Date of Appointment:

24 February 2022

#### Length of Tenure as director:

2 years 1 month (as at 31 March 2024)

#### Membership of Board Committee:

None

**Mr. Tan Ah Kee**, a Malaysian aged 63, is our Substantial Shareholder and Managing Director. He is our co-founder and was appointed to our Board on 24 February 2022.

He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 1984 and has been a member of the Chartered Institute of Building since 2005.

He started his career with Chi Liung Realty (M) Sdn Bhd, a construction company, in 1984 as a Technical Assistant, where he was involved in site monitoring as well as managing the tender process and housing projects. He left the company in 1988. However, between 1988 and 1990, he continued to work with Chi Liung Realty (M) Sdn Bhd on a part-time basis to assist the company in completing its remaining projects which were previously under his purview.

In October 1990, he co-founded Kitacon Sdn Bhd ("KSB") together with Teow Choo Hing, both of whom are directors and shareholders of KSB. Throughout the years, Tan Ah Kee is responsible for the day-to-day management and business operations and providing guidance and direction to our management team. Together with Teow Choo Hing, he is also responsible for the formulation of overall business expansion strategies and direction of our Group.

He has approximately 38 years of experience in the construction industry and has undertaken construction work for many township development projects including Eco Grandeur, Eco Majestic and Eco Forest under Eco World Development Group, City of Elmina under Sime Darby Property Group, Tropicana Aman under Tropicana Corporation Berhad, as well as Setia Eco Glades, Setia Safiro and Setia Eco Park under S P Setia Group.



As the Managing Director, he is responsible for the overall management and business operations of our Group as well as the strategic planning, formulation, and implementation of our Group's strategies.

Profile of Board of Directors (Cont'd)



**TEOW CHOO HING**

Non-Independent Non-Executive Director

<b>Nationality</b> 	<b>Gender</b> 	<b>Age</b> <b>64</b>
<b>Date of Appointment:</b> 12 May 2022		
<b>Length of Tenure as director:</b> 1 year 10 months (as at 31 March 2024)		
<b>Membership of Board Committee:</b> Nomination and Remuneration Committees		

**Mr. Teow Choo Hing**, a Malaysian aged 64, is our Substantial Shareholder and Non-Independent Non-Executive Director. He was appointed to our Board on 12 May 2022. He is also a member of our Nomination and Remuneration Committees.

He obtained a Bachelor of Science in Civil Engineering and a Master of Science in Civil Engineering from the University of Oklahoma, USA in 1984 and 1985, respectively. While he was in the USA, he worked as Project Engineer in LaForge & Budd Construction Company Inc, USA, and was involved in an interstate highway project in Oklahoma.

In 1991, he was also appointed as Director of Storewell (M) Sdn Bhd, a company principally involved in bonded warehousing.

In 1996, he was appointed as Director of Century Logistics Sdn Bhd, a company principally involved in freight forwarding, warehousing and container haulage, where he was responsible for charting the direction and development of the company. In 1997, he was appointed as Managing Director of CJ Century Logistics Holdings Berhad (“CJ Century”), a logistics company listed on the Main Market of Bursa Securities. In 2020, he was re-designated as Chief Executive Officer of CJ Century and continues to be responsible for the overall management and business operations of the company including strategic planning, formulation and implementation of strategies, overseeing the financial performance and the investment and ventures development of the company.

In October 1990, Teow Choo Hing co-founded KSB together with Tan Ah Kee, both of whom are directors and shareholders of KSB, to venture into the construction business. Since the inception of KSB, Teow Choo Hing has left the day-to-day management of the company to Tan Ah Kee. However, in fulfilling his oversight responsibility, he participates in board matters in a non-executive role such as the formulation of overall business expansion strategies and direction of our Group together with Tan Ah Kee. Apart from attending meetings of the board of directors, he is not involved in the day-to-day operations of KSB.



## Profile of Board of Directors (Cont'd)



### GAM BOON TIN

Executive Director /  
Chief Operating Officer (“COO”)

#### Nationality



#### Gender



#### Age

52

#### Date of Appointment:

25 May 2022

#### Length of Tenure as director:

1 year 10 months (as at 31 March 2024)

#### Membership of Board Committee:

None

**Mr. Gam Boon Tin**, a Malaysian aged 52, is our Executive Director/COO. He was appointed to our Board on 25 May 2022.

He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 1995.

He started his career with KSB as Assistant Quantity Surveyor in 1995, where he was involved in general quantity surveyor work, such as providing estimation on quantities, costs and time scales for materials and labour, and drawing up budget reports. He was promoted to Contract Executive in 1997 and was subsequently promoted to Contract Manager in 1997, where he was entrusted to monitor and control overall project cost, operational activities of our construction projects and oversee the tender process as well as contract management.

He was promoted to Senior Manager (Tender, Budget and Cost Control Department) in 2002, GM (Contract and Implementation) in 2005, Senior GM in 2016 and COO in 2022. Throughout his career with KSB, he was responsible for the overall project management and daily operations, including overseeing the tender process, contract management and implementation of projects, as well as administration and procurement. As COO, he also oversees the entire Contracts Department of our Group.

In his capacity as our Executive Director, Gam Boon Tin plays a vital role in assisting our Managing Director in ensuring that the strategic planning, formulation and strategies of our Group are successfully and viably implemented.





Profile of Board of Directors (Cont'd)



**GOH YIN HUAT**

Executive Director /  
Chief Financial Officer (“CFO”)

Nationality	Gender	Age
		43
<b>Date of Appointment:</b> 25 May 2022		
<b>Length of Tenure as director:</b> 1 year 10 months (as at 31 March 2024)		
<b>Membership of Board Committee:</b> None		

**Mr. Goh Yin Huat**, a Malaysian aged 43, is our Executive Director/ CFO. He was appointed to our Board on 25 May 2022.

He graduated with a degree in Bachelor of Arts in Accounting from the University of Hertfordshire, United Kingdom in 2002. He has been a member of the Malaysian Institute of Accountants since 2008 and a Fellow member of the ACCA since 2012.

He started his career with Thiang & Co, an audit firm, as Audit Assistant in 2002, where he was involved in the audit of various private limited companies, mainly responsible for audit planning, resolving audit issues and review of statutory accounts. He subsequently left the firm as Audit Senior in 2005.

He joined Crowe Horwath (now known as Crowe Malaysia PLT) in 2005 as Audit Senior and was promoted to Audit Manager in 2010. During his tenure with the firm, he was responsible for managing the audit of both public and private limited companies and conducting financial due diligence in relation to business acquisition.

He left the audit firm to join Gabungan AQRS Berhad, a construction and property development company listed on the Main Market of Bursa Securities, as Finance Manager in 2012. He was subsequently promoted to Senior Finance Manager in 2015 and Deputy Group Financial Controller in 2018. During his tenure with the company, he was responsible for accounting and financial matters including, among others, planning of the yearly audit, preparing quarterly reports, annual cash flow budget and profit forecast, updating risk register and risk presentation at board meetings and compilation of the annual report. He also oversees tax matter and funding needs.

In 2019, he left Gabungan AQRS Berhad and joined KSB as CFO. He heads the Accounts and Finance Department where he is responsible for overseeing all aspects of accounting functions of KSB, including financial reporting, budgeting, taxation and cash flow management.

In his capacity as our Executive Director, Goh Yin Huat plays a vital role in assisting our Managing Director in ensuring that the strategic planning, formulation and strategies of our Group are successfully and viably implemented.



## Profile of Board of Directors (Cont'd)



### LOW CHIN ANN @ HAN CHIN ANN

Independent Non-Executive Director

#### Nationality



#### Gender



#### Age

43

#### Date of Appointment:

25 May 2022

#### Length of Tenure as director:

1 year 10 months (as at 31 March 2024)

#### Membership of Board Committee:

Chairperson of Audit and Risk Management Committee and a member of Remuneration Committee

**Mr. Low Chin Ann @ Han Chin Ann**, a Malaysian aged 43, is our Independent Non-Executive Director. He was appointed to our Board on 25 May 2022. He is also the Chairperson of our Audit and Risk Management Committee and a member of our Remuneration Committee.

He graduated with a Diploma in Computer Science from Institute Latihan FTMS-ICL (now known as FTMS College) and completed the Certified Accounting Technician programme in 1999. He has been a member and Fellow member of the ACCA since 2005 and 2010 respectively, and a member of the Malaysian Institute of Accountants since 2021.

He started his career with RKT Tax Consultants Sdn Bhd, a tax consultancy firm, as Tax Executive in 2001. He left the firm in 2001 and joined KLC Centre for Higher Studies in 2002 as Lecturer prior to him leaving the institute in 2002. Between 2003 and 2006, he joined Kasturi College International (now known as Malvern International Academy) as Course Director for the Certified Accounting Technician programme where he was responsible for conducting lectures and managing the said programme. He left the college in 2006 and joined both FTMS Consultants (M) Sdn Bhd and FTMS Global (Singapore) Ltd as Lecturer in 2007. He left the companies in 2007.

Mr. Low currently serves as the Director of Trinity Genesis Origo Development Sdn Bhd (Genesis Origo), where he leads the provision of accountancy-related training and oversees the conduct of professional accountancy courses tailored for working adults. Additionally, he holds the position of Director at Malaysian Pest Control Sdn Bhd.

Mr. Low sat on the Board of Analabs Resources Berhad, a company listed on the Main Market of Bursa Securities, as Independent Non-Executive Director, a position he had held since 2012, prior to his resignation as Senior Independent Non-Executive Director in 2015 and his retirement in October 2022.

In 2023/2024, Mr. Low was appointed as a study text and workshop manuals reviewer for the Audit & Assurance and Advanced Taxation papers of the Malaysian Institute of Accountants' qualifying examinations, contributing his expertise to uphold the standards of the accountancy profession in Malaysia.

Profile of Board of Directors (Cont'd)



**CHANG SUA YEAN**

Independent Non-Executive Director

**Nationality**



**Gender**



**Age**

39

**Date of Appointment:**

25 May 2022

**Length of Tenure as director:**

1 year 10 months (as at 31 March 2024)

**Membership of Board Committee:**

Chairperson of Remuneration Committee and a member of Nomination and Audit and Risk Management Committees.

**Ms. Chang Sua Yeon**, a Malaysian aged 39, is our Independent Non-Executive Director. She was appointed to our Board on 25 May 2022. She is also the Chairperson of our Remuneration Committee and a member of our Nomination and Audit and Risk Management Committees.

She graduated with a Bachelor of Laws degree from the University of Malaya in 2008 and was admitted to the High Court of Malaya as Advocate and Solicitor in 2009. She is also a member of the Institute of Corporate Directors Malaysia since September 2022.

She began her legal career in 2009 as Legal Assistant with Abraham Ooi & Partners, where her main area of practice was conveyancing. She left the firm in 2012 and joined Armyi Rais as Legal Assistant before she rejoined Abraham Ooi & Partners in the same year. She left the firm in 2013 to join Amir Faezal Norzela & Chong as Legal Assistant and was subsequently promoted to Partner in 2014 to head the Real Estate and Property Practice Group. She has gained extensive experience in real estate matters including property acquisition and divestment, development projects, commercial leasing, property financing, commercial and retail banking.

She left the law firm and joined Chuah & Yong as Partner in 2015, where her main area of practice was conveyancing and banking. Apart from her vast experience in real estate matters, she has also been advising and representing banks on legal documentation in banking transactions including refinancing and financing purchase of property.



## Profile of Board of Directors (Cont'd)



### NOORIAH BINTI HASSAN

Independent Non-Executive Director

#### Nationality



#### Gender



#### Age

60

#### Date of Appointment:

25 May 2022

#### Length of Tenure as director:

1 year 10 months (as at 31 March 2024)

#### Membership of Board Committee:

Chairperson of Nomination Committee and a member of Audit and Risk Management Committee.

**Puan Nooriah Binti Hassan**, a Malaysian aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 25 May 2022. She is also the Chairperson of our Nomination Committee and a member of our Audit and Risk Management Committee.

She graduated with a Bachelor of Architecture from The University of New South Wales, Australia in 1989. She has been a member of the Malaysian Institute of Architects and has been registered with the Board of Architects Malaysia since 2012. She is also a member of the Institute of Corporate Directors Malaysia since September 2022.

She started her career with Arkitek Kawasan Sekutu as Design Architect in 1989, where she was responsible for designing and assisted in various commercial and housing development projects. She left the firm and joined Arkitek Sama in 1991 as Project Architect until her departure in 1995. In 1995, she joined Arkitek N. Kang as Project Architect, where she was responsible for project management. She left the firm in 2007 and took a break thereafter.

In 2009, she joined Palm Grove Development Sdn Bhd as Project Architect / Master Planner, where she was the key personnel for the overall development of Bandar Nusaputra. She left the firm in 2012 and joined UEM Group Berhad group of companies as Senior Manager, Development, where she was in charge of the projects in the southern region of Malaysia. Subsequently, she was responsible for the management and development of the Serene Heights, Bangi township. She held the position of Project Team Leader prior to her retirement in 2021.

In 2014, she set up and registered Noori Hassan Architect with the Board of Architects Malaysia to provide architectural consultancy services.

## PROFILE OF KEY SENIOR MANAGEMENT

### GAM BOON TIN

Executive Director / Chief  
Operating Officer (“COO”)

Age : 52 years old  
Nationality : Malaysian  
Gender : Male

Please refer to his profile on page 7 of the Profile of Board of Directors.

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### GOH YIN HUAT

Executive Director / Chief  
Financial Officer (“CFO”)

Age : 43 years old  
Nationality : Malaysian  
Gender : Male

Please refer to his profile on page 8 of the Profile of Board of Directors.

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### CHOOI KUEN WAH

General Manager (“GM”)

Age : 53 years old  
Nationality : Malaysian  
Gender : Male

**Mr. Chooi Kuen Wah**, a Malaysian aged 53, is our GM (Operation 1). He is responsible for our Group’s project management in terms of construction progress, quality, safety and environmental management, and contract administrative works.

Mr Chooi graduated with a Certificate in Technology (Architecture) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 1991 and he started his career with Low Yat Construction Co. Sdn Bhd as Trainee Draughtsman in the same year, where he was involved in the preparation of drawings.

He left the company in 1991 to join Comtrac Sdn Bhd as Assistant Quantity Surveyor in the same year and was involved in contract administration. In 1994, he was promoted to Quantity Surveyor, where his main responsibilities involved subcontractor management and preparing claims and bills to the clients and subcontractors.

In 1995, he joined KSB as Contract Executive and was involved in contract administration. He was subsequently promoted to Assistant Project Manager in the same year, where he was primarily involved in project tracking and monitoring and overseeing construction projects at the sites, ensuring that the work carried out was in accordance with the drawings. In 1997, he was promoted to Project Manager.

Thereafter in 2002, he was promoted to Senior Manager (Project Implementation Department) and was responsible for expanding the Project Department, providing training to the team members, and liaising with clients, consultants and authorities. He was promoted to GM (Operation 1) in 2016 to lead the Projects and Construction Department.



## Profile of Key Senior Management (Cont'd)

### TAN YOKE HUAY

General Manager (“GM”)  
(Purchasing and Human  
Resource)

Age : 65 years old  
Nationality : Malaysian  
Gender : Female

**Ms Tan Yoke Huay**, a Malaysian aged 65, is our GM (Purchasing and Human Resource). She is responsible for the overall purchasing and procurement, human resource and administrative matters of our Group.

She attended her secondary education at Sekolah Menengah Kebangsaan (Perempuan) Bukit Kuda in Klang, Selangor. She began her career with Lim Eng Chuan OPEL Company in 1977 as Admin Clerk where she was involved in general administrative works. She left the company to join Federal Auto Cars Sdn Bhd in 1984 as Admin and Accounts Clerk, where she was involved in general administrative and accounting works. She left the company and joined KSB in 1994 as Administration Executive, where she was responsible for general administrative works such as preparation of documents for purchasing and payroll administration.

In 2002, she was promoted to Purchasing and Administration Manager, where her main responsibilities included overseeing the Purchasing and Procurement Department and the Human Resource Department, the overall purchasing and procurement matters, human resource matters and administrative matters such as liaising with suppliers to obtain quotes, sourcing for materials and handling suppliers' accounts with KSB and reviewing of purchase orders. In 2022, she was redesignated to assume her present role.

### NG TEOK KIEAN

Senior Account Manager

Age : 59 years old  
Nationality : Malaysian  
Gender : Female

**Ms Ng Teok Kiean**, a Malaysian aged 59, is our Senior Account Manager. She is responsible for the overall finance and accounting matters which includes overseeing the Accounts and Finance Department.

She obtained her Unified Examination Certificate from Sekolah Menengah Hin Hua in Klang, Selangor in 1982. Upon her graduation, she assisted in her family-owned business which is involved in palm trees and orchards. She began her career with Eetak Brick Factory Sdn Bhd, a brick manufacturer, as General Accountant in 1984, where she was responsible for the preparation of the company's accounts. She left the company in 1990.

She joined KSB as Accounts Clerk in 1991, where she was responsible for the preparation of the company's accounts. She was promoted to Accounts Executive in 1993 and Accounts Manager in 2002, where she was responsible for the day-to-day operations of our Group's finance and accounting functions including timely preparation of financial statements, submission of tax filing and monitoring of credit control. She was promoted to Senior Account Manager in 2022.

## Profile of Key Senior Management (Cont'd)

### LIW FEI JY

Senior Contract Manager  
(Pre-Contract)

Age : 41 years old  
Nationality : Malaysian  
Gender : Female

**Ms Liw Fei Jy**, a Malaysian aged 41, is our Senior Contract Manager (Pre-Contract). She is responsible for leading the pre-contract team in preparing tender bids for submission.

Ms Liw graduated with a Diploma in Technology (Quantity Surveying) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 2003. She began her career with L'Grande Development Sdn Bhd, a construction and civil engineering company, in 2003 as Junior Contract Executive, where she assisted her superior on quantity surveying works. She left the firm in 2004 and joined Dayatera Engineering Sdn Bhd, a subcontractor of roof trusses, in 2005 as Estimator, where she was responsible for preparing estimation of quantity for production purposes, providing quotation to clients and handling progress claim. She left the company in the same year.

In 2005, she joined KSB as Contract Executive, where she was responsible for post-contract works and quantity surveying works. In 2011, she left KSB and joined Kimly Construction Pte Ltd, a construction company based in Singapore, as Contract Executive, where she worked for 3 years and was responsible for post-contract works and quantity surveying works.

Upon returning to Malaysia, she re-joined KSB in 2014 as Senior Contract Executive (Pre-Tender) and was subsequently promoted to Assistant Contract Manager in 2015, where she was responsible for analysing project requirement and specification of products and materials, obtaining quotations from subcontractors to prepare tender bids, submitting tender bids to developers, conducting interviews and meetings with clients, maintaining vendor database and submitting financial capabilities to clients.

She was promoted to Contract Manager in 2018 and to Senior Contract Manager (Pre-Contract) in 2022 with additional responsibility that includes planning and scheduling the efficient use of aluminium formwork.

### TAN WEI KHIM

Senior Contract Manager  
(Post-Contract)

Age : 44 years old  
Nationality : Malaysian  
Gender : Female

**Ms Tan Wei Khim**, a Malaysian aged 44, is our Senior Contract Manager (Post-Contract). She is responsible for leading the post-contract team in handling the supply of materials.

She graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 2000 and began her career in 2001 as Estimator in Kampat Engineering Sdn Bhd, a company involved in the fabrication and installation of roof truss, where she was involved in the measurement and costing of roof trusses for construction works.

She left Kampat Engineering Sdn Bhd and joined KSB in 2003 as Assistant Quantity Surveyor, where she was responsible for assisting in quantity surveyor routine works, preparing budget and quotation, handling subcontractor claims and taking measurements at project sites. In 2008, she was promoted to Contract Executive, where she was primarily involved in quantity surveying works which includes drawing measurements, submission of progress claims, preparing variation orders and final accounts, and preparing subcontractor claims.

In 2013, she was promoted to Assistant Contract Manager, where she was responsible for the negotiation of material prices, monitoring contract executives on the submission of progress claims, preparation of variation orders and the final accounts. She was subsequently promoted to Contract Manager in 2015 and to Senior Contract Manager (Post-Contract) in 2022 and assumes her present role and responsibilities.



# FINANCIAL HIGHLIGHTS

	FYE 2023 RM'000	FYE 2022 RM'000	FYE 2021 <sup>(1)</sup> RM'000	FYE 2020 <sup>(1)</sup> RM'000	FYE 2019 <sup>(1)</sup> RM'000
<b>FINANCIAL RESULTS</b>					
Revenue	780,875	487,761	455,502	489,645	581,523
Profit Before taxation	48,074	53,298	52,336	52,762	72,187
Profit After taxation	36,369	40,306	41,833	39,201	54,794
<b>FINANCIAL POSITION</b>					
Total Assets	565,098	408,868	451,214	498,382	462,491
Total Liabilities	268,048	194,161	266,813	236,313	218,124
Net Assets	297,050	214,707	184,401	262,069	244,367
<b>FINANCIAL RATIOS</b>					
Net Assets per share <sup>(2)</sup> (sen)	59.4	42.9	36.9	52.4	48.9
Basic Earnings per share <sup>(3)</sup> (sen)	7.3	8.1	8.4	7.8	11.0
Net Gearing <sup>(4)</sup> (Times)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

**Notes:**

- (1) Kumpulan Kitacon Berhad (the "Company") was incorporated on 24 February 2022 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 17 January 2023. The Company completed the acquisition of its wholly-owned subsidiary, Kitacon Sdn Bhd on 21 October 2022. The comparative figures for FYE2019 to FYE2021 shown above are presented as if the acquisition had occurred at the beginning of the earliest comparative period presented.
- (2) Net Assets per share is calculated based on Net Assets divided by the enlarged issued share capital of 500,000,000 ordinary shares upon listing on 17 January 2023.
- (3) Basic Earnings per share is calculated based on Profit After Tax divided by the enlarged issued share capital of 500,000,000 ordinary shares upon listing on 17 January 2023.
- (4) Total Borrowings minus Cash and Cash Equivalents, divided by Shareholders' Equity.



# CHAIRPERSON'S STATEMENT

## Dear Respected Shareholders,

On behalf of the Board of Directors, I am honoured to present the second Annual Report and Audited Financial Statements of Kumpulan Kitacon Berhad (“Kitacon” or “the Group”) for the financial year ended 31 December 2023 (FYE 2023).

From its modest beginnings to a swift progression spanning 33 years since its inception, Kitacon achieved a significant milestone by being listed on the Main Market of Bursa Malaysia Securities Berhad on 17 January 2023. Throughout the year, Kitacon has also successfully secured contracts valued at RM1.04 billion, marking a record-breaking achievement with the highest number of contracts wins to date. This accomplishment stands as a remarkable milestone for the Group, signifying the beginning of the next phase in our journey of growth.

## **Datuk Dr. Siti Hamisah Binti Tapsir**

(Independent Non-Executive Chairperson)





## Chairperson's Statement (Cont'd)

### OVERVIEW OF FINANCIAL PERFORMANCE

Although the Covid-19 pandemic officially ended by 2023, the global economic landscape then was still uncertain as the effects from the pandemic were still hovering throughout the year. The path to recovery was faced with a number of challenges, including the global inflationary pressure, interest rate hike and the disruption of the supply chain stemming from the geo political tension.

Notwithstanding the backdrop of the uncertain economic headwinds, I am pleased to report that Kitaco Group closed the financial year with a revenue of RM780.9 million, representing a 60% increase compared to FYE 2022. The improvement in revenue was mainly contributed by the increase in construction activities from on-going projects as well as the commencement of new projects during the year. The profit before tax ("PBT") and profit after tax ("PAT") were RM48.1 million and RM36.4 million respectively.

### REVIEW OF OPERATIONAL RESULTS

Notwithstanding the increase in revenue, the bottom-line profitability continued to be affected due to high construction material costs resulting from the lingering consequences of the pandemic and the geo political tension, which led to the rising of construction material prices, labour cost and higher operating costs. To mitigate price fluctuations of the construction materials, the Group has aggressively implemented strategic measures aimed at optimizing its operational efficiency. One of the measures includes the purchase of construction equipment such as aluminium formwork systems, scaffoldings and cabins to support its construction projects. Usage of the aluminium formwork systems will improve our productivity and therefore enables delivery of our projects within the given timeframe, as well as reducing cost and upholding our high-quality standards.

During the year, the Group has also acquired a piece of freehold land in Selangor to construct a centralised storage and refurbishment facility with an approximate built-up area of 65,000 sq ft to store the aluminium formwork systems, scaffoldings and cabins for future projects. In addition to improving our operational efficiency, we have maintained good relationships with our suppliers and subcontractors which enabled us to negotiate for competitive pricing. Our procurement of these construction materials was conducted on a staggered basis based on the different phases of the construction activities.

Nevertheless, during the year, the Group thrivingly secured 15 new residential projects and 3 non-residential projects with a total contract value of RM751.9 million and RM284.6 million respectively. This represents a record-breaking year, marking the highest number of contracts wins to date. With this, we are happy to announce that as at 31 December 2023, the Group has 34 on-going building construction projects with an impressive outstanding order book of RM1.07 billion, which will provide Kitaco Group with earnings visibility for the next two years.



