



**ECOSCIENCE INTERNATIONAL BERHAD**  
REGISTRATION NO.202001024633 (1380953-M)

# ANNUAL REPORT **2023**



# 3<sup>rd</sup> ANNUAL GENERAL MEETING

(To be conducted virtually)



28 May 2024  
Tuesday, 10.00 am



TIIH Online website at:  
<https://tiih.online>



Broadcast  
Venue:

## Discover Room

Level M3, VE Hotel &  
Residences, Bangsar South City,  
No. 8 Jalan Kerinchi, 59200  
Kuala Lumpur, Malaysia



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# ABOUT US



## WHO **WE** ARE

We are a **one-stop solution provider** for the **construction of palm oil mills and supporting facilities, and fabrication of equipment.**

Our core activities are in the construction of plants, which are mainly palm oil mills and facilities supported by our in-house fabrication of equipment.

Other complementary activities include supply of materials and equipment, spare parts and provision of maintenance services.

## ABOUT US (CONT'D)



### OUR VISION



We construct facilities that facilitate the supply chain of the all-around palm oil commodity.



### OUR MISSION



To provide the most efficient and trustworthy services to our valued customers through the continuous expansion of our facilities to meet the customer demands, providing regular skill set training for our workforce, engaging in research and development and the utilization of information technology to meet the growing needs of the industry in compliance with regulatory and statutory standards for safe and reliable fabrication of our products.

### OUR CORE VALUES



#### Excellence

We are committed to achieving consistent excellence



#### Meaningful Work

We understand the impact of our work on the greater society



#### Evolving

We are constantly innovating to maximise the efficiency of our clients

# CORPORATE INFORMATION

## BOARD OF DIRECTORS



Independent Non-Executive Chairman

**DATO' TAN YEE BOON**Non-Independent Executive Director/  
Managing Director**WONG CHOI ONG**Non-Independent  
Executive Director**PAN KUM WAN**

Independent Non-Executive Director

**ANG  
CHYE KIAN****LAW  
SANG THIAM****ANDREA HUONG  
JIA MEI**

### AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Member
<b>Law Sang Thiam</b>	<b>Ang Chye Kian</b>
	<b>Andrea Huang Jia Mei</b>

### NOMINATION COMMITTEE

Chairman	Member
<b>Andrea Huang Jia Mei</b>	<b>Ang Chye Kian</b>
	<b>Law Sang Thiam</b>

### REMUNERATION COMMITTEE

Chairman	Member
<b>Ang Chye Kian</b>	<b>Andrea Huang Jia Mei</b>
	<b>Law Sang Thiam</b>

### SPONSOR

**Hong Leong Investment Bank Berhad**  
Level 28, Menara Hong Leong  
No. 6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone No. : 03 2083 1800

### SHARE REGISTRAR

**Tricor Investor & Issuing House  
Services Sdn Bhd**  
Unit 32-01, Level 32,  
Tower A Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone No. : 03 2783 9299  
Fax No. : 03 2783 9222  
E-mail : is.enquiry@my.tricorglobal.com

### STOCK EXCHANGE LISTING

**ACE Market of the Bursa Malaysia  
Securities Berhad**  
Stock Name : EIB  
Stock Code : 0255

### WEBSITE

[www.ecosciencegroup.com](http://www.ecosciencegroup.com)

### COMPANY SECRETARIES

**Tan Bee Hwee**  
SSM Practicing Certificate No.:  
202008001497  
Professional qualification:  
MAICSA 7021024

**Kuan Hui Fang**  
SSM Practicing Certificate No.:  
202008001235  
Professional qualification:  
MIA 16876

### REGISTERED OFFICE

Unit 30-01, Level 30, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone No. : 03 2783 9191  
Fax No. : 03 2783 9111  
E-mail : [info@my.tricorglobal.com](mailto:info@my.tricorglobal.com)

### HEAD OFFICE

PLO 555, Jalan Keluli 8  
Pasir Gudang Industrial Estate  
81700 Pasir Gudang, Johor  
Telephone No. : 07 255 3126  
Fax No. : 07 255 4558  
Website : [www.ecosciencegroup.com](http://www.ecosciencegroup.com)  
E-mail : [admin@ecoscience.com.my](mailto:admin@ecoscience.com.my)