## Chairperson's Statement (Cont'd)

### COMMITMENT TO SUSTAINABILITY

At Kitacon, we are committed to our vision of balancing our environmental, social and corporate governance elements within our business practices. From the environmental perspective, we have been accredited with ISO 14001:2015 certification since 2008, which exemplifies our ability in managing environmental responsibilities. Part of our efforts to minimise the environmental impact include increasing the usage of aluminium formwork systems, instead of relying on conventional timber formwork, to reduce wastage generated during a construction project and ensure the proper disposal of scheduled waste that possesses hazardous elements.

The Group also places importance on maintaining the employees' wellbeing, where regulatory requirements are adhered strictly and employees are provided with the resources to carry out their work safely. Since 2008, Kitacon was accredited with ISO 45001:2018 certification, a framework to manage risks and improve occupational health and safety performance. To-date the Group has 47 health, safety and environmental personnel who are responsible for minimising occupational hazards, maintaining safety compliances within project sites, as well as preventing damages to the surrounding environment.

With regards to its corporate governance aspect, Kitacon will continue to uphold the highest standards of corporate governance and ethical conduct in accordance with the practices and principles set out in the Malaysian Code on Corporate Governance.





## Chairperson's Statement (Cont'd)

### DIVIDEND CAPABILITY

On 23 May 2023, the Board of Directors had declared a first interim dividend of 1.0 sen per ordinary share which amounted to RM5 million in respect of FYE 2023. This was paid on 13 July 2023.

On 28 February 2024, the Board of Directors further declared a second interim dividend of 1.0 sen per ordinary share amounting to RM5 million in respect of FYE 2023. This was paid on 5 April 2024.

The total dividend payout for FYE 2023 was 2.0 sen per share or RM10.0 million, equivalent to 27.5% of FYE 2023 PAT.

Looking forward, we aim to grow our businesses by actively exploring value-accretive opportunities and pursuing strategic initiatives. It is our commitment to maximise our shareholders' value, as we aim to distribute at least 25% of our audited annual after-tax profit as dividends.

### FUTURE PROSPECTS

The global economy is anticipated to exhibit moderate growth after experiencing a period of economic downturn, with an expected growth of 3% in 2024. On the domestic front, Malaysia's GDP is projected to achieve growth within the range of 4% to 5% in 2024, surpassing the growth of approximately 3.7% for 2023. The higher growth will be through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures under the National Energy Transition Roadmap, New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan. On the industry outlook, the construction sector is anticipated to achieve a substantial growth rate of 6.8% in 2024, driven by enhanced construction output across all subsectors.

Given the promising economic outlook, Kitacon is cautiously optimistic of its growth prospects, despite the high interest rates and increasing inflationary pressures. The Group will remain vigilant on the procurement of the building materials and will continue to adopt a cautious approach when tendering for projects. We remain committed in delivering high quality projects within the given timeline and expand our order book to ensure a sustainable earnings visibility for the Group.

Additionally, our established track record in the building construction industry along with our strong order book, remain as our main growth drivers as we steer into 2024. We maintain our commitment to deliver our projects with high quality standards within the given timeframe and continue

to expand our order book to generate a sustainable stream of revenue. With a solid order book and net cash position, the Group has the ability to capitalise on potential value-accretive opportunities. The Group remains committed to its growth trajectory, actively pursuing and tendering for new projects to ensure sustained success in the coming years.

In a nutshell, moving forward, Kitacon is steadfast committed to deliver its projects within the respective stipulated timelines with high quality construction services and strive to grow its order book by winning more projects going forward. To reinforce this promise, we will continue to accelerate our efforts in the construction activities works, whilst be cautious on the construction building material costs and adopt a strategic approach in bidding for new projects.

### ACKNOWLEDGEMENTS

I would like to take this opportunity to express my heartfelt gratitude to our esteemed clients, shareholders and business associates. We deeply appreciate the unwavering support and trust you have generously placed in Kitacon.

As I pen the final words of this report, I wish to share a personal note of farewell. I have decided not to seek reappointment to the board of Kumpulan Kitacon Berhad due to my time commitment.

It has been a profound honour to serve as your Chairperson. I am immensely grateful for the opportunity to work alongside such dedicated board members and the exceptional team at Kitacon. The experiences we shared and the accomplishments we achieved together will always hold a special place in my heart.

Thank you for your unwavering support and collaboration during my tenure. I leave with nothing but admiration for what we have built together and with high hopes for Kitacon's future. Wishing everyone at Kitacon continued success and prosperity in all your endeavours.

**Datuk Dr. Siti Hamisah Binti Tapsir**

Independent Non-Executive Chairperson

# MANAGEMENT DISCUSSION AND ANALYSIS



## OPERATIONS OVERVIEW

Kumpulan Kitacon Berhad is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad on 17 January 2023. The Group primarily provides construction services, specialising in the construction of residential and non-residential buildings.

Residential buildings include various options such as terrace, semi-detached, detached, cluster, and townhouses, while non-residential buildings include commercial, industrial, purpose-built, and institutional buildings. The Group also provides other related services such as earthworks, roadworks, hoarding works, rectification works, piling works, and infrastructure works.

## FINANCIAL REVIEW

The Group recorded a strong financial performance in FYE 2023. It remained cautious in managing the Group's financial position, despite the challenges posed by regional uncertainties.

In FYE 2023, the Group generated revenue of RM780.9 million, representing a 60.1% increase compared to RM487.8 million in FYE 2022. The increase in revenue for the financial year was mainly due to the higher construction activities from on-going projects and the commencement of new projects.

During FYE 2023, the Group's gross profit increased by RM2.6 million or approximately 2.8% to RM94.0 million compared to RM91.3 million in FYE 2022. The rise in gross profit for the FYE 2023 was primarily due to increased revenue in the residential segment.

The Group's profit before tax ("PBT") in FYE 2023 decreased by RM5.2 million, or 9.8%, compared to FYE 2022, reaching RM48.1 million (compared to RM53.3 million in FYE 2022).



## Management Discussion and Analysis (Cont'd)

### FINANCIAL REVIEW (CONT'D)

Notwithstanding the increase in revenue, the bottom-line profitability continued to be affected due to high raw material costs resulting from the lingering consequences of the pandemic and the geopolitical tension, which led to the rising of construction material prices. The profit margin compression recorded in the current financial year was mainly due to completion of few projects obtained and carried out during the pandemic period between Year 2020 to Year 2022 which were impacted by the escalated construction material prices, labour cost and higher operating costs.

The Group's profit after tax ("PAT") decreased to RM36.4 million in FYE 2023, a 9.7% decrease compared to the previous year's RM40.3 million.

The Group's adjusted PBT and PAT for FYE 2023 amounted to RM48.4 million and RM36.7 million respectively after excluding the non-recurring item such as listing expenses of RM0.3 million in conjunction with the IPO exercise.

Similarly, the Group's adjusted PBT and PAT for FYE 2022 amounted to RM49.6 million and RM36.6 million respectively after excluding the non-recurring items such as listing expenses of RM3.2 million in conjunction with the IPO exercise and gain on disposal of investment properties of RM6.9 million.

Therefore, the Group's adjusted PBT and PAT for FYE 2023 decreased 2.4% and increased 0.3% year-on-year respectively in comparison to FYE 2022.



Despite the challenges faced by Kitacon, the Group continued to ensure that it has a strong financial position by having adequate cashflow while carrying out construction works for the on-going projects. In FYE 2023, the Group's total assets increased by 38.2% to RM565.1 million as compared to RM408.9 million previously, mainly due to higher trade receivables and contract assets.

The Group's total liabilities in FYE 2023 increased by 38.0% to RM268.0 million as compared to RM194.2 million previously, mainly due to higher trade payables.

The Group's shareholders' equity increased by 38.4% to RM297.0 million as compared to RM214.7 million previously, mainly due to increased in retained earnings arising from the Group's PAT in FYE 2023 and issuance of shares pursuant to public issue.

## Management Discussion and Analysis (Cont'd)

### FINANCIAL REVIEW (CONT'D)

The Group's prudent approach enabled the Group to sustain its financial position with a low gearing ratio of less than 0.1 times and net cash position of RM60.9 million as at 31 December 2023.

Our efficient project implementation and operational effectiveness has led to encouraging financial results by the end of FYE 2023. Top-quality township and residential projects have been a driver of our growth by meeting customer needs and capitalising on strong demand. Our growth has been significantly driven by reputable township and residential projects, which have successfully met customer needs.

Our prudent financial management is reflected in our low gearing ratio and net cash position, demonstrating our commitment to maintaining a strong financial position.

### RISKS AND UNCERTAINTIES

The Group faces several risks and uncertainties that could impact its future financial conditions and operations. These risks include the following:

#### **i) Unforeseen Delays in Completing Projects**

The Group's ability to complete projects on time may be impacted by factors beyond the Group's control, such as delays in obtaining regulatory approvals, poor performance by subcontractors, and difficulty in securing a consistent supply of foreign labour.

These delays could adversely affect the Group's revenue recognition, billing, and overall financial performance, resulting in cost overruns and liquidated damages imposed by the Group's customers. Furthermore, such delays could harm the Group's planned sequencing of project execution and hinder the Group's ability to pursue future business opportunities.

#### **ii) Maintaining a Stable Order Book**

The Group's financial performance is closely tied to its ability to secure new projects and maintain a consistent order book. If the Group fails to secure new projects on an ongoing basis or if the projects that the Group secures are not commercially viable, the Group's business growth and financial performance will be negatively impacted. Additionally, unexpected cancellations, delays, or postponements of projects could decrease the value of the Group's order book and harm the Group's prospects and financial performance.

#### **iii) Price Volatility of Construction Materials**

The prices of construction materials, such as steel and concrete, are subject to fluctuations in commodity markets, which may result in increased costs that could negatively impact the Group's financial performance.

Such price volatility could affect the profitability of the Group's projects and put pressure on the Group's margins, which could further impede the Group's ability to generate sustainable revenue. Therefore, we must remain vigilant of these market trends and manage the Group's costs effectively to mitigate the potential adverse effects on the Group's financial performance.



## Management Discussion and Analysis (Cont'd)

### CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to its shareholders and benefits to other stakeholders. In order to meet this objective, the Group always strive to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payments to shareholders or issue new shares, where necessary, to maintain an optimal capital structure.

The aforementioned capital management objective, policies and processes have remained unchanged during the financial year ended 31 December 2023.

### PROSPECTS FOR GROWTH

The global economy is anticipated to exhibit moderate growth after experiencing a period of economic downturn.

Despite the challenging global economy, Bank Negara Malaysia has projected the Malaysian economy to expand by around 4% to 5% in 2024. Inflation is anticipated to remain modest, broadly reflecting stable cost and demand conditions.

Construction activities in Malaysia have managed to sustain its momentum in 2023. The industry is expected to see a brighter prospect in 2024.

Despite general improvement in overall construction sector outlook in 2024, the Group continues to remain prudent by managing risks due to inflation and increase in certain material prices with measures to improve the Group's financial performance.

By relying on our innate expertise in building construction and our newly found niche in township development, our track record is solid and convincing. This gives us the crucial edge in bidding for future mega development projects with our current and potential customers which augurs well for our Group's future outlook.

With Kitacon's vigilant cost control and sensitivity to the market evolvement from time to time, the Group aims to achieve optimum outcome out of the uncertainties. The Group presently has an unprecedented unbilled orderbook of approximately RM1.07 billion as at 31 December 2023, which will contribute positively to the Group's next two years earnings. Barring any unforeseen circumstances, the Group is cautiously optimistic that it will perform satisfactorily in year 2024.



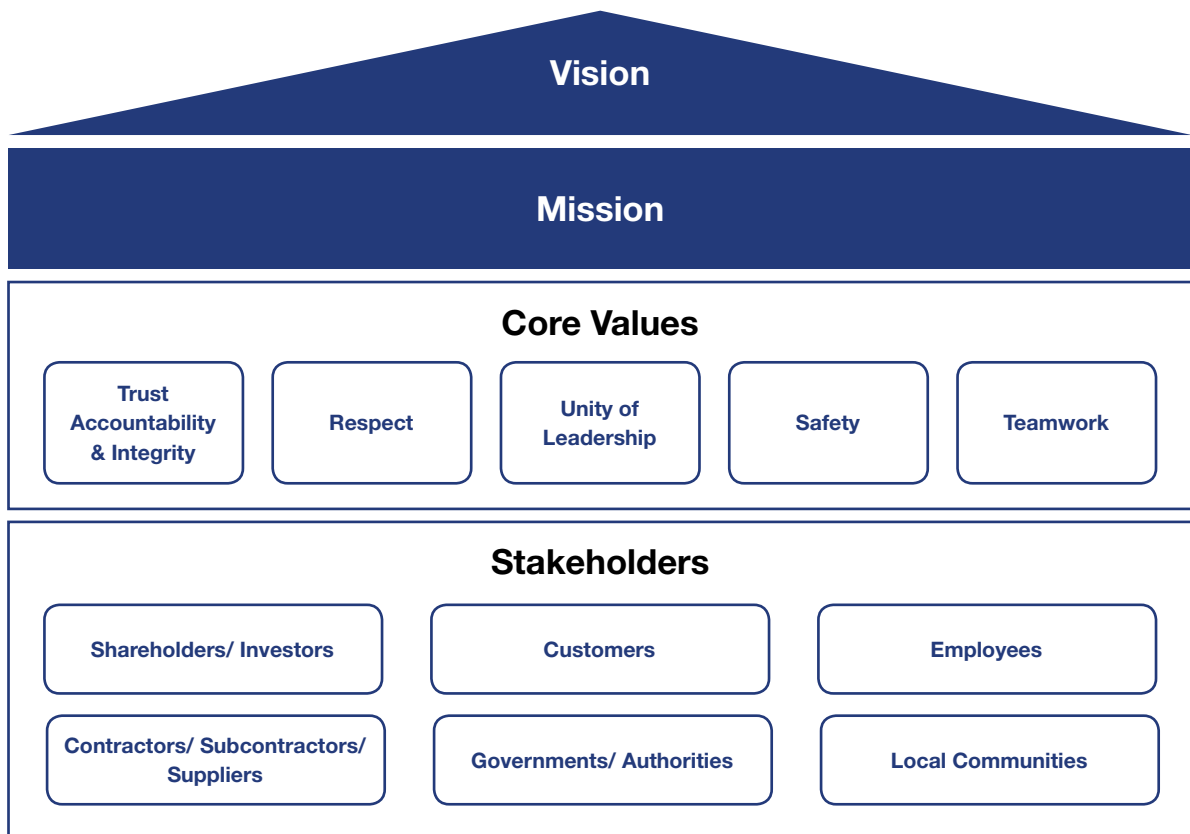
# SUSTAINABILITY STATEMENT

## 1.0 INTRODUCTION

Kumpulan Kitacon Berhad (“Kitacon”) and its subsidiary (“the Group”, “Kitacon Group”, “us” and “we”) recognises the importance of sustainability and has various initiatives related to sustainability efforts particularly in our construction activities. This section explains our sustainability governance structure including roles and responsibilities, our stakeholders and material sustainability matters, and highlights our sustainability tasks and activities undertaken by Kitacon Group.

Aligning to our Group’s mission, we aspire to build long-lasting relationships with our stakeholders and expand our business in a responsible manner by providing value-added and more sustainable services and solutions. With the vision of providing high quality construction services, maintaining transparency to gain trust and confidence of our stakeholders, supporting innovation and creativity of our staff, protecting the environment and our natural resources and contributing to the growth of our community, Kitacon integrates its core values T.R.U.S.T (Trust, Accountability & Integrity, Respect, Unity of Leadership, Safety, Teamwork) into the day-to-day operations to achieve long-term sustainability for all stakeholders.

Our sustainability framework incorporates guidance from Bursa Malaysia and internationally recognised frameworks based on Global Reporting Initiative (“GRI”). We are implementing this framework in stages demonstrating our commitment towards making our business more sustainable.





## Sustainability Statement (Cont'd)

### 1.1 Reporting Framework and Scope

This Sustainability Statement is prepared based on the following frameworks and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide 3rd Edition;
- Global Reporting Initiative ("GRI");
- Malaysia's Code on Corporate Governance ("MCCG"); and
- Task Force on Climate-related Financial Disclosures ("TCFD") - Task Force on Climate-related Financial Disclosures (TCFD).

This Statement includes Kumpulan Kitacon Berhad ("Kitacon") and its subsidiary and covers the financial year 2023 ("FYE 2023") for the period from 1 January 2023 to 31 December 2023.

### 1.2 Assurance

The information and data provided in this statement have not been subjected to an assurance process. Looking ahead, we will actively consider incorporating an assurance process for our future reports to increase transparency and credibility.

### 1.3 Membership in Associations

Kitacon is a member of the following professional bodies and industry associations:

- Construction Industry Development Board ("CIDB")
- Master Builders Association Malaysia ("MBAM")
- Listed on Bursa Malaysia Berhad - Main Market

### 1.4 Feedback

We welcome feedback on our Report and any of the issues discussed herein from all stakeholders. Queries, comments, and suggestions regarding the content of this Report may be emailed to [ir@kitacon.com.my](mailto:ir@kitacon.com.my).

### 1.5 Key Sustainability Performance Achievement

Kitacon recognises the importance of measuring our performance in the areas of governance, economy, environment and social in order to manage and improve our initiatives in sustainability. Our achievements on the key performance areas are summarised in the table below.

Theme	Material Matters	Key Performance Areas	FYE2023 Performance Highlights
Governance	Corporate Governance	Anti-bribery and corruption ("ABAC")	1. Nil (0) ABAC case 2. One (1) ABAC training for employees
		Whistleblowing	1. Nil (0) whistleblowing complaints
Economy	Procurement Practices	Local suppliers	Sourced from 100% local suppliers

## Sustainability Statement (Cont'd)

### 1.5 Key Sustainability Performance Achievement (Cont'd)

Theme	Material Matters	Key Performance Areas	FYE2023 Performance Highlights
Environment	Environmental Compliance	Compliance to environmental laws and regulations	<ol style="list-style-type: none"> <li>1. Nil (0) environmental incidents</li> <li>2. 100% compliance to Environmental, Safety and Health (“ESH”) legal requirements / compliance obligations</li> <li>3. Two (2) complaints matters from authority, client or public, attended and resolved</li> </ol>
		ISO 14001 Environmental Management System	Maintained ISO 14001 certification
Social	Occupational Safety and Health (“OSH”)	Compliance with OSH laws and Regulations	100% compliance to OSH legal requirements / compliance obligations
		ISO 45001 Occupational Health & Safety Management System	Maintained ISO 45001 certification
		Create a safe and healthy workplace	<ol style="list-style-type: none"> <li>1. One (1) case of incident and Nil (0) of fatality accident</li> <li>2. Nil (0) high risk identified</li> </ol>

### 1.6 Certification and Awards

#### Product & Service and Quality Management System (“QMS”)

Kitacon aims to ensure that customers’ business needs are met with best quality of construction products and services. We have been accredited with ISO 9001:2015 Quality Management System since 2007 to provide confidence to the customers on our product quality. We value the relationship we have with customers and ensure our organisation can consistently provide construction works that meet customer and applicable statutory and regulatory requirements.





Sustainability Statement (Cont'd)

1.6 Certification and Awards (Cont'd)

QLASSIC Awards and Certificates

Quality Assessment System in Construction (“QLASSIC”) is a system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2006). Kitacon places significant emphasis on the quality of construction work and this commitment is demonstrated via the QLASSIC award and ten (10) QLASSIC certificates that were awarded by Construction Industry Development Board Malaysia (“CIDB”) in FYE2023.

We aim to score 80% and above for all QLASSIC assessments. In FYE2023, we achieved the target for eight (8) out of the ten (10) projects assessed and we are determined to continually improve the performance of upcoming projects. For the complete list of QLASSIC awards and certificates received, kindly refer to our company website, under the Awards & Certificates section.



Our achievements on the QLASSIC certificates are summarised in the table below.

QLASSIC Certificates	FYE 2023	FYE 2022
	No. of projects	
Number of QLASSIC certificates awarded by CIDB	10	7
Number of QLASSIC assessment with score 80% and above	8	3

SHASSIC Awards and Certificates

Safety and Health Assessment System in Construction (“SHASSIC”) is an independent method used to assess safety and health at worksites for construction projects. As a responsible contractor and employer, ensuring that construction work is conducted in a safe and healthy manner is our utmost priority. Our commitment to quality construction and a safe working environment is underscored by the SHASSIC awards and certificates bestowed upon the Group. In the financial year 2023, we submitted six projects for SHASSIC assessment, in accordance with the specifications of the contract conditions of which all six projects were awarded a 5-star rating, further proving our dedication to maintaining high standards. For a complete list of SHASSIC awards and certificates received, kindly refer to the Awards & Certificates section on our company website.



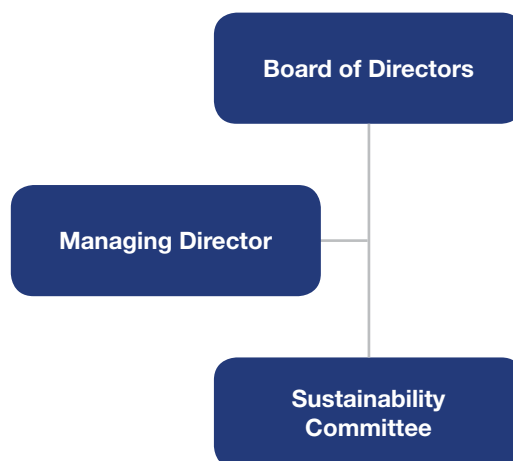
## Sustainability Statement (Cont'd)

### 1.7 Sustainability Governance Structure

A good governance is essential to ensure the effectiveness of sustainability strategies and to achieve the sustainability objectives in a timely manner. The Board of Directors (“the Board”) is primarily responsible for the Group’s sustainability practices and performance and assisted by the management team.

The Managing Director supports the sustainability aspiration of the Group by integrating sustainability elements into decision-making process. The Sustainability Committee is chaired by Chief Financial Officer and its members consist of a Sustainability Coordinator and Heads of Departments across the Group.

This structure enables the Group to oversee its strategies, policies, initiatives, targets, and performance effectively to ensure that the Group’s business is run in a sustainable manner. The key sustainability matters are monitored, reviewed and discussed in the Sustainability Committee.



### 1.8 Stakeholder Engagement

We believe in transparency, and we keep an open line of communication with our stakeholders throughout our business operations. Kitacon communicates with its stakeholders through a variety of channels. We identified our key stakeholders through material matters that have a significant impact on the Group’s operations and a large number of stakeholders. Stakeholders were identified in accordance with the GRI’s AA1000 Stakeholder Engagement Standard.

In engaging with our stakeholders, we take a variety of approaches to help them understand our business operations and seek their feedback and input on a variety of matters that are important to them as summarised in the table below:

Stakeholder	Stakeholder’s Concern	Engagement Approach	Frequency
Shareholders / Investors	<ul style="list-style-type: none"> <li>Short and long-term business goals and performance</li> <li>Return on Investment (ROI)</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings and other shareholders’ meetings</li> <li>Corporate websites</li> <li>Briefings</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> <li>Ongoing</li> <li>Quarterly</li> <li>Annually</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Reliable and quality construction work</li> <li>Timely delivery</li> <li>Health, safety and environment</li> </ul>	<ul style="list-style-type: none"> <li>Feedback</li> <li>Progress report</li> <li>Project meeting</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> </ul>
Employees (both local staffs and foreign workers)	<ul style="list-style-type: none"> <li>Career plan and development</li> <li>Employees’ welfare</li> <li>Occupational safety and health for employees</li> <li>Rewards and recognition</li> </ul>	<ul style="list-style-type: none"> <li>Annual appraisal and feedback from Heads of Departments</li> <li>Training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Quarterly</li> <li>Annually</li> </ul>



## Sustainability Statement (Cont'd)

### 1.8 Stakeholder Engagement (Cont'd)

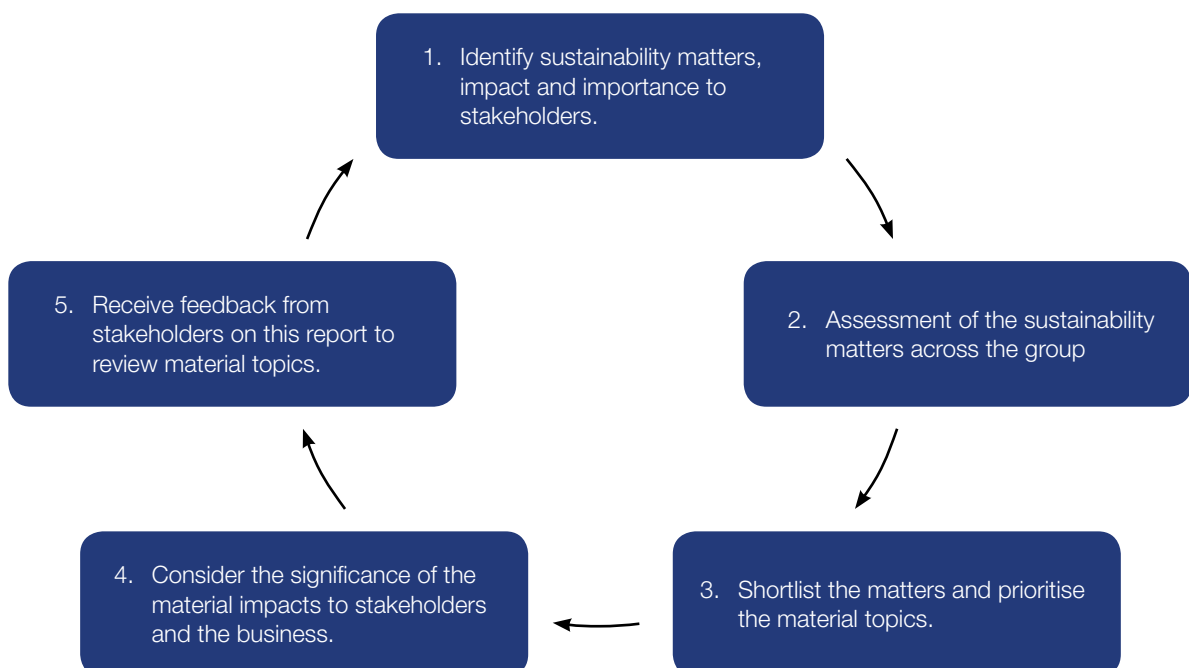
Stakeholder	Stakeholder's Concern	Engagement Approach	Frequency
Contractors / Subcontractors / Suppliers	<ul style="list-style-type: none"> <li>• Payment schedule</li> <li>• Project bidding</li> <li>• Project completion date</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Tenders</li> <li>• Supplier performance assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Quarterly</li> <li>• Annually</li> </ul>
Governments / Authorities	<ul style="list-style-type: none"> <li>• Acts, regulatory and legal compliance</li> <li>• Local authorities communication</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with acts and regulatory requirements</li> <li>• Site inspections and visits</li> <li>• Regular reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Annually</li> </ul>
Local Communities	<ul style="list-style-type: none"> <li>• Community welfare and social development</li> <li>• Environmental impact from operation</li> </ul>	<ul style="list-style-type: none"> <li>• Charitable donations</li> <li>• Collaboration for charity event</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Ad-hoc</li> <li>• Ongoing</li> <li>• Annually</li> </ul>

### 1.9 Materiality Assessment

Based on the discussions amongst committee members, it was unanimously agreed that the prioritisation in the materiality matrix from last year remains unchanged. This is due to no significant alterations to laws, policies or compliance requirements that would cause major shifts within the industry.

Material sustainability matters were identified through series of workshops and discussions. A selected group of Heads of Departments and key management personnel worked together with an independent consultant to identify, review and assess the applicability and relevance of key sustainability matters.

The materiality assessment process covers an assessment on the impact, to both Kitacon Group and stakeholders and prioritised based on its importance to both the Group and stakeholders as summarised below:



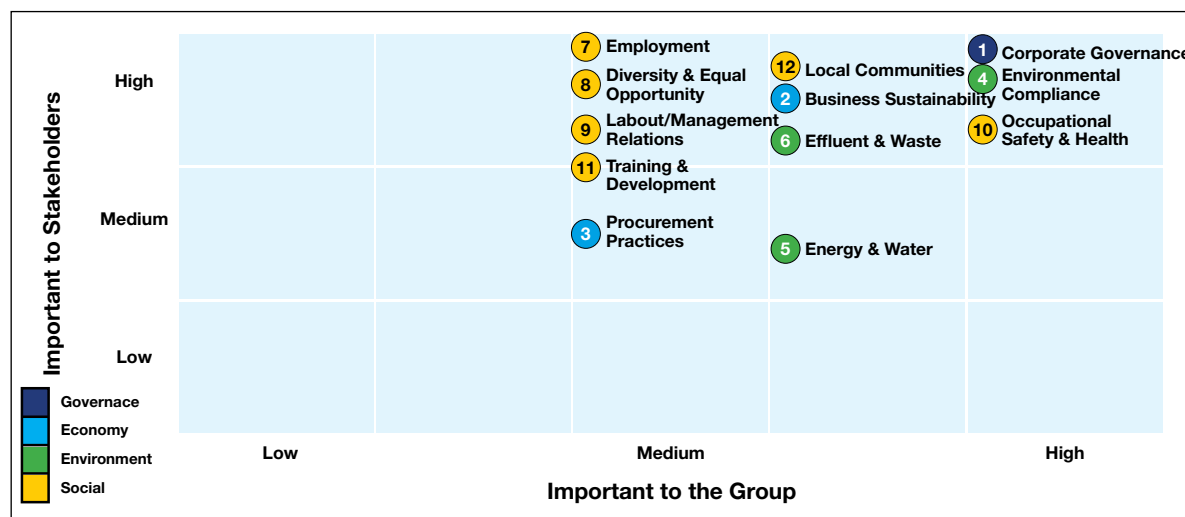
## Sustainability Statement (Cont'd)

### 1.9 Materiality Assessment (Cont'd)

The workshops and discussions included evaluating material sustainability matters in terms of their impact to the Group's businesses and stakeholders, which both were rated from Low to High. Every material sustainability matter identified was rated.

Following the discussion, key sustainability matters were classified into four main themes: governance, economic, environmental, and social. Twelve (12) key sustainability matters were identified and evaluated based on their impact to our stakeholders and the Group.

The sustainability matters were then prioritised based on its significance to stakeholders and the Kitacon Group. This prioritisation was depicted in a materiality matrix or profile as summarised in the graph.



## 2.0 GOVERNANCE

To achieve long-term success and sustainable business growth, as well as to instil trust among shareholders and investors, we are committed to be transparent and conduct our business in an ethical and principled manner. Anti-bribery and anti-corruption, whistleblowing, risk management, quality, health, safety and environment policies and guidelines are among our corporate governance initiatives.

### 2.1 Corporate Governance

#### Why is it important?

We are committed to achieve and uphold the highest standards of corporate governance and ethical conduct in accordance with the principles and practices of corporate governance as set out in the MCCG. We believe that a high standard of corporate governance is a fundamental part of our Group in discharging responsibilities to protect and enhance our shareholders' value and financial performance, with high corporate accountability, transparency and integrity.

#### Our Approach

In accordance with the relevant laws and regulations in Malaysia coupled with the principles and practices of corporate governance as set out in the MCCG, we established Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, Proper Conduct and Discipline as well as Code of Conduct, which encompass our beliefs and behaviour that reflecting the character of our employees and the expected behaviour of third parties when dealing with us. These values are manifested through the attitude, code of conduct and principles of employees and third parties. These guidelines and codes are summarised as follows:



Sustainability Statement (Cont'd)

2.1 Corporate Governance (Cont'd)

Our Performance

Anti-Bribery and Anti-Corruption Policy

We have established Anti-Bribery and Anti-Corruption (“ABAC”) framework and principles approved and put into effect In June 2020, which provide guidance and the expected standard of behaviour from our staff and external parties which have business dealings with us. This exercise is expected to instil a strong anti-bribery and anti-corruption culture across Kitacon Group.



We have zero tolerance on any form of bribery or corruption. Kitacon promotes an organisational culture of integrity and emphasises the importance of a zero-tolerance approach to bribery and corruption in our actions and decisions, both internally and externally.

In FYE 2023, there were zero confirmed incidents of corruption. Total 84 employees across the Group attended the training on ABAC Policy in FYE 2023 as disclosed in below table. Training on ABAC Policy will be conducted to all new employees during the induction training by the Human Resources Department.

Employee Categories	FYE 2023	FYE 2022
	Number of participants / (%)	
Management	2 (25%)	3 (33%)
Executive	63 (25%)	76 (36%)
Non-executive	19 (2%)	32 (10%)
<b>Total</b>	<b>84</b>	<b>111</b>

Description	FYE 2023	FYE 2022
Number of confirmed incidents of corruption	Nil	Nil

Whistle Blowing Policy

Employees and third parties who suspect wrongdoing or misconduct are encouraged to report it through the established reporting mechanism outlined in the Whistleblowing Policy & Guidelines, which is by writing and emailing [whistleblowing@kitacon.com.my](mailto:whistleblowing@kitacon.com.my). During the financial year, no instances or complaints of suspected corrupt or unethical behaviour were reported to us.



Description	FYE 2023	FYE 2022
Number of complaints of suspected corrupt or unethical behaviour reported to us	Nil	Nil

Customer Privacy and Security

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”) and all other laws protecting the private data of our customers and other stakeholders. We have built a strong foundation of privacy and security control and protect our customers by having a rigorous set of security measures.

Description	FYE 2023	FYE 2022
Number of reported incidents of breaches of customer privacy	Nil	Nil

Proper Conduct and Discipline

Employees are guided by the Proper Conduct and Discipline and the Code of Ethics. There were zero misconduct cases reported in FYE 2023.



Description	FYE 2023	FYE 2022
Number of misconduct cases reported	Nil	Nil

Code of Ethics

The Code of Ethics sets out an Kitacon’s ethical guidelines and best practices to follow for honesty, integrity, and professionalism.





## Sustainability Statement (Cont'd)

### 3.0 ECONOMY

Kitacon Group believes that the economic value we generated and distributed plays a significant role in sustaining the growth of our business, improving the nation's economic performance as well as enhancing quality of life of our employees and communities. It is our duty to control the cash flow, capital and operating cost well, protect shareholder wealth, reward our employees and invest in the community in order to build sustainable relationships with our external and internal stakeholders. Kitacon has good procurement practices in place to manage our supply chain in a sustainable manner.

#### 3.1 Business Sustainability

##### Why is it important?

Kitacon places emphasis on the balance of governance, economic, environmental and social performance to safeguard the long-term success of the business. Strong financial performance is critical to sustain our business in the long run.

##### Our Approach

Kitacon focuses on sustaining the financial resilience has been evident in our prudent fiscal management practices throughout the past fiscal year in which we have implemented cost-effective measures to enhance profitability and mitigate potential risks.

	Description	FYE 2023 RM'000	FYE 2022 RM'000
Economic Value Generated (i.e. revenue and other income)	Economic Value	784,142	497,477
Economic Value Distributed	Operating costs	700,131	412,284
	Economic value distributed to employees	35,489	31,712
	Payment to capital providers	5,360	10,131
	Payment to government	11,705	12,992
	Investment in community	88	52
<b>Economic Value Retained</b>	<b>Economic Value Generated less Economic Value Distributed</b>	<b>31,369</b>	<b>30,306</b>

A detailed briefing is described in the Management Discussion and Analysis section of this Annual Report, from pages 20 to 23.

#### 3.2 Procurement Practices

##### Why is it important?

Construction industry is a localised business ecosystem. As all our projects are based in Malaysia, our procurement activities involved local vendors only, from construction materials suppliers to professional consultant service providers. This is also as part of our contribution to local job creation and economy.

Good procurement practices are important to Kitacon because not only they keep our business operations running smoothly; it also saves money, time and resources. Procurement activities need to be managed properly to ensure all products and services are correctly acquired so that projects and processes can run efficiently and successfully.



## Sustainability Statement (Cont'd)

### 3.2 Procurement Practices (Cont'd)

#### Our Approach

The procurement practices in Kitacon are guided by a series of operating procedures, which include New Supplier Assessment Procedure; Appointment of Supplier Procedure; Supplier Performance Assessment Procedure; and Supplier Claims and Payment Procedure.

Appointment of the new and existing suppliers are guided by the New Supplier Assessment and Suppliers Performance Assessment Procedures respectively. They outline the procedures by which new and existing suppliers are appointed to supply materials and to ensure compliance to meet Quality, Environmental, Safety and Health ("QESH") requirements. All approved suppliers and subcontractors are subject to annual review.

#### Our Performance

The table below shows the number of local suppliers we sourced and procured construction material, office supplies, subcontractors and other products and services.

Procurement Practices	FYE 2023	FYE 2022
% of spending on local suppliers	100	100
Total number of local suppliers	765	716

### 4.0 ENVIRONMENT

Kitacon recognises that our business activities could affect the environment and we are committed to conduct our business in ways that will minimise the impact caused by our operation on the environment. We believe in caring for the environment and we conduct extensive environmental monitoring to ensure that the sustainability of the environment is well preserved despite the nature of our activities at construction sites.

Climate change is perceived as the greatest threat the world has ever faced. Kitacon recognises the importance of mitigating and adapting to climate change because the effects of climate change will affect the survival of every business. We attach importance to improve the efficiency of our operations and reduce any environmental and climate change impacts on our business.

#### 4.1 Environmental Compliance

##### Why is it important?

As a responsible corporate citizen, it is our utmost duty to prevent environmental pollution from happening because of our business activities.

##### Our Approach

Kitacon's environmental management system was accredited with ISO 14001:2015 Environmental Management System certification since 2008. This accreditation shows our commitment to deploy the knowledge and practices of an effective environmental management system which is integrated with other management system requirements in order to protect the environment. With this certification, it demonstrates our ability in managing our environmental responsibilities.

## Sustainability Statement (Cont'd)

### 4.1 Environmental Compliance (Cont'd)

#### Our Approach (Cont'd)



We monitor the air, noise and water quality of each project site in adherence to the Environmental Quality Act 1974 (Act 127) to minimise adverse impact of our construction works on the environment as well as neighbouring properties and occupants.

We constantly ensure that air humidity, temperature and water discharged from our construction sites are within the recommended air quality guidelines and complies with the Environmental Quality Regulations (Industrial Effluents) 2009. All discharged water samples were tested in a regulated external laboratory and the parameters were proved to be within the acceptance range. Besides that, we constantly monitor the operation and maintenance of machinery and equipment at our construction sites to ensure the noise level complies with the permitted noise level.

Kitacon's Total Quality Management ("TQM") Department has set objectives and targets in relation to Environmental Compliance (see table below). We work diligently to ensure that our business operations adhere to the environmental compliance standards.

#### Our Performance

No.	Objectives	Target	FYE 2023	FYE 2022
1	To prevent environmental pollution.	Zero Environmental Incidents	√	√
2	To comply ESG legal requirements/ compliance obligations.	100% Compliance	√	√
3	To avoid complaint from Authority, Client or Public.	Zero Complaint	Note 1	√

√ - Kitacon achieved the target and fully complied

Note 1 - Behind target with two (2) complaints matters from authority, attended and resolved



## Sustainability Statement (Cont'd)

### 4.2 Energy and Water

Energy and water are important resources to the construction industry. Contractors depend on energy resources such as diesel and electricity to power heavy machinery and equipment. They also use water for concrete batching, worker hydration and hygiene, dust suppression and pond filling, among others. Kitacon recognises energy and water resources are finite and we strive to manage these resources sustainably.

#### 4.2.1 Energy

##### Why is it important?

A key component of environmental sustainability and the protection of our natural environment and ecological systems is effective and efficient energy management. In respect to this, Kitacon sees energy as one of the key resources used in our business operations and we have to manage the energy consumption well to ensure the resource is available for the generation to come.

##### Our Approach

As an effort to reduce energy consumption intensity and conserve natural resources, we continue to monitor and reduce the consumption of diesel and electricity.

The financial year ended 31 December 2022 ("FYE 2022") was our baseline year and we will identify activities and efforts to reduce our electricity consumption in the coming years. Our target focuses on consumption intensity reduction as we anticipate that electricity consumption will increase in line with increased business operation.

##### Our Performance

The table below shows the diesel, petrol and electricity consumption of Kitacon.

	Energy	FYE 2023	FYE 2022
Diesel	Total diesel consumption (MWh)	5,103	4,658
Petrol	Total petrol consumption (MWh)	266	242
Electricity	Total electricity consumption (MWh)	1,557	431
	Total energy consumption (MWh)	6,926	5,331
	Consumption intensity (MWh/Revenue in RM'000)	0.009	0.011

#### Emissions

##### Why is it important?

We acknowledge the impact our Group has on the environment and we are committed to doing our part in addressing climate change which is also in line with the Malaysian government's commitment to significantly reduce the country's carbon emissions. Reducing GHG emissions and prioritising energy efficiency is not merely an environmental goal; it is a strategic imperative that positively impacts the bottom line, enhances corporate reputation and contributes to a sustainable future for all.

##### Our Approach

Kitacon started to track and monitor its Scope 1 and Scope 2 greenhouse gas ("GHG") emissions in FYE 2022 in accordance with the world's most widely used greenhouse gas accounting standards, GHG Protocol. We are committed to establish Kitacon's GHG emissions inventory in a systematic manner and eventually set emissions reduction targets, as an effort to support Malaysia's ambition to achieve net zero GHG emissions by 2050.

## Sustainability Statement (Cont'd)

### 4.2 Energy and Water (Cont'd)

#### 4.2.1 Energy (Cont'd)

##### *Emissions (Cont'd)*

##### **Our Performance**

The table below shows our Scope 1 and Scope 2 carbon dioxide equivalent (“CO<sub>2</sub>-eq”) emissions of Kitacon.

		CO <sub>2</sub> -eq Emissions (Quantity in tonnes)	
		FYE 2023	FYE 2022
<b>Scope 1</b>	Diesel	3,461	3,194
	Fleet vehicle	671	584
	<b>Sub Total</b>	<b>4,132</b>	<b>3,778</b>
<b>Scope 2</b>	Purchased Electricity	1,001	277
	<b>Sub Total</b>	<b>1,001</b>	<b>277</b>
<b>Total (Scope 1 &amp; Scope 2)</b>		5,133	4,055
<b>Intensity (Tonnes/Revenue in RM'000)</b>		0.0066	0.0083

##### *Aluminium Formwork System*

##### **Why is it important?**

Kitacon offers aluminium formwork system as a construction material when tendering for a project depending on the parameters such as number of buildings to be constructed as well as the design of the buildings. Application of aluminium formwork is beneficial in terms of overall project efficiency and cost effectiveness, as well as better quality finishes, higher standards of accuracy and lesser environmental impacts.

Our goal is using renewable and recyclable materials when building new structures, as well as reducing energy consumption and waste.

##### **Our Approach**

We have implemented construction work with sustainable materials such as aluminium alloy formwork since 2017. The aluminium panels are removable and can be reused with minimal maintenance, while those disposed can be recycled, thereby achieving sustainable construction. Typically, the aluminium formwork has a useful life of up to 10 years and can be used for approximately 300 cycles, subject to proper repair and maintenance after each use as compared to conventional timber formwork which can only be used for up to 5 cycles. This advantage indirectly reduces natural resources consumption and minimises waste. Furthermore, this formwork system can reduce site labour as it requires lesser manpower to assemble or dismantle.

Since the implementation of aluminium formwork system in 2017, we have reduced 60% to 70% (in terms of quantity) of mixed hardwood timber and waterproofed plywood. We will continuously explore and adopt construction techniques and systems to improve productivity and deliver projects within time, cost and quality standards as required by our customers, while also minimising the impacts to the environment.

## Sustainability Statement (Cont'd)

## 4.2 Energy and Water (Cont'd)

### 4.2.1 Energy (Cont'd)

#### *Aluminium Formwork System (Cont'd)*

##### **Our Performance**

The table below shows the number of projects secured from FYE 2019 to FYE 2023 using aluminium formwork and conventional timber formwork. There was progressive increase in the percentage of projects secured using aluminium formwork and we aim to utilise this formwork system in future construction projects, whichever is feasible.

	Aluminium formwork		Conventional timber formwork		Total	
	No. of projects secured	%	No. of projects secured	%	No. of projects secured	%
FYE 2019	5	26.3	14	73.7	19	100.0
FYE 2020	6	42.9	8	57.1	14	100.0
FYE 2021	5	45.5	6	54.5	11	100.0
FYE 2022	9	60.0	6	40.0	15	100.0
FYE 2023	12	70.6	5	29.4	17	100.0

As at 31 December 2023, we had a total of 47,952 sq. m of aluminium formwork systems.



We have utilised a total of RM13.7 million as of 31 December 2023 from the earmarked IPO proceeds of RM18.0 million to purchase an estimated 25,000 sq. m of aluminium formwork systems progressively over a period of 36 months, starting from January 2023, to support our expansion of the scale of construction work using aluminium formwork systems as well as to replace our existing formwork systems which are damaged due to wear and tear.

We will continue with the implementation of aluminium formwork system because it is fast, simple, adaptable, time effective, cost effective, conserve natural resources, reduce environmental impacts and produces total quality of work which requires minimum maintenance and high durability.

## Sustainability Statement (Cont'd)

### 4.2 Energy and Water (Cont'd)

#### 4.2.2 Water Management

##### Why is it important?

Water is a shared and limited resource and access to sufficient clean water is essential for human to live healthily. Water scarcity has become a global issue and we at Kitacon are conscious of the impact of how we manage our water consumption. Water is consumed in the operations of Kitacon mainly for construction work and daily usage of employees.

##### Our Approach

We constantly remind our employees to use water responsibly and reduce wastages. The Group is committed to monitor and manage our water consumption better through water saving initiatives in the future.

##### Our Performance

The table below shows the municipal water consumption of Kitacon.

	Water	FYE 2023	FYE 2022
Municipal water	Total consumption (megalitres)	243	138
	Intensity (megalitres/Revenue in RM'000)	0.0003	0.0003

### 4.3 Effluent and Waste

##### Why is it important?

At Kitacon, we are working towards a holistic waste management approach. We are committed to reduce the waste generated at our construction sites by increasing the usage of aluminium formwork systems in our projects and reducing our reliance on conventional timber formwork. Besides minimising wastage from the timber debris at our construction sites, our usage of aluminium formwork systems has also benefited us in terms of reduction of site labour, quality improvement, cleaner environment and safer workplace.

##### Our Approach

We are committed to manage the waste produced from the office and construction sites in a regulated manner. We continuously monitor and track the type, amount and quality of waste and effluent generated to ensure compliance to applicable environmental laws and regulations. We believe every one of us has the responsibility to keep our environment safe from irreversible pollution.

##### *3Rs of Sustainability*

The 3Rs of sustainability which stands for Reduce, Reuse and Recycle is to prevent and reduce excess waste and conserve natural resources. Kitacon will pursue to explore new practices to protect and conserve natural resources and materials.

#### 4.3.1 Scheduled Waste

Scheduled waste is described as any wastes that possess hazardous elements and have the potential to adversely affect the public health and environment. Scheduled waste generated from Kitacon's project site are separated according to waste type and collected by a regulated scheduled waste management facilities for treatment before disposal to prevent the hazardous waste from causing adverse effect to public health and the surrounding environment.

## Sustainability Statement (Cont'd)

## 4.3 Effluent and Waste (Cont'd)

## 4.3.1 Scheduled Waste (Cont'd)

**Our Performance**

In FYE 2023, Kitacon conducted a series of Scheduled Waste Trainings for the construction workers as shown below to improve the workers' understanding on storage and handling of scheduled waste.



The table below shows the scheduled waste generated from Kitacon's project sites.

Waste Code	Waste Description (Quantity in tonnes)	FYE 2023	FYE 2022 (Restated)
<b>SW305</b>	Spent lubricant	0.25	0.08
<b>SW306</b>	Spent hydraulic oil	–	0.00*
<b>SW307</b>	Spent mineral oil-water emulsion	0.03	0.05
<b>SW315</b>	Tar or tarry residues from oil refinery or petrochemical plant	–	0.00*
<b>SW404</b>	Clinical wastes	–	0.01
<b>SW408</b>	Contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical, mineral oil or scheduled wastes	1.63	0.35
<b>SW410</b>	Rags, plastics, papers or filters contaminated with scheduled wastes	0.05	–
<b>Total scheduled waste generated</b>		<b>1.96</b>	<b>0.49</b>

\* Negligible since less than 0.01 tonnes



## Sustainability Statement (Cont'd)

### 4.3 Effluent and Waste (Cont'd)

#### 4.3.2 Non-scheduled Waste

Non-scheduled waste is described as all types of wastes that are not categorized as scheduled waste and other than municipal solid waste. Kitacon also monitors the proper disposal of non-scheduled waste such as construction waste, timber waste and domestic waste. We appointed eleven (11) licensed waste management facilities to collect and dispose wastes from our construction sites and the Headquarters (“HQ”). Besides that, we provide recycle bins at project sites and encourage employees to practice waste recycling to reduce waste ending up in landfills.



#### Our Performance

The table below shows the non-scheduled waste generated from Kitacon’s project sites.

Waste Type (Quantity in m³)	FYE 2023	FYE 2022
Construction Waste	16,114	21,520
Timber Waste	1,632	1,016
Domestic Waste	13,226	9,548
<b>Total non-scheduled waste generated</b>	<b>30,972</b>	<b>32,084</b>

#### 4.3.3 Effluent

Effluent is wastewater from factories or industries which can potentially contaminate the environment if it is not treated properly before releasing to the surface water. Kitacon appointed a licensed wastewater treatment facility to discharge and treat effluent produced at project sites.

#### Our Performance

The table below shows the sewerage desludging generated from Kitacon’s construction sites. We are keeping close monitoring and check on the effluent generated at our construction sites to ensure that it will not cause harm to both public health and the environment.

Sewerage Desludging (Quantity in litres)	FYE 2023	FYE 2022
Total sewerage desludging generated	246,100	349,700

## Sustainability Statement (Cont'd)

### 4.3 Effluent and Waste (Cont'd)

#### 4.3.4 Chemical Awareness and Spill

Chemical spillages are the uncontrolled release of a hazardous substance, either as a solid, liquid or a gas.

##### Our Performance

In FYE 2023, Kitacon conducted regular Chemical Awareness and Spill Trainings for the construction workers. These trainings focused on the safety precaution, safe action to be taken and correct way to handle and control chemical spillage on sites.



## 5.0 SOCIAL

We believe in developing strong relationships with not just our employees, as well as our customers, suppliers, and local communities. Building a strong and enriching community is critical for Kitacon to achieve sustainable growth and provide long-term value creation for our stakeholders.