### AUDITORS

**Crowe Malaysia PLT** (201906000005  
(LLP0018817-LCA) & AF 1018)  
E-2-3 Pusat Komersial Bayu Tasek  
Persiaran Southkey 1  
Kota Southkey  
80150 Johor Bahru  
Johor  
Telephone No. : 07 288 6627  
Fax No. : 07 338 4627



# CORPORATE STRUCTURE



## ECOSCIENCE INTERNATIONAL BERHAD

202001024633  
(1380953-M)



# FINANCIAL HIGHLIGHTS

		FY2023	FY2022	FY2021	FY2020	FY2019
Revenue	(RM'000)	155,563	94,389	153,163	153,693	170,928
(Loss)/ Earnings Before Interest, Tax, Depreciation & Amortisation ("LBITDA")/("EBITDA")	(RM'000)	(4,475)	(7,761)	14,218	11,771	20,561
(Loss)/Profit Before Tax ("LBT")/ ("PBT")	(RM'000)	(8,486)	(10,959)	11,075	8,519	17,098
(Loss)/Profit After Tax ("LAT")/ ("PAT")	(RM'000)	(9,818)	(9,390)	8,070	6,520	12,482
(LBT)/PBT Margin <sup>(1)</sup>	(%)	(5.46)	(11.61)	7.23	5.54	10.00
(LAT)/PAT Margin <sup>(2)</sup>	(%)	(6.31)	(9.95)	5.27	4.24	7.30

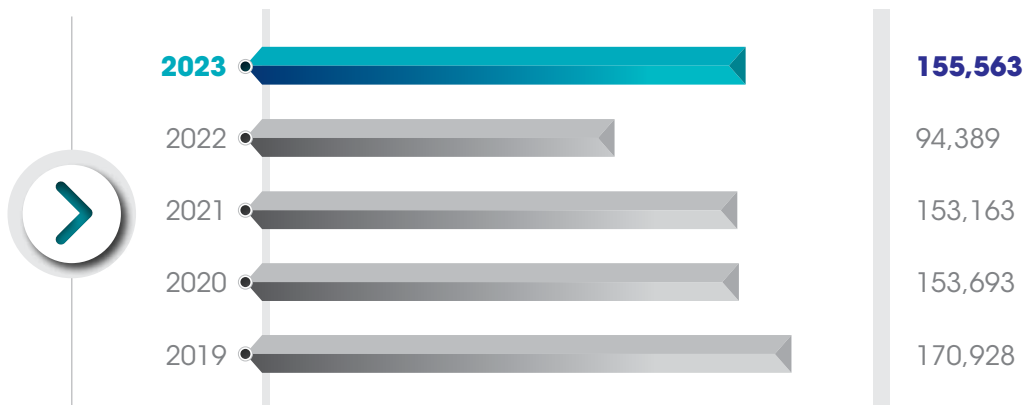
**Notes:**

(1) Computed as LBT/PBT divided by revenue.

(2) Computed as LAT/PAT divided by revenue.



## Revenue (RM'000)



## (Loss)/Earnings Before Interest, Tax, Depreciation & Amortisation ("LBITDA")/("EBITDA") (RM'000)





FINANCIAL HIGHLIGHTS  
(CONT'D)

**(Loss)/Profit  
Before Tax  
("LBT")/("PBT")**  
(RM'000)



2023

2022

2021

2020

2019

**(8,486)**

(10,959)

11,075

8,519

17,098



**(Loss)/Profit  
After Tax  
("LAT")/("PAT")**  
(RM'000)



2023

2022

2021

2020

2019

**(9,818)**

(9,390)

8,070

6,520

12,482



**(LBT)/PBT  
Margin**  
(%)



2023

2022

2021

2020

2019

**(5.46)**

(11.61)

7.23

5.54

10.00



**(LAT)/PAT  
Margin**  
(%)



2023

2022

2021

2020

2019

**(6.31)**

(9.95)

5.27

4.24

7.30

# PROFILE OF DIRECTORS

## DATO' TAN YEE BOON

Independent  
Non-Executive  
Chairman

### Date of Appointment

2 August 2021

### Nationality



### Gender



### Aged

49



**Dato' Tan Yee Boon**, a Malaysian, male, aged 49, is our Independent Non-Executive Chairman. He was appointed to our Board on 2 August 2021.