### 5.1 Employment

#### *People - Our Employees*

Our people are critical to ensuring our business stays relevant by delivering on our business strategy and goals. Developing and retaining a capable, highly motivated and performance-oriented workforce is key to our success. In reviewing our people, during the materiality review process, we identified the following areas of focus:

- Employee diversity and equal opportunities
- Employee compensation and benefits
- Employee engagement and wellness
- Human rights and labour standards

#### *Talent Attraction and Retention*

Kitacon is dedicated to attracting and retaining talented employees by providing exciting career opportunities, training and development, employee engagement activities as well as competitive compensation and remuneration packages.

## Sustainability Statement (Cont'd)

### 5.2 Diversity and Equal Opportunity

#### Why is it important?

The Group values diversity in all aspects of its workforce, including gender, age, background, and experience. We are committed to promoting a fair and equitable working environment for all employees. We believe all employees can thrive in a workplace that is free from harassment and prejudice.

#### Our Approach

Our recruitment, promotion, rewards processes and career development opportunities are based on merit, without discrimination against age, race, gender, sexual orientation, religion, family or marital status, or any other status protected by the laws or regulations in the locations where we operate.

#### Our Performance

As at 31 December 2023, Kitacon has a total workforce of 1,083 employees, of which 90% are male and 10% are female. Being in the construction industry, it is still a challenge to recruit women in the construction sector particularly where it involves site construction. We do encourage female engineers, site supervisors and technicians, where possible, to join us in managing our construction project sites.

The table below shows the workforce of Kitacon by gender.

Percentage of employees by gender for each employee category				
	FYE 2023		FYE 2022	
	Male	Female	Male	Female
Board of Directors ("BOD")	63%	37%	63%	37%
Management	50%	50%	56%	44%
Executive	78%	22%	76%	24%
Non-executive	94%	6%	90%	10%

Our workforce is young, with almost 95% of our employees aged below 50 as at 31 December 2023 while 91% for last year. They are guided by more senior employees through sharing of experience and providing trainings to these young employees. We strive to cultivate a culture of knowledge and experience sharing, which serves as part of our effort in supporting the nation's aspiration of building skilled workforce and providing employment opportunities.



## Sustainability Statement (Cont'd)

## 5.2 Diversity and Equal Opportunity (Cont'd)

**Our Performance (Cont'd)**

The table below shows the workforce of Kitaco by age.

Percentage of employees by age group for each employee category				
	BOD	Management	Executive	Non-Executive
<b>FYE 2023</b>				
Under 30	0%	0%	31%	37%
Between 30-50	37%	37%	58%	60%
Above 50	63%	63%	11%	3%
<b>FYE 2022</b>				
Under 30	0%	0%	37%	35%
Between 30-50	37%	33%	53%	59%
Above 50	63%	67%	10%	6%

The table below shows the percentage of employees of Kitaco that are contractors or temporary staff.

Percentage of employees that are contractors or temporary staff		
	FYE 2023	FYE 2022
Number of temporary staff	17	17
% of temporary staff	2%	3%

The table below shows the total number of employee turnover of Kitaco by employee category.

Total number of employee turnover by employee category		
	FYE 2023	FYE 2022
Management	1	0
Executive	41	42
Non-Executive	235	49

## Sustainability Statement (Cont'd)

### 5.2 Diversity and Equal Opportunity (Cont'd)

#### Our Performance (Cont'd)

##### *Compensation and Benefits*

Employees' contributions to the Group's success were recognised and competitive compensation packages were awarded based on the employees' performance as assessed during their appraisal review. To motivate employees to achieve greater performance, bonuses and annual increments are provided to incentivise them.

Kitacon's employee benefits programmes are tailored to the needs of a diverse workforce and include competitive remuneration packages such as hospitalisation and surgical plans, personal accident insurance, leave benefits, and travel allowances.

LEAVES	ALLOWANCE/ BENEFIT	MEDICAL/ INSURANCE
<ul style="list-style-type: none"><li>• Annual leave</li><li>• Sick leave</li><li>• Hospitalisation &amp; Prolonged Medical Leave</li><li>• Maternity Leave</li><li>• Paternity Leave</li><li>• Compassionate Leave</li><li>• Matrimonial Leave</li></ul>	<ul style="list-style-type: none"><li>• Mobile Phone</li><li>• Club Membership</li><li>• Vehicle Benefit</li></ul>	<ul style="list-style-type: none"><li>• Medical Benefits</li><li>• Group Personal Accident &amp; Hospitalisation Insurance</li></ul>

### 5.3 Training and Development

#### Why is it important?

The Group is committed to talent development and provides a platform for employees to continue developing their skills and gaining experience.

#### Our Approach

Our training programmes are identified based on business strategies and operational needs, to meet regulatory requirements while also ensuring the development of our people's technical, interpersonal, business, and management skills.

We allocate training budget and plan training courses covering topics such as construction techniques, quality management, health and safety, environmental awareness, anti-bribery and corruption, sustainability, climate change, 5S lean methodology, problem solving skills and self-development trainings, among others.



## Sustainability Statement (Cont'd)

### 5.3 Training and Development (Cont'd)

#### Our Performance

The table below shows the summary of total external training being held for Kitacon's employees.

Total hours of training by employee category		
	FYE 2023	FYE 2022
Management	228	28
Executive	1,435	821
Non-Executive	2,534	1,276

Number of employees trained on health and safety standards		
	FYE 2023	FYE 2022
Total employees	1,083	551
Employees trained	271	160
% of employee trained	25%	29%

At Kitacon, we emphasise on the development of our employees, in areas of technical and interpersonal skills. We have a systematic appraisal system where employees are assessed based on their respective skillset and capabilities, covering job-specific knowledge and skills, quality and quantity of works, soft skills and personal behaviours at workplace. The annual performance appraisal was conducted on a one-to-one basis based on the metrics indicator indicated in the appraisal form.

We are currently still in the progress of deploying a data analytics software to establish Key Performance Indicators ("KPIs") for our employees. This advanced KPI management tool enables employers to monitor the employees' performance monthly and we will schedule face-to-face discussions every 3 months to review performance and provide improvement ideas periodically.

Through systematic and periodic measurement of the employees' work performance against the established requirements, we will be able to identify their strengths and weaknesses as well as aligning personal goals to the Group's vision, which is important to the employees' future development potential and the long-term success of the Group.

## Sustainability Statement (Cont'd)

### 5.4 Labour / Management Relations

#### Accommodations for Foreign Workers

We provide accommodation in compliance with the minimum requirements set out under the relevant regulations to our foreign construction workers. These accommodations are issued with Certificates for Accommodation by the Department of Labour of Peninsular Malaysia, save for the construction sites where application for Certificates for Accommodation is at various stages of approval. Amenities such as canteen, prayer room, male/female toilets, kitchen, dining area and recreational area are provided in these accommodations. Our TQM Department conducts inspections regularly to ensure these facilities are well maintained, clean and hygienic. We also encourage our foreign workers to carry out community activities or “gotong-royong” routinely to maintain safety and cleanliness of their living places.



#### Grievance Procedure

Kitacon is dedicated to creating a conducive and harmonious working environment to take better care of our employees' health and productivity. To achieve this, voices from employees need to be heard from time to time and reasonable effort is expected to be made to settle grievances as equitably and as quickly as possible at the lowest possible level.

Employees may raise complaints or grievances for matters related to:

- a) Sexual harassment
- b) Work
- c) Working environment
- d) Working relationship
- e) Others

There were zero incidents or complaints concerning human rights violations in the year under review (FYE 2022 - Nil)

### 5.5 Occupational, Safety and Health (“OSH”)

#### **Why is it important?**

Kitacon emphasises on providing a safe and healthy working environment to employees by preventing injury and any damage to property at HQ and sites. We have formalised control measures and procedures for safety and health functions such as systemising compliance checklist and furnishing our employees with knowledge on workplace hazards and emergency response plan. The past achievements of our workplace safety provide confidence to our customers that their projects will not be significantly disrupted by workplace accidents.



## Sustainability Statement (Cont'd)

### 5.5 Occupational, Safety and Health (“OSH”) (Cont'd)

#### Our Approach

Kitacon is committed to fulfil its legal requirements and compliance obligation as well as the protection to all applicable Environmental, Safety and Health legislation and regulation and relevant parties’ requirements. This commitment is demonstrated through the certification of ISO 45001:2018 Occupational Health and Safety Management System achieved by Kitacon since 2008.



#### Our Performance

Kitacon’s TQM Department has set below objectives and targets in relation to Occupational Safety and Health as disclosed in below table. We are dedicated to continuing nurture a safety culture within Kitacon Group.

No.	Objectives	Target	FYE 2023	FYE 2022
1	To prevent incidents and accidents	Zero Case	Note 1	√
2	To reduce Risk relevant to organisation	Zero 'H' (High Risk)	√	√

√ - Kitacon achieved the target and fully complied  
 Note 1 - Behind target with one (1) incident

For each project, there will be a dedicated Environmental, Safety and Health Committee which consists of project manager, site safety supervisor, site engineer, site supervisor, environmental officer, and employee representatives, to enforce safety management at our construction sites. They are responsible to minimise occupational hazards, maintaining safety compliance of project sites as well as preventing damage to the surrounding environment.

Safety and Health Committee (“SHC”) organises monthly meeting to discuss on the enforcement of Health, Safety, Environment and Security Policy, review incidents and Hazard Identification, Risk Assessment and Risk Control (“HIRARC”), among others. There were 126 SHC meetings conducted in FYE 2023 as disclosed in below table. In addition, toolbox meetings are frequently held on a weekly basis where construction workers gather to gain a strong awareness of health and safety while on the job and to create a safer working environment.



## Sustainability Statement (Cont'd)

### 5.5 Occupational, Safety and Health (“OSH”) (Cont'd)

#### Our Performance (Cont'd)

SHC Meetings	FYE 2023	FYE 2022
Total number of SHC meetings conducted	126	155

Furthermore, several ESH campaigns were held at a total cost of RM17,656 (FYE 2023) as shown in below table to provide training to employees, construction workers, and the emergency response team (“ERT”) in order to develop a culture of putting occupational safety and health as top priority in all operations.

ESH campaigns	FYE 2023	FYE 2022
	RM	
Total ESH campaigns costs incurred	17,656	29,695

Over the year of 2023, Kitacon has achieved a total of 9,314,275 man-hours inclusive of sub-contractor workers with zero fatalities, injuries, incidents or accidents as disclosed in below table. We will continually improve the Environmental, Safety and Health performance through constant monitoring and review, in addition, committed to consultation and participation of workers or worker representatives.

Description	FYE 2023	FYE 2022
	Hours	
Total man-hours inclusive of sub-contractor workers with zero fatalities, incidents or accidents (Hours)	9,314,275	6,400,584
Lost time incident rate (“LTIR”)	0.02 per 100 employees	0.00 per 100 employees

### 5.6 Local Communities

#### *Developing Internal Communities Via Employee Engagement*

#### Why is it important?

Kitacon views employees as a great asset and continuously improves the relationship between our employees and the Group through different employee engagement activities.





## Sustainability Statement (Cont'd)

### 5.6 Local Communities (Cont'd)

#### Our Approach

Team building activities and human resources practices are important in shaping the workplace culture and they can influence positive business outcomes.

#### Our Performance

In FYE 2023, we invited an external training provider to conduct team building activities for our employees, with the objectives to strengthen team spirit among employees, improve interpersonal communication skills and learning ways in reducing stress during and after work, among others. Our employees enjoyed the outdoors and critical thinking activities as well as the competitive games and the objectives were achieved. We will continue enhancing our employee engagement to create a more productive, harmonious, and positive workplace.



#### *Our Contribution to External Communities*

#### Why is it important?

We are committed to act ethically in our business operations, not only in our dealings with our stakeholders but also giving back to our community as we believe that we are responsible to improve the quality of life and create positive impacts to the communities where our business operations take place.

#### Our Approach

As a socially responsible corporate citizen, we are conscious of the needs of the nearby community and help to improve their socio-economic conditions via internship placement, charitable donations and also festival celebration, whenever possible.

#### Our Performance

In FYE 2023, we provided 33 internship placements for students from colleges and universities to give them the opportunity for career exploration and development in the construction industry as disclosed in below table. We also offered permanent employment opportunities to those who completed their internship exceeding our expectations.

Internship placements by Kitacon	FYE 2023	FYE 2022
Total number of students under internship placement	33	27

Kitacon sets aside budget each year for charitable donation purpose. We donated funds to charitable organisations and education foundation, amounting to RM88,050 in FYE 2023.

Through the philanthropic giving, we hope to improve the underprivileged community's accessibility to better education, clean water and sanitation, peace and harmony society as well as health services.

Donated funds to charitable organisational and education foundation	FYE 2023	FYE 2022
	RM	
Total funds donated (RM)	88,050	51,905
Total number of beneficiaries of the investment in communities	11	11

Sustainability Statement (Cont'd)

**GRI CONTENT INDEX REFERENCE**

GRI STANDARD	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION	REFERENCE PAGES(S) IN ANNUAL REPORT
<b>GRI 2: General Disclosures 2021</b>			
<b>1. The organisation and its reporting practice</b>			
<b>2-1</b>	Organisation details	Introduction	2
<b>2-2</b>	Entities included in the organisation's sustainability reporting	Reporting Framework and Scope	25
<b>2-3</b>	Reporting period, frequency and contact point	Reporting Framework and Scope Feedback	25
<b>2. The organisation and its reporting practice</b>			
<b>2-6</b>	Activities, value chain and other business relationship	Management Discussion and Analysis section in the Annual Report	20-23
<b>2-7</b>	Employees	Diversity and Equal Opportunities	42-44
<b>3. Governance</b>			
<b>2-9</b>	Governance structure and composition	Sustainability Governance Structure	28
<b>2-10</b>	Nomination and selection of highest governance body	Sustainability Governance Structure	28
<b>2-11</b>	Chair of the highest governance body	Sustainability Governance Structure	28
<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure	28
<b>2-13</b>	Delegation of responsibility for managing impacts	Sustainability Governance Structure	28
<b>2-14</b>	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	28
<b>2-16</b>	Communication of critical concerns	Sustainability Governance Structure Corporate Governance Overview Statement	28 65
<b>2-17</b>	Collective knowledge of the highest governance body	Corporate Governance Overview Statement	61
<b>2-19</b>	Remuneration policies	Corporate Governance Overview Statement	61-62
<b>2-20</b>	Process to determine remuneration	Corporate Governance Overview Statement	61-62



## Sustainability Statement (Cont'd)

## GRI CONTENT INDEX REFERENCE (CONT'D)

GRI STANDARD	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION	REFERENCE PAGES(S) IN ANNUAL REPORT
<b>4. Strategy, policies and practices</b>			
<b>2-23</b>	Policy commitments	Corporate Governance	30-31
<b>2-24</b>	Embedding policy commitments	Sustainability Governance Structure	28
<b>2-25</b>	Processes to remediate negative impacts	Corporate Governance Labour / Management Relations	30-31 46
<b>2-26</b>	Mechanism for seeking advice and raise concerns	Corporate Governance Labour / Management Relations	30-31 46
<b>2-27</b>	Compliance with laws and regulations	Corporate Governance Environmental Compliance Labour / Management Relations	30-31 33-34 46
<b>5. Stakeholder engagement</b>			
<b>2-29</b>	Approach to stakeholder engagement	Stakeholder Engagement	28-29
<b>GRI 3: Material Topics 2021</b>			
<b>3-1</b>	Process to determine material topics	Materiality Assessment	29-30
<b>3-2</b>	List of material topics	Materiality Assessment	29-30
<b>3-3</b>	Management of material topics	Governance Economy Environment Social	30-31 32-33 33-41 41-49
<b>GRI 204: Procurement Practices 2016</b>			
<b>204-1</b>	Proportion of spending on local suppliers	Procurement Practices	32-33
<b>GRI 205: Anti-corruption 2016</b>			
<b>205-1</b>	Operations assessed for risks related to corruption	Corporate Governance	30-31
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Corporate Governance	30-31
<b>205-3</b>	Confirmed incidents of corruption and actions taken	Corporate Governance	30-31

Sustainability Statement (Cont'd)

**GRI CONTENT INDEX REFERENCE (CONT'D)**

<b>GRI STANDARD</b>	<b>DISCLOSURE ITEM</b>	<b>DISCLOSURE DESCRIPTION</b>	<b>REFERENCE PAGES(S) IN ANNUAL REPORT</b>
<b>GRI 302: Energy 2016</b>			
<b>302-1</b>	Energy consumption within the organization	Energy	35-38
<b>302-3</b>	Energy intensity	Energy	35-38
<b>GRI 303: Water and Effluents 2018</b>			
<b>303-1</b>	Interactions with water as a shared resource	Water Management	38
<b>303-2</b>	Management of water discharge-related impacts	Environmental Compliance Effluent	33-34 40
<b>303-3</b>	Water withdrawal	Water Management	38
<b>303-4</b>	Water discharge	Effluent	40
<b>303-5</b>	Water consumption	Water Management	38
<b>GRI 306: Waste 2020</b>			
<b>306-1</b>	Waste generation and significant waste-related impacts	Effluent and Waste	38-41
<b>306-2</b>	Management of significant waste-related impacts	Effluent and Waste	38-41
<b>306-3</b>	Waste generated	Effluent and Waste	38-41
<b>306-4</b>	Waste diverted from disposal	Effluent and Waste	38-41
<b>306-5</b>	Waste directed to disposal	Effluent and Waste	38-41
<b>GRI 401: Employment 2016</b>			
<b>401-1</b>	New employee hires and employee turnover	Employment	41-43
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Equal Opportunity	42-44
<b>401-3</b>	Parental leave	Diversity and Equal Opportunity	42-44



## Sustainability Statement (Cont'd)

## GRI CONTENT INDEX REFERENCE (CONT'D)

GRI STANDARD	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION	REFERENCE PAGES(S) IN ANNUAL REPORT
<b>GRI 403: Occupational Health and Safety 2018</b>			
<b>403-1</b>	Occupational health and safety management system	Occupational, Safety and Health ("OSH")	46-48
<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	Occupational, Safety and Health ("OSH")	46-48
<b>403-3</b>	Occupational health services	Occupational, Safety and Health ("OSH")	46-48
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Occupational, Safety and Health ("OSH")	46-48
<b>403-5</b>	Worker training on occupational health and safety	Effluent and Waste Occupational, Safety and Health ("OSH")	38-41 46-48
<b>403-6</b>	Promotion of worker health	Occupational, Safety and Health ("OSH")	46-48
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational, Safety and Health ("OSH")	46-48
<b>403-8</b>	Workers covered by an occupational health and safety management system	Occupational, Safety and Health ("OSH")	46-48
<b>403-9</b>	Work-related injuries	Occupational, Safety and Health ("OSH")	46-48
<b>403-10</b>	Work-related ill health	Occupational, Safety and Health ("OSH")	46-48
<b>GRI 404: Training and Education 2016</b>			
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Training and Development	44-45

Sustainability Statement (Cont'd)

**GRI CONTENT INDEX REFERENCE (CONT'D)**

<b>GRI STANDARD</b>	<b>DISCLOSURE ITEM</b>	<b>DISCLOSURE DESCRIPTION</b>	<b>REFERENCE PAGES(S) IN ANNUAL REPORT</b>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
<b>405-1</b>	Diversity of governance bodies and employees	Diversity and Equal Opportunities	42-44
<b>GRI 413: Local Communities 2016</b>			
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	Local Communities	48-49
<b>413-2</b>	Operations with significant actual and potential negative impacts on local communities	Local Communities	48-49
<b>GRI 418: Customer Privacy 2016</b>			
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance	31



## Sustainability Statement (Cont'd)

## PERFORMANCE DATA TABLE

This performance data table was generated from the ESG Reporting Platform and included in this report, as mandated by the enhanced sustainability reporting requirements within the Main Market Listing Requirements of Bursa Malaysia.

Indicator	Measurement Unit	2022	2023
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	33.00	25.00
Executive	Percentage	36.00	25.00
Non-executive	Percentage	10.00	2.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	5,331.00	6,926.00
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	138.000000	243.000000
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	33.00	37.00
Management Above 50	Percentage	67.00	63.00
Executive Under 30	Percentage	37.00	31.00
Executive Between 30-50	Percentage	53.00	58.00
Executive Above 50	Percentage	10.00	11.00
Non-executive Under 30	Percentage	35.00	37.00
Non-executive Between 30-50	Percentage	59.00	60.00
Non-executive Above 50	Percentage	6.00	3.00
Gender Group by Employee Category			
Management Male	Percentage	56.00	50.00
Management Female	Percentage	44.00	50.00
Executive Male	Percentage	76.00	78.00
Executive Female	Percentage	24.00	22.00
Non-executive Male	Percentage	90.00	94.00
Non-executive Female	Percentage	10.00	6.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	63.00	63.00
Female	Percentage	37.00	37.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	37.00	37.00
Above 50	Percentage	63.00	63.00
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	28	228
Executive	Hours	821	1,435
Non-executive	Hours	1,276	2,534
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.00	2.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	1
Executive	Number	42	41
Non-executive	Number	49	235
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.02
Bursa C5(c) Number of employees trained on health and safety standards	Number	160	271
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	51,905.00	88,050.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	11	11

Internal assurance

External assurance

No assurance

(\*)Restated



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Kumpulan Kitacon Berhad (“the Company”) is pleased to present the Corporate Governance (“CG”) Overview Statement of the Company for the financial year ended 31 December 2023 (“FYE 2023”). The Board in leading the Company in its CG practices is guided by the principles as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The CG Overview Statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Corporate Governance Guide (4th edition) issued by Bursa Securities.

Details of the application of the MCCG disclosed in the Company’s CG Report which is available on the Company’s website at <https://www.kitacon.com.my/corporate-governance-meetings/> as well as via the Company’s announcement on the website of Bursa Securities.

The CG Overview Statement provides a summary of the Company’s CG practices during the FYE 2023 with reference to the following 3 main principles, intended outcomes and practices of the MCCG, having considered the Company’s structure, processes, business environment and industry practices:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Overview Statement should also be read in conjunction with the other statements in the Annual Report 2023 (such as the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee Report and the Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I Board Responsibilities

#### 1. Establishing clear roles and responsibilities of the Board

The Board assumes overall responsibility in leading the strategic direction, future expansion, CG, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group.

In ensuring clear leadership and governance structure, the Board has formalised a Board Charter, which sets out the roles and responsibilities of the Board, the roles of the Board Committees established to assist the Board in the discharge of its duties and the fiduciary duties of Directors.

The Board Charter is approved by the Board and is periodically reviewed to ensure its provisions remain relevant and reflect the needs of the Company as well as development in regulatory requirements. The Board Charter is available on the Company’s corporate website.

In order to ensure effective discharge of its stewardship role, the Board delegates some of its responsibilities to the Board Committees, namely the Audit and Risk Management Committee (“ARMC”), the Nomination Committee (“NC”) and the Remuneration Committee (“RC”) which operate within defined Terms of Reference (“TOR”). The Chairperson of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decisions, where necessary.

Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through reports made by its respective Chairpersons and the tabling of Board Committee Minutes of the applicable period for notation by the Board. The ultimate responsibility for decision making, however, lies with the Board.



## Corporate Governance Overview Statement

(Cont'd)

### 2. Separation of positions of the Chairperson and Managing Director

The Board is headed by an Independent Non-Executive Chairperson who is responsible for the leadership, integrity, and effectiveness of the governance of the Board. The responsibilities of the Chairperson are set out in the Board Charter.

The Chairperson of the Board is not a member of the ARMC, NC and RC of the Company and does not participate in any of the Board Committees' meetings.

There is a clear division of roles and responsibilities between the Chairperson and Managing Director in ensuring balance of power and authority in the Company. The Chairperson is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role whilst, the Managing Director is the conduit between the Board and Management in ensuring the success of the Governance and Management functions of the Company.

### 3. Company Secretaries

The Board has unrestricted access to the advice and services of the Company Secretaries, who are qualified in accordance with the requirements of the Company Act 2016 ("the Act") and are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries are equipped with relevant experience and competence on statutory and regulatory requirements.

The Company Secretaries' responsibilities include advising the Board on governance matters, on top of assisting and advising the Board on statutory compliance with the Act and matters pertaining to the discharge of duties by the Board and Board Committees, based on their respective TOR. The Company Secretaries also regularly update the Board on developments on the areas of corporate governance and compliance with regulatory requirements, codes, guidance and legislations.

The Company Secretaries assist the Board in facilitating its Board procedures including Board meetings which are included in the Board Charter.

In order to discharge the Company Secretaries' role effectively, the Company Secretaries have been continuously attending the necessary training programmes and conferences so as to keep themselves abreast with the latest developments in corporate governance realm and changes in regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

### 4. Access of Information and Advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and may seek advice from the Management on issues under their respective purview. The Board members have full and timely access to all information within the Group and the Board/Board Committees papers are distributed at least seven (7) days prior to the Board/Board Committees' Meetings to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meetings to discharge their duties diligently.

The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational, and regulatory compliance matters that require the Board's approval.

All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairperson as a correct record. The Company Secretaries record the proceedings of all meetings including pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decisions made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

## Corporate Governance Overview Statement

(Cont'd)

### 5. Board Charter

The Board Charter adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation, and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.