He obtained his Bachelor of Laws from the University of Glamorgan (now known as the University of South Wales), United Kingdom, in 1997. He subsequently obtained the Certificate of Legal Practice from the Legal Profession Qualifying Board of Malaysia in 1998.

In 1998, he began his career with Cheang & Ariff as a Chambering Student and was admitted as an advocate and solicitor of the High Court in 1999. In the same year, he joined Ranjit Ooi & Robert Low as a Legal Assistant. He subsequently joined Khaw & Partners as a Legal Assistant in 2000, and was made a Partner of the firm in 2011. In 2013, he left the firm and started his own legal practice, David Lai & Tan, where he is currently the Partner of the firm.

He sits on the board of directors of public companies in Malaysia and Hong Kong including EV Dynamics (Holdings) Limited (since 2016) and TIL Enviro Limited (since 2018), which are all listed on the Main Board of the Stock Exchange of Hong Kong. He is also an Independent Non-Executive Director of Protasco Berhad (since 2013), and an Independent Non-Executive Deputy Chairman of Propel Global Berhad (since 2022), which are all listed on the Main Market of Bursa Securities, and an Independent Non-Executive Director of Feytech Holdings Berhad (since 2023).

He does not have any family relationship with any other Directors or major shareholders of the Company.

He attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)

### WONG CHOI ONG

Non-Independent  
Executive Director/  
Managing Director

#### Date of Appointment

21 August 2020

#### Nationality



#### Gender



#### Aged

60



**Wong Choi Ong**, a Malaysian, male, aged 60, is our Non-Independent Executive Director / Managing Director. He is one of the founders of our Group. He was appointed to our Board on 21 August 2020.

Mr Wong attended Sekolah Menengah Batu Anam in Segamat, Johor from 1978 to 1981. He brings with him approximately 40 years of working experience, of which approximately 30 years were in construction of palm oil mills and facilities.

He started his career with Ladang Dunlop Estate rubber plantation, where he was a general worker between 1983 and 1984. He subsequently established Wee Lip Welding Works in 1985 in partnership with his friend. Wee Lip Welding Works was involved in the manufacturing of welded metal doors and windows, and he left the partnership in 1990. Subsequently, he joined Pembina Progressive Jaya which was involved in the fabrication of storage tanks and palm oil refinery plant fabrication and erection, in 1991 as a partner and he left the partnership in 1993.

In 1994, he worked as an in-house contractor for Mascot Engineering & Construction Sdn Bhd where he was involved in the fabrication and installation of palm oil equipment until 2002. In early 2003, he started to carry out sub-contract work for the fabrication and installation of palm oil equipment for MSHK Engineering Sdn Bhd and at the same time he incorporated Lajumax Sdn Bhd in May 2003 where he is one of the co-founders to carry out business as a fabrication and installation sub-contractor. Lajumax Sdn Bhd was subsequently dissolved in November 2008 as Mr Wong wanted to focus on growing the business of Ecoscience Manufacturing & Engineering Sdn Bhd ("EMESB").

In November 2003, he established EMESB together with Tia Tuan Sim, our Operational and Technical Director. Over the years, he has been instrumental in the growth and development of our Group. He has contributed significantly in penetrating foreign markets including the expansion into Indonesia, Gabon and Liberia. He is responsible for driving the future direction of our Group, development of business strategies and business opportunities, marketing as well as building and maintaining business relationships with our customers. He assumed his current position as our Managing Director on 20 August 2021.

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

He attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)

### PAN KUM WAN

Non-Independent  
Executive Director

#### Date of Appointment

2 August 2021

#### Nationality



#### Gender



#### Aged

73



**Pan Kum Wan**, a Malaysian, male, aged 73, is our Non-Independent Executive Director and General Manager. He was appointed to our Board on 2 August 2021.

Mr Pan obtained a Bachelor of Science in Chemical Engineering from the Loughborough University of Technology, United Kingdom in 1976. He brings with him approximately 47 years of working experience, of which approximately 25 years were in palm oil refinery operation and 22 years in the construction of palm oil mills and facilities.