The Board Charter delineates the duties and responsibilities of the Board, Board Committees and individual Directors, including the following matters that are solely reserved for the Board's decision:-

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (c) Strategic investments, mergers and acquisitions and corporate exercises;
- (d) Limits of authority;
- (e) Treasury policies;
- (f) Risk management policies; and
- (g) Key human resource issues.

The Board Charter is available at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

### 6. Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct for the Directors and adheres to the Code of Conduct expected for Directors as set out in the Company's Directors' Code of Ethics promulgated by the Companies Commission of Malaysia which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability, and corporate social responsibility. The Code of Ethics and Conduct of Directors are available at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

### 7. Whistleblowing Policy

The Company has put in place a Whistleblowing Policy to strive to conduct its business relationships and dealings with the highest level of integrity and accountability and adopt zero-tolerance approach towards any misconduct that would jeopardise its good standing and reputation. This policy is intended to encourage and enable the Directors, employees and stakeholders of the Group to raise concerns about suspected and/or known malpractices, misconduct or wrongdoings. The Whistleblowing Policy is available at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

### 8. Anti-Bribery and Anti-Corruption Policy

The Company has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which is made available at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

The ABAC Policy leverages on the core principles of the Company as set out in the Company's Code of Ethics and Conduct. The ABAC Policy serves as a guideline on how to deal with Bribery and Corruption which may arise in the course of business.



# Corporate Governance Overview Statement

(Cont'd)

## II Board Composition

### 1. Board Composition and Balance

Currently, the Board has eight (8) members, comprising of four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Managing Director and two (2) Executive Directors. This complies with Paragraph 15.02 of the MMLR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The composition of the Board is also in line with Practice 5.2 of MCCG 2021 with at least 50% of its composition are Independent Directors.

The Directors bring to the Board a diverse mix of skills and experience, including in the fields of engineering, project management, legal, etc. There are three (3) female Directors on the Board of Kitaco, which meet the target of having 30% women Directors.

A brief profile of each Director is presented in the Profile of Board of Directors section of the Annual Report 2023.

### 2. Board Independence

The Board recognises that the independence and objective judgement are crucial and imperative in decision making process. The Independent Non-Executive Directors play a significant role in providing unbiased and independent view, advice and judgement considering the interest of relevant stakeholders, including minority shareholders of the Group.

As to-date, the tenures of all the Independent Directors are less than nine (9) years of service. The Board will justify and seek annual shareholders' approval through a two-tier voting process in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

### 3. Boardroom Diversity

The Board acknowledged the importance of boardroom diversity and recognises the importance of providing fair and equal opportunities and fostering diversity within the Group. The Group endeavours to have a balanced representation in terms of mixture of skills, knowledge and experience, background, expertise, age, gender, and ethnicity. The Board acknowledges the diverse Board as an essential element in maintaining competitive advantage in leveraging different perspective to various issues raised and quality decision making, which in return contribute to the development and sustainability of the Company.

At present, the Board has three (3) female Directors, which is 37.5% (i.e., more than 30%) of the Board. The Board, through its NC and RC will continue to consider gender diversity as part of its future selection of Board representation. The Board recognises that a diverse Board in the Group can offer greater depth and breadth of perspectives, and diversity in the Management Team which will lead to better collective decisions. The Board Diversity Policy is available at the Company's website at <https://www.kitaco.com.my/corporate-governance-meetings/>.

### 4. Appointment of Directors

The NC and RC are entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC and RC in discharging its duties in the aspects of nomination, evaluation, selection, and appointment process of new Directors.

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the NC and RC. All nominees and candidates to the Board are first considered by the NC and RC taking into consideration, inter-alia, the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointment as Independent Non-Executive Directors.

In identifying candidates for appointment as Directors, the NC and RC would use a variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit themselves by solely relying on the recommendations from existing Board members, Management, or major shareholders.

## Corporate Governance Overview Statement

(Cont'd)

### 5. Retirement of Directors

In accordance with the Company's Constitution, all Directors shall retire from office at the 1<sup>st</sup> AGM and an election of Directors shall take place every year. At every annual general meeting, one-third (1/3) of the Directors who are subject to retirement by rotation for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election, provided that all Directors shall retire from office once at least in every three (3) years. A retiring Director shall be eligible for re-election. A Director retiring at an AGM shall retain office until the conclusion of the AGM.

Any directors appointed by the Board to fill a casual vacancy or as an additional to the existing Board shall retire at the next AGM and shall be eligible for re-election but will not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The NC had made recommendations to the Board on re-election of the Directors below, save for Datuk Dr. Siti Hamisah Binti Tapsir (who will not be seeking re-election) who are subject to retirement by rotation pursuant to Clause 98 of the Company's Constitution at the 2<sup>nd</sup> AGM:-

- 1) Mr. Tan Ah Kee
- 2) Mr. Teow Choo Hing

The Board is satisfied with the skills and contributions of these retiring Directors and recommends their re-election as Directors of the Company which is to be tabled at the 2<sup>nd</sup> AGM, with the exception of Datuk Dr. Siti Hamisah Binti Tapsir who will not be seeking re-election at the 2<sup>nd</sup> AGM.

### 6. Directors' Commitment

The Board meets on a quarterly basis with additional meetings convened where necessary to deal with urgent and important matters that require the attention of the Board. All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company, as all of the Directors had attended all the Board Meetings during the financial year under review.

The Board held six (6) meetings during the financial year FYE2023. The details of the Directors' attendance at the Board and Board Committee meetings are set out below:-

<b>Names</b>	<b>Board</b>	<b>ARMC</b>	<b>NC</b>	<b>RC</b>
Datuk Dr. Siti Hamisah Binti Tapsir <i>Independent Non-Executive Chairperson</i>	6/6	–	–	–
Mr. Tah Ah Kee <i>Managing Director</i>	6/6	–	–	–
Mr. Goh Yin Huat <i>Chief Financial Officer</i>	6/6	–	–	–
Mr. Gam Boon Tin <i>Chief Operating Officer</i>	6/6	–	–	–
Mr. Teow Choo Hing <i>Non-Independent Non-Executive Director</i>	6/6	–	1/1	2/2
Mr. Low Chin Ann @ Han Chin Ann <i>Independent Non-Executive Director</i>	6/6	6/6	–	2/2
Ms. Chang Sua Yearn <i>Independent Non-Executive Director</i>	6/6	6/6	1/1	2/2
Puan Nooriah Binti Hassan <i>Independent Non-Executive Director</i>	6/6	6/6	1/1	–



## Corporate Governance Overview Statement

(Cont'd)

### 7. Directors' Trainings

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirement and regulatory guidelines.

All Directors of the Company have attended the Mandatory Accreditation Programme as prescribed in the Listing Requirements. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

### 8. Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to Board Committees. These Board Committees have the authority to examine issues and report to the Board on their proceedings and deliberations together with its recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board as a whole.

#### (a) Audit and Risk Management Committee ("ARMC")

The ARMC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to the internal controls, financial and accounting records, and policies as well as financial reporting practices of the Group.

A copy of the TOR of the ARMC is available for viewing at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

The composition and activities of the ARMC during the financial year under review and after listing until to-date are set out in the ARMC Report.

#### (b) Nomination Committee ("NC")

The NC assists the Board in carrying out the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution or performance of each individual Director. The NC also assists the Board in assessing the level of independence of the Independent Directors annually.

The duties and responsibilities of the NC are set out in the TOR of the NC, which is published and available for viewing at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

The composition and activities of the NC during the financial year under review and after listing until to-date are set out in the NC Report.

#### (c) Remuneration Committee ("RC")

The Board is assisted by the RC which is responsible for making recommendations to the Board on remuneration arrangements for Directors and Key Senior Management. The RC has a TOR which is available on the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

The Board, assisted by the RC, reviews the remuneration policy for the Directors and Key Senior Management of the Group. The remuneration policy of the Company provides that all Executive Directors and Key Senior Management are remunerated based on the Group and individual's performances, market conditions and their responsibilities, whilst the remuneration of the Non-Executive Directors is determined in accordance with their experiences, level of responsibilities assumed in the Board Committees, their attendances and/or special skills and expertise they bring to the Board.

The remuneration for each Director on a named basis, from the Company and from the Group respectively, broken down into each remuneration component, is published on the Company's corporate website.

## Corporate Governance Overview Statement

(Cont'd)

### 9. Annual Assessment on effectiveness of the Board and Individual Directors

The NC has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the effectiveness of the Board Committees, contribution and performance of each Director and performance of Audit Committee members on an annual basis.

The evaluation process is led by the NC Chairperson, who is an Independent Non-Executive Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees and based on self-review and peer assessment. The NC reviews the outcome of the assessment and reports to the Board, areas for improvement, and is also used as the basis of recommending relevant Directors for re-election at the AGM.

The NC reviews the effectiveness of the Board by considering the composition of the Board, time commitment, boardroom activities and the overall performance of the Board.

The NC undertakes annual assessment on the independence of Directors. When assessing independence, the NC focuses on whether the Independent Directors can bring independent and objective judgement and act in the best interest of the Group.

Upon its annual assessment conducted on effectiveness of the Board and Board Committees; character, experience, integrity, competence and time commitment of each Director and Managing Director, Chief Financial Officer and Chief Operating Officer; mix of skills and experience of the Board; level of independence of the Directors; and term of office and performance of the ARMC and each of its members, the NC had concluded that the Directors have discharged their duties more than satisfactory. The NC was also satisfied with the performance of the Board and Board Committees. As for the balance and composition of the Board, the NC concluded that the Directors have the appropriate mix of skills, experience, knowledge, and professional qualifications which will contribute positively to the Board Committees and the Board as a whole.

### III Remuneration

The RC has established a Remuneration Policy for Directors and Key Senior Management which provides a guidance to determine the level of composition of remuneration of Directors and Key Senior Management to attract, retain and motivate the right candidates which consider the demands, complexities, and performance of the Group as well as skills and experience required. Level of remuneration should be sufficient to attract and retain the Directors and Key Senior Management needed to run the Group successfully.

The Remuneration Policy of Directors and Senior Management is available for reference at the Company's website at <https://www.kitacon.com.my/corporate-governance-meetings/>.

The remuneration of the Executive Directors is reviewed and recommended by the RC to the Board for approval. The Independent Non-Executive Directors are remunerated with Directors' fees are subject to shareholders' approval at the AGM annually in accordance with the Company's Constitution and Section 230(1) of the Companies Act 2016. Therefore, in terms of recommending the proposed Directors' fees, the RC takes into consideration the qualification, duty and responsibility, and contribution required from a Director in view of the Group's complexity, and also the market rate in the industry. The Board then collectively determines the remuneration for the Independent Non-Executive Directors based on the RC's recommendation. All Directors shall abstain from discussion and decisions on their own remuneration.

The Company also provides Directors' and Officers' Liability Insurance which may provide an indemnity to the fullest extent permitted by the Companies Act 2016 and against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers.

In regards to the remuneration of the Senior Management's remuneration, the Company notes that such disclosure may give rise to recruitment and talent retention challenges. Hence, the Company has departed from Practice 8.2 in not adopting Step-Up Practice 8.3 of the MCCG which requires disclosure of the remuneration of the top five (5) Senior Management personnel on a named basis in bands of RM50,000 as the Board is of the view that such information, if disclosed, raises personal security concerns on the part of the Senior Management personnel and could result in employee poaching by competitors.

Detailed information on the Directors' remuneration for the FYE2023 on a named basis are disclosed under Practice 8.1 of the CG Report.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I ARMC

#### 1. Composition

The ARMC is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Group's management of its financial risk processes, accounting, and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight of both the internal and external audit functions.

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The ARMC Chairman, Mr. Low Chin Ann @ Han Chin Ann, is an Independent Non-Executive Director and is not the Chairman of the Board. He is also a member of the Malaysian Institute of Accountants ("MIA"). Ms. Chang Sua Yean and Puan Nooriah Binti Hassan both are the Independent Non-Executive Directors.

The independence, objectivity, and integrity of the members of the ARMC are the key requirements which the Board of the Company recognises as essential for an effective and independent ARMC. None of the members of the ARMC is a former key audit partner. The ARMC has instituted a policy by way of inclusion in the TOR of the ARMC that requires a former key audit partner to observe a cooling-off year of at least three (3) years before being appointed as a member of the ARMC.

#### 2. Financial Reporting

The Board is responsible for keeping proper accounting records, which discloses with reasonable accuracy at any time the financial position of the Group and ensures that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and Main Market Listing Requirements of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

#### 3. Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external auditors through the ARMC in discussing with them their audit plans, audit findings and financial statements. The ARMC invites the External Auditors at least twice a year to discuss their findings and audited financial statements of the Group. In addition, the ARMC also met with the External Auditors during the FYE2023 without the presence of the Executive Directors, Managing Director, and Key Senior Management of the Company.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company's External Auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the External Auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

Crowe Malaysia PLT, the External Auditors of the Company have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The ARMC is satisfied with the suitability and independence of Crowe Malaysia PLT based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed.



## Corporate Governance Overview Statement (Cont'd)

Details of the audit and non-audit fees paid or payable to the Group and the Company's External Auditors, Crowe Malaysia PLT for the FYE 2023 are set out as below:

Nature of Services	Company (RM)	Group (RM)
Audit fees	30,000	125,000
Non-Audit fees <sup>(1)</sup>	10,000	10,000
<b>Total</b>	<b>40,000</b>	<b>135,000</b>

<sup>(1)</sup> The non-audit fees of the Company were incurred mainly for the annual review of the Statement on Risk Management and Internal Control.

## II Risk Management and Internal Control Framework

### 1. Risk Management and Internal Controls

The ARMC assists the Board on the Group's risk management matters, including overseeing the overall effectiveness of the risk management framework, the adequacy and effectiveness of internal controls, and reviewing the Group's risks including in the areas of cybersecurity, anti-corruption, and business contingency planning matter. Management implements risk management strategies based on the risk appetite approved by the Board and reports regularly to the ARMC.

The Board reviews the adequacy and operating effectiveness of the Group's risk management and internal control framework on an annual basis, based on, amongst others, the audit activities overseen by the ARMC, the assurance from the Managing Director and the Executive Directors' responsible for the Company's financial affairs, and input from other parties and processes. Details of the features of the Group's risk management and internal control framework and the Board's commentary on its adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control.

The Board acknowledges that the internal control system is devised to cater for needs of the Company and risk management is to provide reasonable assurance against material misstatements or loss.

The Statement on Risk Management and Internal Control as set out in the Annual Report 2023 provides an overview of the state of risk management and internal controls within the Group.

### 2. Internal Audit Function

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group.

The Group has an internal audit function which is outsourced to Tricor Axcelasia Sdn Bhd during the FYE 2023.

Details on the person responsible for the internal audit are set out below:-

Name of Internal Auditors	:	Ms Melissa Koay
Qualification	:	She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms Melissa Koay is also a Certified Internal Auditor.
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company.
Public Sanction or penalty	:	Has no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.



## Corporate Governance Overview Statement (Cont'd)

The ARMC meets regularly to review the risks identified, discuss on mitigation actions in place and report to the Board on a quarterly basis. Details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the ARMC Report.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC.

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

#### **I Communication with Stakeholders**

The Group recognises the value of transparent, consistent, and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations.

The Board has established a dedicated section for corporate information on the Company's website at <https://kitacon.com.my>, where information on the Company's announcements and financial information may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details of a designated person to address any queries.

It has always been the Company's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, Annual Report, corporate announcements to Bursa Securities and press conferences.

#### **II Conduct of General Meetings**

The general meetings ("AGM/EGM") serve as an important and effective platform for our Directors and Key Senior Management to communicate with our shareholders. Shareholders will be given the opportunity to seek clarification on any issue on the resolutions being proposed as well as the matter relating to the performance, developments and future direction of our Group.

In line with good corporate governance practice, the notice of the 2nd AGM together with the Annual Report 2023 is issued to shareholders more than 28 days from the AGM to allow sufficient time for the shareholders to go through the Annual Report 2023 and consider the proposed resolutions to be tabled at the AGM.

The Notice of AGM was also accompanied by explanatory notes which provides further explanation on each resolution proposed to facilitate informed decision-making by the shareholders. Barring unforeseen circumstances, all our Directors as well as the Chairperson shall be present at the forthcoming AGM of our Company to enable our shareholders to raise questions and concerns directly to those responsible.

This CG Overview Statement was approved by the Board of Directors of the Company on 25 April 2024.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## OBJECTIVES

The principal objectives of the Audit and Risk Management Committee (“ARMC”) is to assist the Board of Directors (“the Board”) in fulfilling its statutory and fiduciary responsibilities relating to the financial reporting process, internal controls, risk management of Kumpulan Kitacon Berhad and its subsidiary (collectively “the Group”).

## COMPOSITION OF THE ARMC

The ARMC consists of three (3) members, all of whom are Independent Non-Executive Directors, who are qualified individuals with the required skills and expertise to discharge the ARMC’s functions and duties. Each Committee member satisfies the independence requirements contained in the Listing Requirements of Bursa Securities.

The composition of the ARMC are as follows:

Names	Designation	Directorship
Mr. Low Chin Ann @ Han Chin Ann	Chairman	Independent Non-Executive Director
Ms. Chang Sua Yean	Member	Independent Non-Executive Director
Puan Nooriah Binti Hassan	Member	Independent Non-Executive Director

This meets the requirements of Paragraph 15.09 of the Listing Requirements of Bursa Securities and Step-Up Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The Chairman of the ARMC, Mr. Low Chin Ann @ Han Chin Ann is a member and Fellow member of the Association of Chartered Certified Accountants (“ACCA”) since 2005 and 2010 respectively, and a member of the Malaysian Institute of Accountants (“MIA”). He is not the Chairman of the Board. In this respect, the Company complies with Practice 9.1 under Principle B of the MCCG.

## TERMS OF REFERENCE OF THE ARMC

The ARMC is guided by its Terms of Reference (“TOR”), which is available on the Company’s website at <https://www.kitacon.com.my/corporate-governance-meetings/>. The TOR shall be assessed, reviewed and updated when necessary.

## MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2023 (“FYE2023”), the ARMC convened a total of six (6) meetings.

The details of attendance of each member of the ARMC were as follows:

Names	Designation	Attendance
Mr. Low Chin Ann @ Han Chin Ann	Chairman	6/6
Ms. Chang Sua Yean	Member	6/6
Puan Nooriah Binti Hassan	Member	6/6

Minutes of each ARMC Meeting were recorded by the Company Secretary and tabled for confirmation and adoption at the next ARMC Meeting and subsequently presented to the Board for notation. The Chairman of the ARMC shall report on each meeting to the Board.

The External Auditors, Internal Auditors and Chief Financial Officer have attended the ARMC Meetings at the ARMC’s invitation to facilitate direct communication and to provide clarification on audit issues, area of concerns, business risks, and operational matters as well as to brief the ARMC on specific issues arising from the internal audit report in respect of the internal controls of the Group and recommendations to mitigate risks exposures of the Group. The ARMC shall meet at least twice a year with the External Auditors without the Executive Directors and Management being present.



# Audit And Risk Management Committee Report

(Cont'd)

## SUMMARY OF ACTIVITIES OF THE ARMC

The ARMC carried out its duties and responsibilities in accordance with its TOR.

The following summarises the works carried out by the ARMC:

### 1. Financial Reporting

- Reviewed the Group's unaudited quarterly results prior to recommending it to the Board for approval and releasing it to Bursa Securities.
- Reviewed the Group's audited financial statements for FYE2023 prior to recommending it to the Board for consideration and approval, to ensure that statements and disclosures presented the true and fair view of the Group's financial performance in accordance with the Malaysian Financial Reporting Standard as well as the applicable disclosure provisions of Listing Requirements of Bursa Securities.
- Received and reviewed regular updates from the Management on the status and implication of major accounting policies and financial reporting standards of the Group. There were no new or revised MFRS in FYE2023 that had a material effect on the financial performance or position of the Group.

### 2. External Auditors

- Reviewed the external audit plan with the External Auditors, audit strategy and scope of works.
- Reviewed the competency, efficiency and independence of External Auditors prior to recommending them to the Board for approval on the reappointment of the External Auditors and their audit fees of the Group.
- Reviewed and discussed with the External Auditors on the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by MASB and regulating the requirements applicable to the Group; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- Reviewed and approved the non-audit services provided by the External Auditors and/or its network firms to the Group for the financial year, including the nature of the non-audit services, fee of the non-audit services, individually and in aggregate, relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided.
- Held private sessions with the External Auditors on 26 April 2023 and 21 November 2023 without the presence of the Management personnel (including the Managing Director and Executive Directors) during which the External Auditors provided its comments on the assistance and cooperation provided by the employees of the Group during audit.

### 3. Internal Audit Function

- Reviewed and approved the risk based internal audit plan for FYE2023 presented by Tricor Axcelasia Sdn Bhd, considering amongst others, the adequacy of scope and coverage, the Group's risk profile and reporting timeline.
- Reviewed and approved the internal audit report for FYE2023 by Tricor Axcelasia Sdn Bhd.

### 4. Risk Management & Internal Control

- Reviewed the risk profile of the Group (including risk registers) and the Risk Management team's plans to mitigate business risks as identified from time to time.
- Reviewed the functions related to Risk Management and report directly to the Board.

## Audit And Risk Management Committee Report (Cont'd)

### 5. Related Party Transaction

- Reviewed details of the Group's related party transactions (including recurrent related party transactions) based on the Company's Related Party Transaction Policy and recommended to the Board.
- Reviewed related party transactions (including recurrent related party transactions) during each quarter of the financial year, ensuring they are at arm's length basis, are based on normal commercial terms not more favourable to the related party than those generally available to third parties, are not determined to minority shareholders, and are in the best interest of the Group.

### SUMMARY OF THE WORKS OF THE INTERNAL AUDIT FUNCTIONS

For the financial year ended 31 December 2023, the Company has engaged an independent internal control consultant to assess the corporate governance practices as well as internal control and risk management systems of the Group.

The Group recognised that the internal audit function is an independent and objective assurance activity designed to add value and improve the operations of the Group. The internal audit function for our Group has been outsourced to a professional service firm, Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia") who conducted an independent review of our Group's key processes and control systems. Our Board had via the ARMC evaluated their effectiveness by reviewing the results of the work done in ARMC meetings.

The Engagement Executive Director is Ms. Melissa Koay ("Ms. Melissa") who is a Chartered Member of the Institute of Internal Auditors Malaysia and a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. She is also a Certified Internal Auditor (USA). Ms. Melissa has a diverse professional experience in internal audits, risk management, and corporate governance advisory.

The number of staff deployed for the internal audit reviews ranged from 3 to 4 staff per visit including the Engagement Executive Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence. The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework ("IPPF").

The Internal Auditor reports directly to the ARMC and is independent of the activities it audits. The objective of the internal audit is to assist the ARMC by independently assessing and evaluating the adequacy and effectiveness of the internal controls system and is the primary responsibility of the Management which includes the on-going monitoring of its implementation and continuing improvement in responding to the risks involved.

The primary responsibility of the Internal Auditor is to provide the services under the Statement of Work:

- a) To prepare a risk-based internal audit strategy document;
- b) To perform two (2) cycles of risk-based internal audit per annum based on the internal audit strategy document as approved by the ARMC for financial year ended ("FYE") 31 December 2023; and
- c) To conduct follow-up assessment on implementation status of prior internal audit recommendations.

The results of the audit reviews and the recommendations for improvement were discussed with Senior Management and subsequently presented to the ARMC at their scheduled meetings. In addition, follow-up visits were also conducted to ascertain the status of implementation of agreed management action plans. The results of the follow-up reviews were also reported to the ARMC. Based on the results of the internal audits conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

The total professional fees paid for the outsourcing of internal audit function for the year ended 31 December 2023 amounted to RM50,000 (excluding disbursement costs).

This report was approved by the Board of Directors on 25 April 2024.



# NOMINATION COMMITTEE REPORT

The Nomination Committee (“NC”) was formed by the Board of Directors (“the Board”) on 20 June 2022 and is responsible for the managing and oversight of recruitment, evaluation and retention of the Board and the Board committees.

The NC comprises of the following members, who are a majority of Independent Non-Executive Directors:-

Names	Designation	Directorship
Puan Nooriah Binti Hassan	Chairperson	Independent Non-Executive Director
Mr. Teow Choo Hing	Member	Non-Independent Non-Executive Director
Ms. Chang Sua Year	Member	Independent Non-Executive Director

## TERMS OF REFERENCE OF THE NC

The NC is guided by its Terms of Reference (“TOR”), which is available on the Company’s website at <https://www.kitacon.com.my/corporate-governance-meetings/>. The TOR shall be assessed, reviewed and updated when necessary.

## MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2023 (“FYE 2023”), the NC convened one (1) meeting on 21 February 2023.

The details of attendance of each member of the NC were as follows:

Names	Designation	Attendance (For Year 2023)
Puan Nooriah Binti Hassan	Chairperson	1/1
Mr. Teow Choo Hing	Member	1/1
Ms. Chang Sua Year	Member	1/1

Minutes of the NC was recorded by the Company Secretaries and tabled for confirmation and adoption at the next NC Meeting and subsequently presented to the Board for notation.

## SUMMARY OF ACTIVITIES OF THE NC

The NC carried out the following works in discharging its functions and duties during the FYE 2023, which are in line with its responsibilities as set out in its TOR:-

- (i) Considered and recommended to the Board for re-election of all the Directors who were to retire at the first AGM of the Company; and
- (ii) Assessed the annual effectiveness of the Board and individual Directors in FYE 2023.