He started his career in 1977 when he joined Tampoi Oil Products Sdn Bhd, a company involved in palm oil refinery as Production Engineer. In 1979, he left and joined Sawit Oil Industries Sdn Bhd, a company in palm oil refinery as a site engineer. He was then promoted to the post of Factory Manager in 1982, a position he held until he left the company in 1984. In 1985, he joined Felda Refinery Corporation, a palm oil refinery and food manufacturing company, as Factory Manager. In 1994, he left Malaysia to work in the People's Republic of China where he joined Beijing King Voray Edible Oil Co. Ltd, an edible oil refining company as General Manager.

Subsequently, he left in 1997 to join Yantai Thian Sheng Edible Oil Co Ltd, a vegetable oil refinery company as General Manager. He subsequently returned to work in Malaysia in 2001 to take up the position of Project Manager for Sahamas Sdn Bhd, a company involved in the fabrication and installation of palm oil milling equipment. In 2004, he left the company to work in Singapore where he joined Novo Environment Technology Services Pte Ltd, a provider of environmental engineering products as Senior Manager responsible for product development in water filtration systems and heat economiser systems. He left Novo Environment Technology Services Pte Ltd in 2005.

In 2006, he joined EMESB as General Manager and since then, he has been contributing significantly to the growth and development of our Group including the expansion of our business operations to serve foreign markets. He is responsible for the management and implementation of projects to ensure timely delivery to customers. He is also involved in implementation of business strategies and business development.

Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

He attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)

### LAW SANG THIAM

Independent  
Non-Executive  
Director

Date of  
Appointment

2 August 2021

Nationality



Gender



Aged

48



**Law Sang Thiam**, a Malaysian, male, aged 48, is our Independent Non-Executive Director. He was appointed to our Board on 2 August 2021. He is also the Chairman of our Audit and Risk Management Committee and a member of our Remuneration and Nomination Committees.

Mr Law obtained his Bachelor of Accounting from the University of Malaya in 2000. He has been a member of the Malaysian Institute of Accountants since 2003 and Malaysian Institute of Certified Public Accountants since 2004.

He began his career with Arthur Andersen & Co in 2000 as an Audit Assistant before leaving the firm in 2002 to join Ernst & Young (now known as Ernst & Young PLT) as Audit Associate. During his tenure with the said accounting firms, he was involved in audit assignments of companies in various industries, as well as other engagements involving corporate exercises.

In 2016, Mr Law left Ernst & Young as an Audit Director to establish his own accounting firm, Ivan Law & Co. In 2017, he established Taxavenue Advisory PLT, a firm in Malaysia providing tax advisory services. He is currently the Managing Partner of both Ivan Law & Co and Taxavenue Advisory PLT.

Mr Law is an Independent Non-Executive Director of MCE Holdings Berhad (since 2022), a company listed on the Main Market of Bursa Securities and Spring Art Holdings Berhad (since 2018), a company listed on the ACE Market of Bursa Securities.

He does not have any family relationship with any other Directors or major shareholders of the Company.

He attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.



## PROFILE OF DIRECTORS (CONT'D)

### ANG CHYE KIAN

Independent  
Non-Executive  
Director

#### Date of Appointment

2 August 2021

#### Nationality



#### Gender



#### Aged

62



**Ang Chye Kian**, a Malaysian, female, aged 62, is our Independent Non-Executive Director. She was appointed to our Board on 2 August 2021. She is also the Chairman of our Remuneration Committee and a member of our Nomination and Audit and Risk Management Committees.

She obtained her Diploma of Managerial Principles from Stamford College Singapore in 1981. In 1991, she was admitted as an associate of the Malaysian Institute of Management.

Ms Ang began her career with the Malaysia Shipyard and Engineering Sdn Bhd, a shipbuilder and fabricator, as an Audit Assistant in 1982. She left the company in 1985 and joined MUI Finance Berhad, a financial services company, as an Account Assistant until 1989. In 1990, she joined AmBank (M) Berhad as a credit control officer responsible for administration, collection and litigation. She was subsequently promoted to Documentation and Disbursement Officer, a position she held from 1994 to 1996 before being promoted to Senior Marketing and Processing Officer from 1997 to 2000. Subsequently, she took up the position of Senior Credit Executive of rehabilitation and restructuring division within AmBank (M) Berhad from 2001 to 2005 before being promoted to Manager, and was responsible for loans approval in Retail Financing from 2006 to 2011. She was the Head, Manager in Lending Operations from 2012 to 2014 and subsequently held the post of Head, Manager for Credit Process and Evaluation from 2015 until her retirement from AmBank (M) Berhad in 2017.