The NC upon its annual assessment carried out was satisfied that the Directors have discharged their duties more than satisfactorily. The NC was also satisfied with the performance of the Board and the Board committees.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Kumpulan Kitacon Berhad (“KITACON”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) which outlines the nature and scope of risk management and internal control system of KITACON and its subsidiary (“the Group”) for the financial year ended 31 December 2023. This Statement has been prepared pursuant to Rule 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021, as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

## BOARD RESPONSIBILITIES

The Board acknowledges its responsibility and reaffirms its commitments for maintaining an effective internal control and risk management systems within the group, including reviewing their adequacy and effectiveness, in order to protect shareholders’ interest and the Group’s assets.

In view of the limitations that are inherent in any internal control and risk management system, the Board recognises that such system is designed to manage rather than eliminate the risk of failure to achieve the Group’s business objectives and strategies. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

## RISK MANAGEMENT

The Board is assisted by the Audit and Risk Management Committee (“ARMC”) to provide an oversight on the Group’s risk management process by identifying and assessing risks, and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the Group, especially on key risks areas such as business and strategic risks, financial risks, operational risks and regulatory or compliance risk.

The Group’s risk management framework is guided by the principles set out in ISO31000, Risk Management which outlines the risk governance and structure, risk management policies, risk management process and integration of risk management into significant activities and functions.

The Group’s has a robust risk management process for timely identification, assessment of identified risks, development of relevant risk action plans and continuous monitoring of key risks associated with functions, processes and activities to enable the Group to minimise losses and optimise opportunities.

During the financial year under review, an annual risk assessment on 28 July 2023 was undertaken with key senior management to update the Group’s risk profiles for the Group in terms of the controls and the risk ratings for each risk. All risks identified were individually assessed and ranked, having regard to the impact of the identified risk, likelihood or frequency of risk occurring, and effectiveness of the internal control systems currently in place to manage these key risks. Risk management activities are reported to the ARMC to keep the ARMC informed and advised of key risks and risk trends.

## INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional service provider, Tricor Axcelasia Sdn. Bhd., for the financial year ended 31 December 2023 which reports directly to the ARMC by independently reviewing the adequacy and effectiveness of the internal control system established by the Management. Further details of the Internal Audit Function are set out in ARMC Report on page 68 of this Annual Report.



## Statement Of Risk Management And Internal Control (Cont'd)

### OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's internal control system include: -

- i) Well-defined management organisation structure on the management responsibilities and hierarchical structure for directing, planning, executing, controlling and monitoring the business operations;
- ii) Clearly defined terms of reference, authorities and responsibilities of the ARMC, Nomination Committee and Remuneration Committee;
- iii) Quarterly financial results were presented to the ARMC and Board for approval;
- iv) The establishment and implementation of the Anti-Bribery and Anti-Corruption Policy, Code of Conduct and Ethics, and Whistleblowing Policy;
- v) Clearly documented operational processes as set out in the Quality Management System, Occupational Health and Safety Management System and Environmental Management System;
- vi) Employee handbook outlines the employment terms and conditions, including compensation, leaves, benefits and other matters related to their employment; and
- vii) The Management meetings were held monthly to identify, discuss and resolve key operational and management issues.

### REVIEW THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the Annual Report of the Group for the financial year ended 31 December 2023, in compliance with the Rule 15.23 of the Listing Requirements of Bursa Securities. Their review was conducted in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants ("MIA").

AAPG 3 does not require the External Auditors to consider whether this Statement 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.

Based on the review by the External Auditors, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

### CONCLUSION

The Board had received assurance from the Managing Director and the Chief Financial Officer that the internal control and risk management system of the Group are adequate and operating effectively, in all material aspects.

The Board is of the view that the internal control and risk management system is satisfactory and has no material internal control failures nor have any of the reported weaknesses resulting in material losses or contingencies during the financial year under review.

The Board is committed towards maintaining a sound internal control system and an effective risk management throughout the Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This statement was approved by the Board of Directors on 25 April 2024.



# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE (“IPO PROCEEDS”)

The status of the utilisation of the IPO Proceeds as at 31 December 2023 is as follows:-

Details of Use of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation <sup>(1)</sup> RM'000	Balance Unutilised RM'000	Estimated time frame for use of proceeds from the Listing date)
Purchase of construction equipment					
- Aluminium formwork systems	18,000	(13,674)	-	4,326	Within 36 months
- Scaffoldings and cabins	6,000	(6,000)	-	-	Within 36 months
Purchase of land and construction of a storage and refurbishment facility	20,000	(3,905)	-	16,095	Within 36 months
Working capital	3,280	(3,328)	48	-	Within 24 months
Estimated listing expenses	4,460	(4,412)	(48)	-	Within 1 month
<b>Total</b>	<b>51,740</b>	<b>(31,319)</b>	<b>-</b>	<b>20,421</b>	

(1) The actual listing expenses are lower than the estimated amount, hence the excess of approximately RM48,000 was re-allocated for working capital purposes.

## 2. AUDIT AND NON-AUDIT FEES

Details of the audit and non-audit fees paid or payable to the Company's External Auditors, Crowe Malaysia PLT, during the financial year ended 31 December 2023 are set out as below:

Audit and Non-Audit Fees	The Company (RM)	The Group (RM)
Audit fees	30,000	125,000
Non-audit fees <sup>(1)</sup>	10,000	10,000
<b>TOTAL</b>	<b>40,000</b>	<b>135,000</b>

(1) The non-audit fees of the Company were incurred mainly for the annual review of the Statement of Risk Management and Internal Control.

## 3. EMPLOYEES' SHARE OPTION SCHEME (“ESOS”)

Upon Listing, the Company has established an ESOS which involves the granting of ESOS Options to the eligible Directors and employees of the Group who fulfil the conditions of eligibility as stipulated in the By-Laws. However, the Company does not intend to grant any ESOS Option now.

## 4. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiary involving the interests of the Directors or Major Shareholders of the Company, either still subsisting at the end of the financial year.



## Additional Compliance Information (Cont'd)

### **5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE (“RRPT”)**

The Company was given a shareholders' mandate to enter into recurrent related party transactions for the provision of construction services with related parties (“Recurrent Transactions”) at the 1<sup>st</sup> Annual General Meeting held on 20 June 2023.

The details of the Proposed Renewal of the Shareholders' Mandate for RRPT to be entered by the Group with the related parties (“Proposed Renewal of Shareholders' Mandate”) are disclosed in the Circular to Shareholders dated 30 April 2024 together with this Annual Report 2023.

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2023 are disclosed in Note 26 to the financial statements.

## STATEMENT OF **DIRECTORS' RESPONSIBILITIES**

The Directors are required to prepare the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the provisions of the Companies Act 2016 in Malaysia.

The Directors are responsible to ensure that financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at the financial year and of the financial performance and cash flows for the financial year. In preparing the financial statements, the Directors have:-

- Adopted appropriate accounting policies in accordance with applicable approved accounting standards and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on going-concern basis.

The Directors also have the general responsibility to keep the accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure compliance with the provisions of the Companies Act 2016 as well as take reasonable steps to safeguard assets of the Group and of the Company to prevent and detect fraud and other irregularities.



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# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activity of the subsidiary is set out in Note 4 to the financial statements. There have been no significant changes in the nature of this activity during the financial year.

## RESULTS

	<b>The Group RM</b>	<b>The Company RM</b>
Profit for the financial year	36,369,433	9,032,589

## DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year are as follows:

	<b>RM</b>
First interim single tier dividend of 1 sen per ordinary shares in respect of the financial year ended 31 December 2023, paid on 13 July 2023	5,000,000

On 28 February 2024, the Company declared a second interim single tier dividend of 1 sen per ordinary share amounting to RM5,000,000 in respect of the current financial year, paid on 5 April 2024, to shareholders whose names appeared in the record of depositors on 18 March 2024. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM184,401,509 to RM236,141,689 (before deducting share issuance expenses of RM767,253) by the issuance of 76,088,500 new ordinary shares at an issue price of RM0.68 per ordinary share, as part of the listing scheme of the Company on Main Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.



## SHARE OPTIONS

The Company did not grant any share options during the financial year.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and of the Company, have 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 which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) 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 of the Group and of the Company have 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 their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## Directors' Report

(Cont'd)

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Ah Kee  
 Teow Choo Hing  
 Datuk Dr. Siti Hamisah Binti Tapsir  
 Gam Boon Tin  
 Goh Yin Huat  
 Low Chin Ann @ Han Chin Ann  
 Chang Sua Yean  
 Nooriah Binti Hassan

The names of directors of the Company's subsidiary who served during the financial year and up to the date of this report are as follows:-

Tan Ah Kee  
 Teow Choo Hing  
 Gam Boon Tin

### DIRECTORS' INTERESTS

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

Name of Director	At 1.1.2023	Number of Ordinary Shares		At 31.12.2023
		Bought	Sold	
<i>Direct Interests</i>				
Tan Ah Kee	97,499,700	–	(55,652,800)	41,846,900
Teow Choo Hing	169,564,600	–	(95,000,000)	74,564,600
Datuk Dr. Siti Hamisah Binti Tapsir	–	100,000	–	100,000
Gam Boon Tin	–	1,000,000	–	1,000,000
Goh Yin Huat	–	400,000	–	400,000
Low Chin Ann @ Han Chin Ann	–	75,000	–	75,000
Chang Sua Yean	–	50,000	–	50,000
Nooriah Binti Hassan	–	50,000	–	50,000
<i>Indirect Interests</i>				
Tan Ah Kee <sup>(1)</sup>	156,847,200	18,690,300	–	175,537,500
Low Chin Ann @ Han Chin Ann <sup>(2)</sup>	–	15,000	–	15,000

<sup>(1)</sup> Deemed interested by virtue of his direct substantial shareholdings in Suan Neo Capital Sdn. Bhd. and Lembah Reka Sdn. Bhd.

<sup>(2)</sup> Deemed interested by virtue of his son, Mr. Low Jia How.



## Directors' Report

(Cont'd)

### DIRECTORS' INTERESTS (CONT'D)

By virtue of his shareholdings in the Company, Tan Ah Kee is deemed to have interests in shares of the subsidiary during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 by virtue of certain related party transactions as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year, was the Group and the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	<b>The Group</b>	<b>The Company</b>
	<b>RM</b>	<b>RM</b>
Fee	696,000	336,000
Salaries, bonuses and other benefits	7,851,574	32,000
Defined contribution plans	937,200	-
	9,484,774	368,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company amounted to approximately RM28,600 (2022 - RM64,800).

### INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM5,000,000 and RM22,270 respectively.

### SUBSIDIARY

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in the subsidiary are disclosed in Note 4 to the financial statements.

The available auditors' report on the financial statements of the subsidiary did not contain any qualification

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 33 to the financial statements.



## Directors' Report

(Cont'd)

### AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group RM</b>	<b>The Company RM</b>
Audit fee	125,000	30,000
Non-audit fees	10,000	10,000
	<hr/> 135,000	<hr/> 40,000

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 25 APRIL 2024**

**Tan Ah Kee**

**Gam Boon Tin**



## STATEMENT BY **DIRECTORS**

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Ah Kee and Gam Boon Tin, being two of the directors of Kumpulan Kitacon Berhad, state that, in the opinion of the directors, the financial statements set out on pages 86 to 126 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED  
25 APRIL 2024**

**Tan Ah Kee**

**Gam Boon Tin**

## STATUTORY **DECLARATION**

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

I, Goh Yin Huat, MIA Membership Number: 28791, being the director primarily responsible for the financial management of Kumpulan Kitacon Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 126 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Goh Yin Huat at Klang  
in the State of Selangor Darul Ehsan  
on this 25 April 2024

**Goh Yin Huat**

Before me

# INDEPENDENT AUDITORS' REPORT

To the Members of Kumpulan Kitacon Berhad

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Kumpulan Kitacon Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 126.

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

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

Key audit matters are those 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. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><u>Revenue and profit recognition from construction contracts (Refer to Notes 2.16, 3, 11 and 19 to the financial statements)</u></p> <p>The Group has recorded revenue from construction contracts of RM780,875,496 for the financial year ended 31 December 2023.</p> <p>Construction contract accounting is identified as a key audit matter due to significant judgements involved. This includes the determination of total estimated costs to complete and the measurement of progress which affects the amounts of revenue to be recognised. Revenue from construction contracts is recognised over time by reference to the survey of work performed.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Reviewed the group policy on revenue recognition in order to ascertain that the revenue recognition policy meets the requirements of MFRS 15 Revenue from Contracts with Customers.</li> <li>• Assessed the design and implementation of key controls over revenue recognition.</li> <li>• Challenged the Group's key assumptions in the estimated costs to complete by performing the following procedures, among others: <ul style="list-style-type: none"> <li>• Checked the estimated costs to complete to supporting documentation such as approved budgets, contracts and variation orders with sub-contractors;</li> <li>• Corroborated the stage of completion and extent of costs incurred to date by comparing to external architect certification.</li> </ul> </li> </ul>



## Independent Auditors' Report (Cont'd)

### Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Revenue and profit recognition from construction contracts (Refer to Notes 2.16, 3, 11 and 19 to the financial statements) (Cont'd)</u></p> <p>Changes in judgement and the related estimates throughout a contract period could result in a material variance in the revenue and profits recognised on contracts to date and in the current period.</p> <p>The key judgements over construction contract accounting arise from the following areas:</p> <ul style="list-style-type: none"> <li>• Estimated costs to complete the contracts; and</li> <li>• The ability to deliver the contract within the contractual timelines and whether there is any exposure to liquidated and ascertained damages.</li> </ul>	<p>Our audit procedures included, among others: (Cont'd)</p> <ul style="list-style-type: none"> <li>• Discussed with finance and operational units to understand the nature of contract variation orders and read the correspondences from customers including approved variation orders.</li> <li>• Assessed the timing to complete projects through corroborative discussion with finance and operational units.</li> <li>• Evaluated the merits of extension of time application submitted to the contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including on-going negotiations with contract customers and contract terms.</li> </ul>
<p><u>Impairment of receivables (Refer to Notes 2.10, 3 and 9 to the financial statements)</u></p> <p>The Group carries significant receivables and is subject to major credit risk exposure. The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecast of future economic conditions.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>• the Group's control over the receivable collection process;</li> <li>• how the Group identifies and assesses the impairment of receivables; and</li> <li>• how the Group makes the accounting estimates for impairment.</li> </ul> </li> <li>• Reviewing the ageing analysis and past due status of receivables and testing the reliability thereof.</li> <li>• Reviewing the subsequent cash collections for major receivables and overdue amounts.</li> <li>• Making inquiries of management regarding the action plans to recover overdue amounts.</li> <li>• Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections.</li> <li>• Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix for expected credit losses assessment.</li> <li>• Evaluating the reasonableness and adequacy of the resulting loss allowance recognised.</li> </ul>

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

## Independent Auditors' Report (Cont'd)

### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



## Independent Auditors' Report (Cont'd)

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

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

We 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.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Shah Alam  
25 April 2024

**Ong Beng Chooi**  
03155/05/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

At 31 December 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Investment in a subsidiary	4	–	–	224,401,459	184,401,459
Equipment	5	32,739,032	13,212,640	–	–
Investment properties	6	5,072,934	4,709,863	–	–
Right-of-use assets	7	2,188,047	2,080,204	–	–
Other investments		–	30,894,000	–	–
Investment in club membership, at cost		85,003	85,003	–	–
Deferred tax assets	8	2,355,000	4,024,000	–	–
		42,440,016	55,005,710	224,401,459	184,401,459
CURRENT ASSETS					
Receivables	9	166,361,714	113,046,912	4,500	–
Prepayment		4,900	555,620	–	553,212
Contract costs	10	4,321,803	717,080	–	–
Contract assets	11	257,354,913	163,675,791	–	–
Current tax assets		546,477	–	–	–
Short-term investments	12	27,957,811	–	10,168,064	–
Cash and cash equivalents	13	66,110,234	75,867,523	1,090,563	3,050
		522,657,852	353,862,926	11,263,127	556,262
<b>TOTAL ASSETS</b>		<b>565,097,868</b>	<b>408,868,636</b>	<b>235,664,586</b>	<b>184,957,721</b>

The annexed notes form an integral part of these financial statements.



## Statements of Financial Position

(Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	235,374,436	184,401,509	235,374,436	184,401,509
Merger deficit	15	(154,401,459)	(154,401,459)	–	–
Retained profits/(Accumulated losses)		216,076,607	184,707,174	229,718	(3,802,871)
<b>TOTAL EQUITY</b>		<b>297,049,584</b>	<b>214,707,224</b>	<b>235,604,154</b>	<b>180,598,638</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	16	165,533	96,531	–	–
Deferred tax liability	8	1,968,000	898,000	–	–
		2,133,533	994,531	–	–
<b>CURRENT LIABILITIES</b>					
Payables	17	260,494,786	192,761,126	56,682	4,359,083
Lease liabilities	16	160,215	88,113	–	–
Bills payable	18	5,256,000	–	–	–
Current tax liabilities		3,750	317,642	3,750	–
		265,914,751	193,166,881	60,432	4,359,083
<b>TOTAL LIABILITIES</b>		<b>268,048,284</b>	<b>194,161,412</b>	<b>60,432</b>	<b>4,359,083</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>565,097,868</b>	<b>408,868,636</b>	<b>235,664,586</b>	<b>184,957,721</b>

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year ended 31 December 2023

	Note	The Group		The Company	
		1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Revenue	19	780,875,496	487,761,146	9,000,000	–
Cost of sales		(686,923,112)	(396,411,786)	–	–
Gross profit		93,952,384	91,349,360	9,000,000	–
Other income		3,267,421	9,715,766	1,248,859	–
Administrative and other operating expenses		(48,785,335)	(46,889,230)	(1,204,270)	(3,802,871)
Net impairment loss on financial asset		–	(1,529,172)	–	–
Finance costs		(360,305)	(131,054)	–	–
Share of profit of associate		–	782,259	–	–
Profit/(Loss) before taxation	20	48,074,165	53,297,929	9,044,589	(3,802,871)
Income tax expense	22	(11,704,732)	(12,992,231)	(12,000)	–
Profit/(Loss) for the financial year/period		36,369,433	40,305,698	9,032,589	(3,802,871)
Other comprehensive income for the financial year/period		–	–	–	–
Total comprehensive income/(expense) for the financial year/period		36,369,433	40,305,698	9,032,589	(3,802,871)
Earnings per share					
- Basic (sen)	23	7.27	9.51	–	–
- Diluted (sen)	23	7.27	9.51	–	–

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 31 December 2023

The Group	Note	Non-distributable			Distributable		Total equity RM
		Share capital RM	Invested equity RM	Merger deficit RM	Retained profits RM	RM	
Balance at 1 January 2022		–	30,000,000	–	154,401,476	184,401,476	
Profit (representing total comprehensive income) for the financial year		–	–	–	40,305,698	40,305,698	
Issuance of shares		50	–	–	–	50	
Dividends	24	–	–	–	(10,000,000)	(10,000,000)	
Effect of restructuring exercise		184,401,459	(30,000,000)	(154,401,459)	–	–	
Total transactions with owners		184,401,509	(30,000,000)	(154,401,459)	(10,000,000)	(9,999,950)	
Balance at 31 December 2022		184,401,509	–	(154,401,459)	184,707,174	214,707,224	
Profit (representing total comprehensive income) for the financial year		–	–	–	36,369,433	36,369,433	
Issuance of shares pursuant to public issue	14	51,740,180	–	–	–	51,740,180	
Share issuance expenses	14	(767,253)	–	–	–	(767,253)	
Dividends	24	–	–	–	(5,000,000)	(5,000,000)	
Total transactions with owners		50,972,927	–	–	(5,000,000)	45,972,927	
Balance at 31 December 2023		235,374,436	–	(154,401,459)	216,076,607	297,049,584	

The annexed notes form an integral part of these financial statements.

Statements of Changes In Equity  
(Cont'd)

The Company	Note	Non-	Distributable	Total equity RM
		distributable	Accumulated (losses)/ Retained profits RM	
		Share capital RM		
At date of incorporation		50	–	50
Loss (representing total comprehensive expense) for the financial period		–	(3,802,871)	(3,802,871)
Effect of restructuring exercise		184,401,459	–	184,401,459
Total transactions with owners		184,401,459	–	184,401,459
Balance at 31 December 2022		184,401,509	(3,802,871)	180,598,638
Profits (representing total comprehensive income) for the financial year		–	9,032,589	9,032,589
Issuance of shares pursuant to public issue	14	51,740,180	–	51,740,180
Share issuance expenses	14	(767,253)	–	(767,253)
Dividends	24	–	(5,000,000)	(5,000,000)
Total transactions with owners		50,972,927	(5,000,000)	45,972,927
Balance at 31 December 2023		235,374,436	229,718	235,604,154

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

For the Financial Year ended 31 December 2023

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit/(Loss) before taxation	48,074,165	53,297,929	9,044,589	(3,802,871)
Adjustments for:-				
Depreciation of equipment	7,260,151	4,314,297	–	–
Depreciation of investment properties	79,173	122,124	–	–
Depreciation of right-of-use assets	152,146	147,206	–	–
Equipment written off	–	88,721	–	–
Impairment losses on receivables	–	1,529,172	–	–
Interest expense for financial liabilities measured at amortised cost	317,008	123,843	–	–
Interest expense of lease liabilities	43,297	7,211	–	–
Loss on disposal of investment in an associate	–	782,259	–	–
Dividend income	–	–	(9,000,000)	–
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	(1,431,747)	(513,186)	(1,029,956)	–
Interest income	(1,529,923)	(1,431,308)	(218,903)	–
Gain on disposal of investment properties	–	(6,915,146)	–	–
Gain on disposal of equipment	(87,994)	(18,186)	–	–
Gain on disposal of other investments	(18,090)	–	–	–
Share of profit of an associate	–	(782,259)	–	–
Operating profit/(loss) before working capital changes	52,858,186	50,752,677	(1,204,270)	(3,802,871)
Changes in:-				
Contract assets	(93,679,122)	1,996,661	–	–
Contract costs	(3,604,723)	4,378,780	–	–
Receivables and prepayment	(52,764,082)	(10,293,903)	548,712	(553,212)
Payables	67,733,660	(21,749,649)	(525,236)	581,918
Cash (for)/from operations	(29,456,081)	25,084,566	(1,180,794)	(3,774,165)
Interest paid	(360,305)	(131,054)	–	–
Tax paid	(9,826,101)	(8,831,932)	(8,250)	–
Net cash (for)/from operating activities	(39,642,487)	16,121,580	(1,189,044)	(3,774,165)

Statements of Cash Flows (Cont'd)

	Note	The Group		The Company	
		1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
CASH FLOWS FROM/(FOR)					
INVESTING ACTIVITIES					
Additional investment in an existing subsidiary		–	–	(15,741,000)	–
Advances to a subsidiary		–	–	(24,259,000)	–
Dividend received		–	4,900,000	9,000,000	–
Interest received		1,529,923	1,431,308	218,903	–
Decrease in term deposits pledged with licensed banks		36,273,727	2,632,290	–	–
Purchase of equipment		(26,786,549)	(8,037,277)	–	–
Purchase of investment properties		(442,244)	(3,430,511)	–	–
Purchase of unit trust		(86,363,733)	(20,000,000)	(54,000,000)	–
Proceeds from disposal of unit trust		90,749,759	36,682,114	44,861,892	–
Proceeds from disposal of investment in an associate		–	2,418,068	–	–
Proceeds from disposal of equipment		88,000	20,000	–	–
Proceeds from disposal of investment properties		–	2,247,544	–	–
Net cash from/(for) investing activities		15,048,883	18,863,536	(39,919,205)	–
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
(Repayment to)/Advances from a subsidiary		–	–	(3,777,165)	3,777,165
Dividends paid		(5,000,000)	(31,740,000)	(5,000,000)	–
Drawdown of bills payable		5,256,000	–	–	–
Net proceeds from issuance of ordinary shares		50,972,927	50	50,972,927	50
Repayment of lease liabilities	25	(118,885)	(141,109)	–	–
Repayment of term loans	25	–	(7,521,427)	–	–
Net cash from/(for) financing activities		51,110,042	(39,402,486)	42,195,762	3,777,215
Net increase/(decrease) in cash and cash equivalents		26,516,438	(4,417,370)	1,087,513	3,050
Cash and cash equivalents brought forward		39,593,796	44,011,166	3,050	–
Cash and cash equivalents carried forward	13	66,110,234	39,593,796	1,090,563	3,050



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2023

## 1. GENERAL INFORMATION

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

The registered office of the Company is located at 52A, Lebuhraya Enggang, 41150 Klang, Selangor Darul Ehsan and its principal place of business is located at 24, Jalan Rengas, Taman Selatan, 41200 Klang, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding. The principal activity of the subsidiary is set out in Note 4 to the financial statements.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 April 2024.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 17 Insurance Contracts  
 Amendments to MFRS 17 Insurance Contracts  
 Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information  
 Amendments to MFRS 101: Disclosure of Accounting Policies  
 Amendments to MFRS 108: Definition of Accounting Estimates  
 Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
 Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's and the Company's financial statements.

## Notes to The Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.1 Basis of Preparation of Financial Statements (Cont'd)**

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

**2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary made up to the end of the reporting period.

Subsidiary is an entity controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiary is consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**2.2.1 Business Combination within the Scope of MFRS 3: Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.



## Notes to The Financial Statements (Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.2 Basis of Consolidation (Cont'd)

##### 2.2.1 Business Combination within the Scope of MFRS 3: Business Combination (Cont'd)

###### (a) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

###### (b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

###### (c) Changes in Ownership Interests in Subsidiaries without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in the equity of the Group.

###### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.2 Basis of Consolidation (Cont'd)

##### 2.2.2 Business Combination under Common Control

A business combination involving entity under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Subsidiary acquired which has met the criteria for pooling of interest is accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiary are presented as if the merger has taken effect throughout the current and previous financial years.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiary is treated as a merger deficit or merger reserve as applicable. The results of the subsidiary being merged are included for the full financial year.

#### 2.3 Investment in a Subsidiary

Investment in a subsidiary is stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with Note 2.7. The cost of the investment includes transaction costs.

On the disposal of the investment in a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 2.4 Equipment

Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Furniture, fittings and office equipment	20%
Motor vehicles	20%
Tools and equipment	20%
Renovation	20%
Aluminium formwork	20%
Scaffolding	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.



## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.5 Investment Properties

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Investment properties under construction and freehold land are not depreciated. Other investment properties are depreciated on a straight-line basis over the estimated useful lives of the assets using the annual rate of 2%.

#### 2.6 Investment in Club Membership

Investment in club membership is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

#### 2.7 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets, contract costs and contract assets, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. The reversal is recognised in profit or loss.

#### 2.8 Contract Assets and Contract Liabilities

A contract is presented in the statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.10. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

#### 2.9 Contract Costs

The incremental costs of obtaining a contract and costs incurred in fulfilling the contract are recognised as an asset if those costs are expected to be recovered. The asset is amortised on a systematic basis that is consistent with the recognition of related revenue as disclosed in Note 2.16. When the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for the goods or services less the related costs that have not been recognised as expenses, the excess represents an impairment loss and is recognised in profit or loss. As a practical expedient, the incremental costs of obtaining a short-term contract of which the amortisation period is one year or less are recognised as an expense when incurred.

## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 Financial Assets

Financial assets of the Group and the Company consist of short-term investments, receivables and cash and cash equivalents.

##### Initial Recognition and Measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.16). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

##### Subsequent Measurement

Financial assets are subsequently measured at amortised cost or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

##### (i) Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

##### (ii) Fair Value Through Profit or Loss

A financial asset is measured at fair value through profit or loss if it does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. Short-term investments are classified under this category. Any gain or loss is recognised in profit or loss.

##### Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.



## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 Financial Assets (Cont'd)

##### **Derecognition**

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

#### 2.11 Financial Liabilities

Financial liabilities of the Group and the Company consist of payables and bills payable.

##### **Initial Recognition and Measurement**

A financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus transaction costs.

##### **Subsequent Measurement**

All payables are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

##### **Derecognition**

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

#### 2.12 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

##### **Initial Recognition and Measurement**

When the Group or the Company act as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.12 Leases (Cont'd)

##### Subsequent Measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.7.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term as follows:-

Office buildings	2 - 4 years
Leasehold land	remaining 79 years

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

#### 2.13 Functional and Presentation Currency

The consolidated financial statements of the Group and the Company are presented in Ringgit Malaysia, which is also the Group's and the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

#### 2.14 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

#### 2.15 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.



## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.15 Fair Value Measurement (Cont'd)

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

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

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfers.

#### Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents and payables which are short-term in nature or repayable on demand are reasonable approximations of fair values.

The fair values of short-term investments are directly measured using their unadjusted closing prices in active market (i.e. Level 1).

#### 2.16 Revenue from Contracts with Customers

The Group recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

#### Construction Contracts

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Accordingly, revenue is recognised over time by reference to the survey of work performed.

#### Dividend Income

Dividend income is recognised when the right to received dividend payment is established.

## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.17 Other Income

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

#### 2.18 Employee Benefits

##### Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss in the period in which the associated services are rendered by the employee.

##### Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

#### 2.19 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 2.20 Income Taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused 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 assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 2.21 Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.



## Notes to The Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.22 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

#### 2.23 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### 2.24 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

#### Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

#### Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

##### Construction contracts

The Group considers the effects of variable consideration in determining the transaction price of a performance obligation satisfied over time, and recognises revenue accordingly by measuring the progress towards complete satisfaction of the performance obligation. These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience, work of experts and continuous monitoring mechanism. Any changes in these accounting estimates will affect the carrying amount of contract assets as disclosed in Note 11.



## Notes to The Financial Statements

(Cont'd)

### 3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

#### Impairment of contract assets and receivables

The Group and the Company recognise loss allowance for expected credit losses on contract assets and receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of contract assets as disclosed in Note 11 and receivables as disclosed in Note 9.

### 4. INVESTMENT IN A SUBSIDIARY

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	224,401,459	184,401,459

The details of the subsidiary are as follows:-

<b>Name of Subsidiary</b>	<b>Principal Place of Business/ Country of Incorporation</b>	<b>Effective Ownership Interest</b>		<b>Principal Activity</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
Kitacon Sdn Bhd ("KSB")	Malaysia	100	100	Provision of construction services

During the financial year, the Company increased its cost of investment in the subsidiary by RM40,000,000 by way of:-

- (a) capitalisation of amount due from the subsidiary of RM24,259,000; and
- (b) cash consideration of RM15,741,000.

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## Notes to The Financial Statements

(Cont'd)

## 5. EQUIPMENT

<b>The Group</b>	<b>At 1.1.2023 RM</b>	<b>Additions RM</b>	<b>Disposals RM</b>	<b>Depreciation RM</b>	<b>At 31.12.2023 RM</b>	
<u>Carrying Amount</u>						
Furniture, fittings and office equipment	491,734	210,511	-	(198,128)	504,117	
Motor vehicles	1,310,018	1,960,282	(6)	(800,619)	2,469,675	
Tools and equipment	846,645	2,508,218	-	(606,854)	2,748,009	
Renovation	3,904	-	-	(3,898)	6	
Aluminium formwork	10,560,339	16,345,828	-	(5,149,994)	21,756,173	
Scaffolding	-	5,761,710	-	(500,658)	5,261,052	
	13,212,640	26,786,549	(6)	(7,260,151)	32,739,032	
<b>The Group</b>	<b>At 1.1.2022 RM</b>	<b>Additions RM</b>	<b>Disposals RM</b>	<b>Written off RM</b>	<b>Depreciation RM</b>	<b>At 31.12.2022 RM</b>
<u>Carrying Amount</u>						
Furniture, fittings and office equipment	345,966	326,383	-	-	(180,615)	491,734
Motor vehicles	1,543,421	705,370	(1,814)	(88,721)	(848,238)	1,310,018
Tools and equipment	1,151,455	154,605	-	-	(459,415)	846,645
Renovation	14,933	-	-	-	(11,029)	3,904
Aluminium formwork	6,524,420	6,850,919	-	-	(2,815,000)	10,560,339
	9,580,195	8,037,277	(1,814)	(88,721)	(4,314,297)	13,212,640

Notes to The Financial Statements  
(Cont'd)

**5. EQUIPMENT (CONT'D)**

<b>The Group</b>	<b>At cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
At 31.12.2023			
Furniture, fittings and office equipment	1,835,888	(1,331,771)	504,117
Motor vehicles	13,419,591	(10,949,916)	2,469,675
Tools and equipment	4,865,188	(2,117,179)	2,748,009
Renovation	55,153	(55,147)	6
Aluminium formwork	33,522,567	(11,766,394)	21,756,173
Scaffolding	5,761,710	(500,658)	5,261,052
	<b>59,460,097</b>	<b>(26,721,065)</b>	<b>32,739,032</b>
At 31.12.2022			
Furniture, fittings and office equipment	1,914,961	(1,423,227)	491,734
Motor vehicles	11,947,290	(10,637,272)	1,310,018
Tools and equipment	2,376,044	(1,529,399)	846,645
Renovation	55,153	(51,249)	3,904
Aluminium formwork	17,176,739	(6,616,400)	10,560,339
	<b>33,470,187</b>	<b>(20,257,547)</b>	<b>13,212,640</b>



## Notes to The Financial Statements

(Cont'd)

## 6. INVESTMENT PROPERTIES

The Group	At	Additions	Reclassification	Depreciation	At	
	1.1.2023				RM	RM
	RM	RM	RM	RM	RM	
Carrying Amount						
Freehold land and buildings	–	–	1,364,023	(3,031)	1,360,992	
Leasehold buildings	3,788,084	–	–	(76,142)	3,711,942	
Capital work-in-progress	921,779	442,244	(1,364,023)	–	–	
	4,709,863	442,244	–	(79,173)	5,072,934	
The Group	At	Additions	Reclassification	Disposals	Depreciation	At
	1.1.2022					RM
	RM	RM	RM	RM	RM	RM
Carrying Amount						
Freehold land and buildings	11,151,950	–	589,162	(11,653,696)	(87,416)	–
Leasehold buildings	–	–	9,891,494	(6,068,702)	(34,708)	3,788,084
Leasehold land	–	–	1,903,560	–	–	–
Capital work-in-progress	9,875,484	3,430,511	(12,384,216)	–	–	921,779
	21,027,434	3,430,511	(1,903,560)	(17,722,398)	(122,124)	4,709,863

## Notes to The Financial Statements

(Cont'd)

## 6. INVESTMENT PROPERTIES (CONT'D)

The Group	At cost RM	Accumulated depreciation RM	Carrying amount RM
At 31.12.2023			
Freehold land and buildings	1,364,023	(3,031)	1,360,992
Leasehold buildings	3,807,120	(95,178)	3,711,942
	5,171,143	(98,209)	5,072,934
<hr/>			
At 31.12.2022			
Leasehold buildings	3,807,120	(19,036)	3,788,084
Capital work-in-progress	921,779	–	921,779
	4,728,899	(19,036)	4,709,863
<hr/>			
	<b>The Group</b>		
	<b>Estimated fair value at</b>		
	<b>31.12.2023</b>	<b>31.12.2022</b>	
	<b>RM</b>	<b>RM</b>	
Freehold land and buildings	1,360,992	–	
Leasehold buildings	5,315,200	3,788,084	
	6,676,192	3,788,084	
<hr/>			

The fair values of the investment properties of the Group are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties similar properties, location and category of properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

The investment properties of the Group were leased to customers under operating leases with rentals payable monthly. The leases contain an option that is exercisable by the customers to extend their leases for a period of 1 to 2 years. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

The aggregate lease income and direct operating expenses arising from investment properties of the Group that generated lease income which was recognised during the financial year amounted to RM50,233 and RM49,123 (2022 - RM317,141 and RM208,209 ) respectively.

The direct operating expenses incurred from investment properties of the Group which did not generate lease income during the financial year amounted to RM72,042 (2022 - RM74,952).



## Notes to The Financial Statements

(Cont'd)

**7. RIGHT-OF-USE ASSETS (CONT'D)**

<b>The Group</b>	<b>At cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
At 31.12.2023			
Office buildings	655,276	(340,669)	314,607
Leasehold land	1,903,560	(30,120)	1,873,440
	<hr/>		
	2,558,836	(370,789)	2,188,047
	<hr/>		
At 31.12.2022			
Office buildings	395,289	(213,838)	181,451
Leasehold land	1,903,560	(4,807)	1,898,753
	<hr/>		
	2,298,849	(218,645)	2,080,204
	<hr/>		

The Group leases certain office building as its principal place of business for 1 to 2 years with an option to renew the lease after the expiry date. It also acquired the right to use the leasehold land for 79 years.

The Group reassesses whether it is reasonably certain to exercise the lease options if there is a significant change in circumstances within its control. During the financial year, the financial effect of revising the lease terms on certain office buildings was an increase in recognised lease liabilities and right-of-use assets of RM234,926 (2022 - RM32,426).

**8. DEFERRED TAX ASSETS/LIABILITY**

	<b>2023 RM</b>	<b>2022 RM</b>
Balance at 1 January	3,126,000	4,126,000
Deferred tax expense recognised in profit or loss (Note 22)	(2,727,000)	(993,000)
Deferred tax expense under provided in prior year (Note 22)	(12,000)	(7,000)
	<hr/>	
Balance at 31 December	387,000	3,126,000
	<hr/>	
Disclosed as:		
- Deferred tax assets	2,355,000	4,024,000
- Deferred tax liability	(1,968,000)	(898,000)
	<hr/>	
In respect of deductible/(taxable) temporary differences on:		
- Provision of contract cost (material)	310,000	395,000
- Provision of contract cost (labour)	1,225,000	3,049,000
- Provision of liquidated ascertained damages	329,000	89,000
- Financial instruments	491,000	491,000
- Equipment	(1,968,000)	(898,000)
	<hr/>	
	387,000	3,126,000
	<hr/>	



## Notes to The Financial Statements

(Cont'd)

## 9. RECEIVABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables:				
- Unrelated parties	154,885,576	105,335,074	-	-
- Loss allowances	(1,529,172)	(2,045,335)	-	-
	153,356,404	103,289,739	-	-
Other receivables	13,005,310	9,757,173	4,500	-
Total receivables	166,361,714	113,046,912	4,500	-

**Trade Receivables**

The Group determines credit risk concentrations in terms of counterparties. As at 31 December 2023, there were 3 (2022 - 3) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounting to RM70,749,081 (2022 - RM66,831,337).

Trade receivables are unsecured, non-interest bearing and generally on 30 days term.

The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status (stated at gross) is as follows:-

	The Group	
	2023 RM	2022 RM
Not past due	70,609,513	53,932,410
1 to 30 days past due	46,970,747	21,750,662
31 to 60 days past due	15,292,166	16,454,292
61 to 90 days past due	4,044,780	5,685,927
More than 90 days past due	17,968,370	7,511,783
	154,885,576	105,335,074

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their past trends of payments. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.



## Notes to The Financial Statements

(Cont'd)

## 9. RECEIVABLES (CONT'D)

## Trade Receivables (Cont'd)

	Not past due RM	1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	More than 90 days past due RM	Credit- impaired RM	Total RM
<b>2023</b>							
Gross carrying amount	70,609,513	46,970,747	15,292,166	4,044,780	16,439,198	1,529,172	154,885,576
Average credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	1.0%
Loss allowance	-	-	-	-	-	1,529,172	1,529,172
<b>2022</b>							
Gross carrying amount	53,932,410	21,750,662	16,454,292	5,685,927	5,466,448	2,045,335	105,335,074
Average credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	1.9%
Loss allowance	-	-	-	-	-	2,045,335	2,045,335



## Notes to The Financial Statements

(Cont'd)

### 9. RECEIVABLES (CONT'D)

#### Trade Receivables (Cont'd)

The Group measures the loss allowances for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. The changes in the loss allowances are as follows:-

	The Group	
	2023 RM	2022 RM
Balance at 1 January	2,045,335	516,163
Impairment losses	–	1,529,172
Written off during the financial year	(516,163)	–
Balance at 31 December	1,529,172	2,045,335

The above loss allowances is in respect of individually assessed credit-impaired trade receivables. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables that are not credit-impaired are not considered to be material and hence, have not been recognised.

#### Other Receivables

Other receivables are unsecured and non-interest bearing. The amount owing by unrelated parties mainly consists of advances and refundable deposits which have no fixed repayment terms.

Included in other receivables at 31 December 2023 are:-

- (a) deposits paid of RM3,905,366 (2022 - Nil) in respect of a Sale and Purchase Agreement (“SPA”) entered by the Company’s wholly-owned subsidiary, Kitacon Sdn. Bhd. on 28 April 2023 with a third party to acquire a piece of freehold land for a purchase consideration of RM13,017,888 as disclosed in Note 33(b) to the financial statements. However, the acquisition is pending for completion as at end of the reporting period subjected to the fulfilment of certain terms and conditions as stated in the SPA; and
- (b) advances paid to sub-contractors of RM5,858,252 (2022 - RM6,389,244) for construction works which would be recouped from subsequent progress payments.

### 10. CONTRACT COSTS

	The Group	
	2023 RM	2022 RM
Costs in fulfilling contracts	4,321,803	717,080

The costs to fulfil a contract represent cost incurred in construction of several projects that is used to fulfil the contract in future that is in respect of future performance obligations.

## Notes to The Financial Statements

(Cont'd)

**11. CONTRACT ASSETS**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Contract Assets</b>		
Construction contracts	257,354,913	163,675,791

**Contract Assets from Construction Contracts**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Balance at 1 January	163,675,791	165,672,452
Revenue recognised during the financial year	780,875,496	487,761,146
Progress billings during the financial year	(687,196,374)	(489,757,807)
Balance at 31 December	257,354,913	163,675,791

Included in contract assets are retention sums for contract work totalling RM108,720,125 (2022 - RM84,646,657).

As disclosed in Note 2.16, the Group generally satisfies its performance obligations over time during the construction period. Any excess of revenue recognised over progress billings is presented as contract asset, whereas any deficit is presented as contract liability.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

**Remaining Performance Obligations**

As at 31 December 2023, the aggregate transaction price allocated to the remaining performance obligations amounted to RM1,068,200,095 (2022 - RM821,008,129) and the Group expects to recognise this revenue when the projects are completed over the next 1 to 2 (2022 - 1 to 2) years.

**12. SHORT-TERM INVESTMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unit trust, at fair value	27,957,811	-	10,168,064	-

The fair value of unit trust are directly measured using its unadjusted closing price in active market (i.e. Level 1).



## Notes to The Financial Statements

(Cont'd)

**13. CASH AND CASH EQUIVALENTS**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	43,531,076	39,593,796	1,090,563	3,050
Term deposits with licensed banks (fixed rate)	22,579,158	36,273,727	-	-
	66,110,234	75,867,523	1,090,563	3,050

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

The effective interest rates of term deposits as at 31 December 2023 ranged from 2.3% to 3.7% (2022 - 1.3% to 1.9%) per annum.

For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and cash equivalents	66,110,234	75,867,523	1,090,563	3,050
Term deposits pledged as security	-	(36,273,727)	-	-
	66,110,234	39,593,796	1,090,563	3,050

**14. SHARE CAPITAL**

	The Group		2023 RM	2022 RM
	2023 No. of Ordinary Share	2022 No. of Ordinary Share		
<u>Issued and Fully Paid:-</u>				
Balance at 1 January	423,911,500	-	184,401,509	-
Issuance of shares	76,088,500	423,911,500	51,740,180	184,401,509
Share issuance expenses	-	-	(767,253)	-
Balance at 31 December	500,000,000	423,911,500	235,374,436	184,401,509

	The Company		2023 RM	2022 RM
	2023 No. of Ordinary Share	2022 No. of Ordinary Share		
<u>Issued and Fully Paid:-</u>				
At 1 January/date of incorporation	423,911,500	100	184,401,509	50
Issuance of shares	76,088,500	423,911,400	51,740,180	184,401,459
Share issuance expenses	-	-	(767,253)	-
Balance at 31 December	500,000,000	423,911,500	235,374,436	184,401,509

## Notes to The Financial Statements

(Cont'd)

**14. SHARE CAPITAL (CONT'D)**

- (a) On 16 January 2023, the Company increased its issued and paid-up share capital from RM184,401,509 to RM236,141,689 (before deducting share issuance expenses of RM767,253) by the issuance of 76,088,500 new ordinary shares at an issue price of RM0.68 per ordinary share, as part of the listing scheme of the Company on Main Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

**15. MERGER DEFICIT**

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of shares of the subsidiary upon consolidation under the merger accounting principles.

**16. LEASE LIABILITIES**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Gross lease liabilities:-		
- Within 1 year	168,480	91,800
- Later than 1 year and not later than 5 years	168,480	99,180
<hr/>		
Total contractual undiscounted cash flows	336,960	190,980
Future interest charges	(11,212)	(6,336)
<hr/>		
Present value of lease liabilities	325,748	184,644
<hr/>		
Disclosed as:-		
- Current liabilities	160,215	88,113
- Non-current liabilities	165,533	96,531
<hr/>		
	325,748	184,644
<hr/>		

The incremental borrowing rate applied to lease liabilities of the Group as at 31 December 2023 was 3.3% (2022 - 3.3%) per annum.

**17. PAYABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	246,094,813	168,586,323	-	-
Provision of contract cost (material)	1,053,564	1,644,281	-	-
Provision of contract cost (labour)	5,105,725	12,704,688	-	-
Other payables	8,240,684	9,825,834	56,682	4,359,083
<hr/>				
	260,494,786	192,761,126	56,682	4,359,083
<hr/>				



## Notes to The Financial Statements

(Cont'd)

### 17. PAYABLES (CONT'D)

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

#### Trade Payables

Included in trade payables of the Group are retention sums for contract work totalling RM14,498,159 (2022 - RM13,033,704).

Included in trade payables of the Group is an amount of RM128,971,595 (2022 - RM69,859,309) representing accrued contract costs.

Trade payables are unsecured, non-interest bearing and generally on 30 to 120 days terms.

Provision of contract cost for material and labour of the Group are in respect of estimated cost to be incurred during the defect liability period for completed projects.

Movement of provision is as follows:-

The Group	Contract Cost (Material)		Contract Cost (Labour)	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance at 1 January	1,644,281	2,608,438	12,704,688	15,902,441
Provision made during the financial year	1,521,991	894,845	3,984,888	2,314,100
Provision used during the financial year	(1,343,953)	(1,747,734)	(4,550,281)	(5,406,753)
Provision reversed during the financial year	(768,755)	(111,268)	(7,033,570)	(105,100)
Balance at 31 December	1,053,564	1,644,281	5,105,725	12,704,688

#### Other Payables

Other payables are unsecured and non-interest bearing which mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

### 18. BILLS PAYABLE

- The bills payable of the Group are secured by a corporate guarantee by the Company.
- The bills payable of the Group at the end of the reporting period bore fixed interest rates ranging from 4.6% to 4.8% (2022 - Nil) per annum.

## Notes to The Financial Statements

(Cont'd)

**19. REVENUE**

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Revenue from contracts with customers:				
- Construction contracts	780,875,496	487,761,146	-	-
Timing of revenue recognition:				
- Over-time	780,875,496	487,761,146	-	-
Revenue from other sources:				
- Dividend income	-	-	9,000,000	-

Information about disaggregation of revenue have not been disclosed as the Group generates revenue principally from construction of residential, industrial and commercial properties within Malaysia.

**20. PROFIT/(LOSS) BEFORE TAXATION**

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Auditors' remuneration:				
- audit fee	125,000	120,000	30,000	30,000
- non-audit fees	10,000	421,000	10,000	421,000
Depreciation of equipment	7,260,151	4,314,297	-	-
Depreciation of investment properties	79,173	122,124	-	-
Depreciation of right-of-use assets	152,146	147,206	-	-
Employee benefits expense (Note 21)	35,488,965	31,712,023	368,000	216,000
Equipment written off	-	88,721	-	-
Interest expense for financial liabilities measured at amortised cost	317,008	123,843	-	-
Interest expense of lease liabilities	43,297	7,211	-	-
Impairment losses on receivables	-	1,529,172	-	-
Loss on disposal of investment in an associate	-	782,259	-	-
Lease expense	303,933	154,189	-	-
Dividend income from a subsidiary	-	-	(9,000,000)	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	(1,431,747)	(513,186)	(1,029,956)	-
Gain on disposal of investment properties	-	(6,915,146)	-	-
Gain on disposal of equipment	(87,994)	(18,186)	-	-
Gain on disposal of short-term investments	(18,090)	-	-	-
Interest income for financial assets measured at amortised cost	(1,214,057)	(1,256,819)	(51,450)	-
Interest income for financial assets measured at fair value through profit or loss	(315,866)	(174,489)	(167,453)	-
Operating lease income from investment properties	(50,233)	(317,141)	-	-



## Notes to The Financial Statements

(Cont'd)

**21. EMPLOYEE BENEFITS EXPENSE**

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Directors:				
- Fee	696,000	496,000	336,000	196,000
- Salaries, bonuses and allowances	7,851,574	8,061,346	32,000	20,000
- Defined contribution plans	937,200	964,680	-	-
	9,484,774	9,522,026	368,000	216,000
Other employees:				
- Short-term employee benefits	23,240,237	19,844,838	-	-
- Defined contribution plans	2,763,954	2,381,739	-	-
- Government grant under Wage Subsidy Programme	-	(36,580)	-	-
	26,004,191	22,189,997	-	-
	35,488,965	31,712,023	368,000	216,000

The estimated monetary value of benefits received or receivable by the directors otherwise than in cash from the Group amounted to approximately RM28,600 (2022 - RM64,800).

**22. INCOME TAX EXPENSE**

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Tax based on results for the year/period:				
- Current tax	9,132,189	11,474,384	12,000	-
- Deferred tax (Note 8)	2,727,000	993,000	-	-
	11,859,189	12,467,384	12,000	-
Tax (over)/under provided in prior years:				
- Current tax	(166,457)	47,447	-	-
- Deferred tax (Note 8)	12,000	7,000	-	-
	(154,457)	54,447	-	-
Real Property Gains Tax	-	470,400	-	-
Income tax expense	11,704,732	12,992,231	12,000	-



## Notes to The Financial Statements

(Cont'd)

### 22. INCOME TAX EXPENSE (CONT'D)

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the financial year/period is as follows:-

	The Group		The Company	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 31.12.2023 RM	24.2.2022 to 31.12.2022 RM
Profit/(Loss) before taxation	48,074,165	53,297,929	9,044,589	(3,802,871)
Tax at the applicable tax rate of 24%	11,537,800	12,791,503	2,170,701	(912,689)
Non-deductible expenses	745,157	1,688,505	288,676	912,689
Non-taxable income	(423,768)	(1,824,882)	(2,447,377)	-
Share of profit of an associate	-	(187,742)	-	-
Real Property Gains Tax	-	470,400	-	-
Tax (over)/under provided in prior years:				
- Current tax	(166,457)	47,447	-	-
- Deferred tax	12,000	7,000	-	-
Income tax expense	11,704,732	12,992,231	12,000	-

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

### 23. EARNINGS PER SHARE

	The Group	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Profit for the financial year	36,369,433	40,305,698
	<b>2023 Units</b>	<b>2022 Units</b>
Weighted average number of ordinary shares in issue:- Issuance of shares	500,000,000	423,911,500
Basic earnings per ordinary share (sen)	7.27	9.51

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the respective financial year.



## Notes to The Financial Statements

(Cont'd)

### 24. DIVIDENDS

	<b>The Group</b>	
	<b>1.1.2023 to 31.12.2023 RM</b>	<b>1.1.2022 to 31.12.2022<sup>(1)</sup> RM</b>
In respect of the financial year ended 31 December 2022:		
- An interim single tier dividend of RM1 for every 3 ordinary shares	–	10,000,000
In respect of the financial year ended 31 December 2023:		
- First interim single tier dividend of 1 sen per ordinary share	5,000,000	–
	<b>5,000,000</b>	<b>10,000,000</b>

<sup>(1)</sup> The dividends were declared to shareholders of KSB prior to the restructuring exercise.

	<b>The Company</b>	
	<b>1.1.2023 to 31.12.2023 RM</b>	<b>24.2.2022 to 31.12.2022 RM</b>
In respect of the financial year ended 31 December 2023:		
- First interim single tier dividend of 1 sen per ordinary share	5,000,000	–

Subsequent to the end of the financial year, the Company has declared a second interim single tier dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2023 and was paid on 5 April 2024. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024.

### 25. NOTES TO STATEMENTS OF CASH FLOWS

	<b>The Group</b>	
	<b>1.1.2023 to 31.12.2023 RM</b>	<b>1.1.2022 to 31.12.2022 RM</b>
<b>Term Loans</b>		
Balance at 1 January	–	7,521,427
Repayments	–	(7,521,427)
Balance at 31 December	–	–
<b>Lease Liabilities</b>		
Balance at 1 January	184,644	211,074
Additions	25,063	82,253
Modification of lease liabilities	234,926	32,426
Repayments	(118,885)	(141,109)
Balance at 31 December	<b>325,748</b>	<b>184,644</b>

## Notes to The Financial Statements

(Cont'd)

**25. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)**

	The Group	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
The total cash outflow for leases is as follows:		
<b>Operating activities</b>		
Interest portion of lease liabilities (Note 20)	43,297	7,211
Lease expense recognised in profit or loss (Note 20)	303,933	154,189
	347,230	161,400
<b>Financing activities</b>		
Principal portion of lease liabilities	118,885	141,109
	466,115	302,509

**26. RELATED PARTY DISCLOSURES**

Significant transactions with related parties during the financial year other than those disclosed elsewhere in the financial statements are as follows:-

	The Group	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Dividend from an associate	–	4,900,000
Disposal of investment properties to related parties <sup>(a) (b)</sup>	–	24,637,544
Progress billings raised on contract services provided to related parties <sup>(a)</sup>	27,699,421	27,954,055
Progress billings raised on contract services provided to an associate	–	19,070,777
	–	74,562,376

<sup>(a)</sup> Being companies in which certain directors of the Company have substantial financial interests.

<sup>(b)</sup> The sale proceeds from these disposal of investment properties to RM22,390,000 were being set-off against dividend declared in the year 2021.

**27. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

**Business Segment and Geographical Information**

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely provision of construction services.

Information about geographical areas has not been reported separately as the Group is primarily involved in business operations in Malaysia.



## Notes to The Financial Statements

(Cont'd)

### 27. OPERATING SEGMENTS (CONT'D)

#### Major Customers

The following is the major customer with revenue equal to or more than 10% of the Group's total revenue.

	Revenue	
	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Customer A	234,532,023	144,773,918

### 28. CONTRACTUAL COMMITMENT

	The Group	
	2023 RM	2022 RM
Purchase of freehold land	9,112,522	–
Purchase of investment properties	–	518,444
	9,112,522	518,444

### 29. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2023 RM	2022 RM
Performance and tender bonds granted to contract customers	114,227,579	82,613,007

At the end of the reporting period, no values are ascribed on these guarantees provided by the Group for the purpose described above as the directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

### 30. FINANCIAL RISK MANAGEMENT

The activities of the Group are exposed to certain financial risks, including credit risk, liquidity risk, and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

## Notes to The Financial Statements

(Cont'd)

**30. FINANCIAL RISK MANAGEMENT (CONT'D)****Credit Risk**

The Group's exposure to credit risk arises mainly from receivables and term deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties financial standings on an on-going basis, setting and monitoring counterparties limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 9.

The Company's exposure to credit risk arises principally from corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of this subsidiary regularly and repayments made by the subsidiary.

The Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiary of RM119,483,579 (2022 - Nil), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

**Liquidity Risk**

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

**Interest Rate Risk**

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, bills payable and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
Financial assets	22,579,158	36,273,727
Financial liabilities	5,581,748	184,644
<b>Floating rate instruments</b>		
Financial liabilities	-	-

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of the reporting period would not affect its profit or loss (and equity).

The Group does not have any floating rate borrowings and hence, no sensitivity analysis is presented.



## Notes to The Financial Statements

(Cont'd)

**31. CAPITAL RISK MANAGEMENT**

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Bills payable	5,256,000	–
Lease liabilities	325,748	184,644
<b>Total interest-bearing debts</b>	<b>5,581,748</b>	<b>184,644</b>
<b>Total equity</b>	<b>297,049,584</b>	<b>214,707,224</b>
<b>Debt-to-equity ratio</b>	<b>0.0188</b>	<b>0.0009</b>

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

**32. FINANCIAL INSTRUMENTS****32.1 Classification of Financial Instruments**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Receivables	166,361,714	113,046,912	4,500	–
Cash and cash equivalents	66,110,234	75,867,523	1,090,563	3,050
	<b>232,471,948</b>	<b>188,914,435</b>	<b>1,095,063</b>	<b>3,050</b>
<u>Fair Value Through Profit or Loss</u>				
Other investments	–	30,894,000	–	–
Short-term investments	27,957,811	–	10,168,064	–
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Payables	254,335,497	178,412,157	56,682	4,359,083
Bills payable	5,256,000	–	–	–
	<b>259,591,497</b>	<b>178,412,157</b>	<b>56,682</b>	<b>4,359,083</b>

## Notes to The Financial Statements

(Cont'd)

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### 32.2 Fair Value Information

The methods used in determining the fair values of financial instruments recognised on the statements of financial position are disclosed in their respective notes to the financial statements.

### 33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year,

- (a) the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM236,141,689 comprising 500,000,000 ordinary shares in the Company at an issue price of RM0.68 each on the Main Market of Bursa Malaysia Securities Berhad was completed on 17 January 2023; and
- (b) the Company's wholly-owned subsidiary, Kitacon Sdn. Bhd. has on 28 April 2023 entered into a Sale and Purchase Agreement ("SPA") with a third party to acquire a piece of freehold land for a purchase consideration of RM13,017,888. However, the acquisition is pending for completion as at end of the reporting period subjected to the fulfilment of certain terms and conditions as stated in the SPA.

### 34. COMPARATIVE FIGURES

The comparative figures of the Company covered for the financial period from 24 February 2022 (date of incorporation) to 31 December 2022. Consequently, the comparative figures for the statement of comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2023.



# LIST OF PROPERTIES

as at 31 December 2023

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Approximately Age of Building	Land area/ Built-up area (sq feet)	Date of acquisition/ Date of CCC	Net carrying amount (RM'000)
1	13, Jalan Eco Perindustrian 1/5D, Eco Perindustrian 5, 42300 Bandar Puncak Alam, Selangor  <u>Title details</u> HS(D) 299928, PT 45051, Mukim Ijok, District of Kuala Selangor, State of Selangor	<u>Description</u> Double-storey semi-detached factory  <u>Existing use</u> Investment purpose (tenanted)	Leasehold expiring on 13 January 2101	1 year	<u>Land area</u> 10,872 <u>Gross built-up area</u> 4,936	<u>Date of acquisition</u> 30 November 2020 <u>Date of CCC</u> 7 September 2022	2,793
2	15, Jalan Eco Perindustrian 1/5D, Eco Perindustrian 5, 42300 Bandar Puncak Alam, Selangor  <u>Title details</u> HS(D) 299927, PT 45050, Mukim Ijok, District of Kuala Selangor, State of Selangor	<u>Description</u> Double-storey semi-detached factory  <u>Existing use</u> Investment purpose (tenanted)	Leasehold expiring on 13 January 2101	1 year	<u>Land area</u> 10,872 <u>Gross built-up area</u> 4,936	<u>Date of acquisition</u> 30 November 2020 <u>Date of CCC</u> 7 September 2022	2,793
3	43, Jalan Elmina Ilham 3, Elmina East, 40160 Shah Alam, Selangor  <u>Master title details</u> Geran 340956, Lot 94355, Mukim Sungai Buloh, District of Petaling, State of Selangor	<u>Description</u> Double-storey terrace house  <u>Existing use</u> Investment purpose (vacant)	Freehold	Less than 1 year	<u>Land area</u> 1,206 <u>Gross built-up area</u> 2,403	<u>Date of acquisition</u> 13 March 2020 <u>Date of CCC</u> 30 September 2023	677
4	5, Jalan Dahlia 2, Dahlia Taman Sari, 48000 Rawang, Selangor  <u>Master title details</u> HS(D) 89285, PT 49643 Mukim Rawang District of Gombak State of Selangor	<u>Description</u> Double-storey terrace house  <u>Existing use</u> Investment purpose (vacant)	Freehold	Less than 1 year	<u>Land area</u> 1,302 <u>Gross built-up area</u> 1,570	<u>Date of acquisition</u> 21 May 2021 <u>Date of CCC</u> 16 October 2023	684



# ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

Issued Share capital	:	500,000,000
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share held

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares held	
		%		%
1 - 99	4	0.297	69	0.000
100 - 1,000	217	16.122	113,201	0.023
1,001 - 10,000	662	49.183	3,809,000	0.762
10,001 - 100,000	352	26.152	12,044,000	2.409
100,001 - 24,999,999 (*)	107	7.949	146,122,230	29.224
25,000,000 and above (**)	4	0.297	337,911,500	67.582
<b>TOTAL</b>	<b>1,346</b>	<b>100.00</b>	<b>500,000,000</b>	<b>100.00</b>

Notes:

- \* - Less than 5% of Issued Holdings
- \*\* - 5% and above of Issued Holdings

## SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders' Shareholdings)

Name of Substantial Shareholder	Direct	No. of Ordinary Shares Held		%
		%	Indirect	
Suan Neo Capital Sdn Bhd	175,000,000	35.00	–	–
Teow Choo Hing	71,064,600	14.21	–	–
Phua Sin Mo	70,000,000	14.00	–	–
Tan Ah Kee	41,846,900	8.37	184,820,500 <sup>#</sup>	36.96

<sup>#</sup> Deemed interested by virtue of his shareholding in Suan Neo Capital Sdn Bhd and Lembah Reka Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

## STATEMENT OF DIRECTORS' SHAREHOLDINGS

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Interest	No. of Ordinary Shares Held		%
		%	Indirect Interest	
Datuk Dr. Siti Hamisah Binti Tapsir	100,000	0.02	–	–
Tan Ah Kee	41,846,900	8.37	184,820,500 <sup>#</sup>	36.96
Teow Choo Hing	71,064,600	14.21	–	–
Gam Boon Tin	1,000,000	0.20	–	–
Goh Yin Huat	400,000	0.08	–	–
Low Chin Ann @ Han Chin Ann	75,000	0.01	15,000 <sup>##</sup>	0.003
Chang Sua Yean	50,000	0.01	–	–
Nooriah Binti Hassan	50,000	0.01	–	–

<sup>#</sup> Deemed interested by virtue of his shareholding in Suan Neo Capital Sdn Bhd and Lembah Reka Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

<sup>##</sup> Deemed interested by virtue of his son, Mr. Low Jia How.



## Analysis of Shareholdings (Cont'd)

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS PER RECORDS OF DEPOSITORS AS AT 29 MARCH 2024

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	SUAN NEO CAPITAL SDN BHD	175,000,000	35.00
2.	TEOW CHOO HING	71,064,600	14.213
3.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR PHUA SIN MO	50,000,000	10.000
4.	TAN AH KEE	41,846,900	8.369
5.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR PHUA SIN MO	20,000,000	4.000
6.	DELLOYD VENTURES SDN. BHD.	17,148,600	3.430
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG VEE MUN (DATUK) (MY4553)	14,706,000	2.941
8.	LEMBAH REKA SDN BHD	9,820,500	1.964
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	8,231,700	1.646
10.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	6,413,800	1.283
11.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT-HW SHARIAH FLEXI FUND	6,100,000	1.220
12.	LIM PENG HONG	5,264,200	1.053
13.	LEE LI CHOO	4,036,000	0.807
14.	POOI CHEE LEONG	3,677,000	0.735
15.	CHUNG GEOK SIEW	3,577,000	0.715
16.	TEE BOON KEE	3,477,000	0.695
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	3,129,100	0.626
18.	KAF TRUSTEE BERHAD KIFB FOR FELDA A/C A2	2,687,900	0.538
19.	UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD STRATEGIC FUND	2,068,500	0.414
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF)	1,131,700	0.226

Analysis of Shareholdings  
(Cont'd)

**LIST OF THIRTY (30) LARGEST SHAREHOLDERS  
AS PER RECORDS OF DEPOSITORS AS AT 29 MARCH 2024**

<b>No.</b>	<b>Name of Shareholders</b>	<b>No. of Shares Held</b>	<b>Percentage (%)</b>
21.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR LING HEE KEAT	1,103,000	0.221
22.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD CURTIS PHUA TI TSEN	1,015,000	0.203
23.	FARHANAH BINTI JAAFAR	1,000,000	0.200
24.	FARIZ BIN JAAFAR	1,000,000	0.200
25.	GAM BOON TIN	1,000,000	0.200
26.	TEE BOON KEAT	1,000,000	0.200
27.	KAF TRUSTEE BERHAD KIFB FOR FELDA A/C A	999,300	0.200
28.	LOH JIA MIN	747,100	0.149
29.	GOH CHIN CHENG	736,000	0.147
30.	LEE SWEE	736,000	0.147
<b>TOTAL</b>		<b>458,716,900</b>	<b>91.743</b>



# NOTICE OF SECOND ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“2<sup>nd</sup> AGM”) of Kumpulan Kitacon Berhad (“Kitacon” or “the Company”) will be held at Ballroom 2 @ Level 10, Courtyard by Marriot Setia Alam, No. 6, Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Tuesday, 25 June 2024 at 11.00.a.m. or any adjournment thereof, for the following purposes:**

## AS ORDINARY BUSINESS

- |   |   |
|---|---|
| <p>1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon.</p>   | <p><b>(Please refer to Explanatory Note 1 to the Agenda)</b></p>        |
| <p>2. To re-elect the following Directors who are retiring by rotation pursuant to Clause 98 of the Company’s Constitution:</p> <p>2.1 Tan Ah Kee</p> <p>2.2 Teow Choo Hing</p>                                   | <p><b>Ordinary Resolution 1</b></p> <p><b>Ordinary Resolution 2</b></p> |
| <p>3. To approve the payment of Directors’ fees of RM696,000 to the Independent Non-Executive Directors and the Non-Independent Non-Executive Director for the financial year ending 31 December 2024.</p>        | <p><b>Ordinary Resolution 3</b></p>                                     |
| <p>4. To approve the payment of Directors’ benefits (other than Directors’ fees) up to an amount RM65,000 for the period from the conclusion of the 2<sup>nd</sup> AGM until the next AGM to be held in 2025.</p> | <p><b>Ordinary Resolution 4</b></p>                                     |
| <p>5. To re-appoint Crowe Malaysia PLT as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.</p>   | <p><b>Ordinary Resolution 5</b></p>                                     |

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:

- |   |                                     |
|---|-------------------------------------|
| <p>6. <b>AUTHORITY UNDER SECTION 75 AND 76 OF THE COMPANIES ACT 2016 (“THE ACT”) FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES</b></p> <p>“<b>THAT</b> pursuant to Section 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.</p> <p><b>THAT</b> in connection with the above, pursuant to Section 85 of the Act and Clause 10(4) of the Constitution of the Company, the shareholders do hereby waive the statutory preemptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.</p> <p><b>AND THAT</b> the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”</p> | <p><b>Ordinary Resolution 6</b></p> |
| <p>7. <b>PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE</b></p> <p>“<b>THAT</b> approval be and is hereby given to the Company and its subsidiary (“the Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the specified classes of related parties as specified in Section 2.5 of the Circular to Shareholders dated 30 April 2024, provided that:</p> <p>(a) Such arrangements and/or transactions are necessary for the Group’s day-to-day operations;</p>   | <p><b>Ordinary Resolution 7</b></p> |

## Notice of Second Annual General Meeting

(Cont'd)

- (b) Such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normally commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) Such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) The disclosure is made in the Annual Report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
  - i. The related transacting parties and their respective relationship with the Company; and
  - ii. The nature of the recurrent transactions.

**AND THAT** such authority shall continue to be in force until:-

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

whichever is the earliest.

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedite to give effect to transactions contemplated and/or authorised by this Ordinary Resolution."

### 8. **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES** **Ordinary Resolution 8**

**"THAT** subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilized an amount not exceeding the audited retained profits as at 31 December 2023 to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back Authority") as may be determined by Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

**THAT** an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back Authority.

**THAT** authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

**THAT** the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

- i. The conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- ii. The expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii. Revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;



## Notice of Second Annual General Meeting (Cont'd)

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the Listing Requirements and/or any other relevant governmental and/or regulatory authorities (if any).

**AND THAT** the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Act.

### **BY ORDER OF THE BOARD**

**NG HAO ERN (MAICSA 7072518)**

**(SSM PC No. 201908003771)**

**CHIN JIN SIN (MAICSA 7049404)**

**(SSM PC No. 202208000316)**

Company Secretaries

Selangor Darul Ehsan

30 April 2024

### **NOTES:**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.
- 2) A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories Act), 1991, it may appoint not more than (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 4) The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- 5) The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.

## Notice of Second Annual General Meeting

(Cont'd)

- 6) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 7) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 14 June 2024 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

### **Explanatory Notes to Ordinary Business**

- 1) Datuk Dr Siti Hamisah Binti Tapsir who is retiring by rotation pursuant to Clause 98 of the Company's Constitution has given notice that she does not wish to seek for re-election and accordingly will retire at the conclusion of the forthcoming 2<sup>nd</sup> AGM.

### **Explanatory Notes to the Agenda/Special Business**

- 1) Item 1 of the Agenda

#### ***Audited Financial Statements for the financial year ended 31 December 2023***

This Item of the Agenda is meant for discussion only and does not require formal approval of the Shareholders, as the provision of Section 340(1)(a) of the Act only requires the Directors to table the Audited Financial Statements at its AGM. Hence, this item of the Agenda is not put forward for voting.

- 2) Item 2 of the Agenda - Ordinary Resolutions 1 & 2

Pursuant to Clause 98 of the Company's Constitution, Tan Ah Kee and Teow Choo Hing, are standing for re-election at the 2<sup>nd</sup> AGM and being eligible, have offered themselves for re-election as Directors of the Company.

The Board of Directors has through the Nomination Committee carried out the necessary assessment on the aforesaid Directors and concluded that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence, and time commitment to effectively discharge their roles as Directors.

The Profile of the Directors standing for re-election are provided on pages 5 to 6 in the Annual Report 2023.

- 3) Item 3 of the Agenda - Ordinary Resolution 3

The Proposed Ordinary Resolution 3 is to facilitate the payment of Directors' Fees for the year from 1 January 2024 up to 31 December 2024.

Pursuant to Section 230(1) of the Act, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiary. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company.

- 4) Item 4 of the Agenda - Ordinary Resolution 4

In compliance with Section 230(1) of the Act, the Company is seeking shareholders' approval for payment of Directors' benefits (other than Directors' fees) up to an amount RM65,000 for the period from the conclusion of the 2<sup>nd</sup> AGM until the next AGM to be held in 2025 to the Non-Executive Directors.

The aforesaid Directors' benefits are for payment of meeting attendance allowance per meeting, which is computed based on the estimated number of scheduled meetings and/or unscheduled meetings (where necessary) for Board and Board Committees meetings and general meetings, assuming full attendance by all the Non-Executive Directors and all of them will remain in office until the next AGM and the Directors' and Officers' Liability Insurance fee of approximately RM25,000.



## Notice of Second Annual General Meeting (Cont'd)

5) Item 5 of the Agenda - Ordinary Resolution 5

The Audit and Risk Management Committee (“ARMC”) had at the meeting held on 25 April 2024 assessed the suitability, objectivity and independence of the External Auditors of the Company, Messrs. Crowe Malaysia PLT for the financial year ending 31 December 2024 and recommended the reappointment of Messrs. Crowe Malaysia PLT. The Board had in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval of the forthcoming AGM of the Company.

6) Item 6 of the Agenda - Ordinary Resolution 6

The Ordinary Resolution 6 is to obtain a general mandate for issuance of shares by the Company under Section 75 and 76 of the Act.

The Ordinary Resolution 6, if passed, serves as a measure to meet the Company’s immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/ or acquisition(s). This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 10(4) of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors since last AGM.

7) Item 7 of the Agenda - Ordinary Resolution 7

The proposed Ordinary Resolution 7, if passed, will allow the Company and its subsidiary to continue to enter into RRPTs in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such RRPTs occur. This would reduce substantial administrative time, inconvenience and resources associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders’ mandate is subject to renewal on an annual basis.

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

8) Item 8 of the Agenda – Ordinary Resolution 8

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares of up to 10% of the total number of issued shares (excluding treasury shares) of the Company at any point in time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. The authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

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



## Notice of Second Annual General Meeting

(Cont'd)

### **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

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

#### **1. Details of Individuals who are standing for election as Directors**

There is no individual standing for election as Director (other than those Directors who are standing for re-election as Directors) at the 2<sup>nd</sup> AGM of the Company.

#### **2. General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements**

The details of the general mandate are set out in the Notice of AGM dated 30 April 2024 under item (6) of the Explanatory Notes to the Agenda/Special Business.

#### **Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the members' personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to: (a) for the purpose of the processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (c) for the Company (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

**KUMPULAN KITACON BERHAD**  
 [Registration No. 202201006838 (1452535-V)]  
 (Incorporated in Malaysia)

**FORM OF PROXY**

No. of ordinary shares held	CDS account no. of holder

I/We (Full Name in Block Letters) .....NRIC No./  
 Passport No./Company No. .... of .....  
 .....(full address and email address)  
 being a \*member/members of **KUMPULAN KITACON BERHAD** hereby appoint:

Proxy 1	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC / Passport No.		
Full Address		
Email address		
Contact No		

and/or failing him/her,

Proxy 2	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC / Passport No.		
Full Address		
Email address		
Contact No		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the **Second Annual General Meeting ("2<sup>nd</sup> AGM")** of the Company to be held at Ballroom 2 @ Level 10, Courtyard by Marriot Setia Alam, No. 6, Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Tuesday, 25 June 2024 at 11.00 a.m. or at any adjournment thereof, in the manner indicated below:

RESOLUTIONS	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Re-election of Mr. Tan Ah Kee as Director		
Ordinary Resolution 2	Re-election of Mr. Teow Choo Hing as Director		
Ordinary Resolution 3	Directors' fees for the financial year ending 31 December 2024		
Ordinary Resolution 4	Directors' benefits (other than Directors' fees) for the period from the conclusion of the 2 <sup>nd</sup> AGM until the next AGM to be held in 2025		
Ordinary Resolution 5	Re-appointment of Crowe Malaysia PLT as Auditors		
Ordinary Resolution 6	Authority under Sections 75 and 76 of the Companies Act 2016 for Directors to issue and allot shares		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		
Ordinary Resolution 8	Proposed Authority for the Company to purchase its own Ordinary Shares		

Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorize the proxy to vote at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
 Signature/Common Seal of Shareholder



**NOTES:**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.
- 2) A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories Act), 1991, it may appoint not more than (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 4) The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- 5) The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.
- 6) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 7) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 14 June 2024 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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AFFIX  
STAMP

**KUMPULAN KITACON BERHAD**  
**c/o Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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Fold This Flap For Sealing

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**KUMPULAN KITACON BERHAD**

202201006838 (1452535-V)

24, Jalan Rengas, Taman Selatan  
41200 Klang, Selangor

**Tel:** 03-3372 4162

**E-mail:** [info@kitacon.com.my](mailto:info@kitacon.com.my)

**[www.kitacon.com.my](http://www.kitacon.com.my)**