Save for her directorship of the Company, she does not hold any other directorship in public companies and listed corporations.

She does not have any family relationship with any other Directors or major shareholders of the Company.

She attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)

### ANDREA HUONG JIA MEI

Independent  
Non-Executive  
Director

Date of  
Appointment

2 August 2021

Nationality



Gender



Aged

42



**Andrea Huong Jia Mei**, a Malaysian, female, aged 42, is our Independent Non-Executive Director. She was appointed to our Board on 2 August 2021. She is also the Chairman of our Nomination Committee and a member of our Remuneration and Audit and Risk Management Committees.

Andrea obtained her Diploma in Commerce (Financial Accounting) and Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 2003 and 2005 respectively. She has been a Member of the Association of Chartered Certified Accountants since 2011, and a Chartered Accountant with the Malaysian Institute of Accountants since 2018.

Andrea started her career as an Audit Assistant with Sha, Tan & Co in 2005, and was promoted to Audit Semi-Senior in 2007. She was subsequently promoted and held the post of Audit Senior between 2008 and 2011, where she was responsible for managing audits of companies, including public listed companies. Between July 2011 to September 2014, she was on a career break. In September 2014, she was appointed as a director of T & S Secretarial Services Sdn Bhd and held this directorship until March 2021. T & S Secretarial Services Sdn Bhd is involved in the provision of secretarial and management services. She is currently a Director of T&S Boardroom Sdn Bhd, a company which provides secretarial support services and a Director of SocialGreen Governance Sdn Bhd, a company providing internal control review and sustainability review services. She is also a director of several private limited companies providing tax, accounting and consultancy services.

Andrea is an Independent Non-Executive Director of Siab Holdings Berhad (since 2021), Unique Fire Holdings Berhad (since 2021), Yew Lee Pacific Group Berhad (since 2021) and HE Group Berhad (since 2023), all of which are listed on the ACE Market of Bursa Securities.

She does not have any family relationship with any other Directors or major shareholders of the Company.

She attended all five (5) Board of Directors' meeting held during the financial year ended 31 December 2023.

#### Additional Information:

#### Conflict of Interest

None of the Directors have any conflict of interest with the Company.

#### Conviction of Offence

None of the Directors have been convicted of any offence within the past five (5) years other than traffic offences and imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## PROFILE OF KEY SENIOR MANAGEMENT

### ANDY TAN BOON KIONG

Project Director

Nationality



Gender



Aged

47

**Andy Tan Boon Kiong**, a Malaysian, male, aged 47, is our Project Director. He is responsible for our Group's projects in Gabon.

He obtained a Bachelor's Degree in Mechanical and Manufacturing Systems Engineering from Sheffield Hallam University, United Kingdom in 2002. He also obtained a certificate of competency granted under the Factories and Machinery Act 1967 by the chief and deputy chief inspectors of Factories and Machinery which qualified him as a First Grade Steam Engineer.

He began his career in 2002 with Sime Darby Plantation Sdn Bhd as Junior Engineer. He was subsequently promoted to the position of Mill Manager, where he was responsible for palm oil mill operations and projects. He left the company in 2013 to work in Indonesia when he joined PT Super Venture, a company involved in developing and maintaining palm oil mills, as Head of Projects. He was responsible for overseeing palm oil mill construction and maintenance projects in Indonesia.

In 2015, he returned to Malaysia and joined EMESB as General Manager of our Group's operations in Gabon. He was promoted to his current position on 1 August 2021 and is currently responsible for managing and overseeing the implementation of our projects in Gabon.

He does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

### TIA TUAN SIM

Operational and  
Technical  
Director

Nationality



Gender



Aged

46

**Tia Tuan Sim**, a Malaysian, male, aged 46, is our Operational and Technical Director. He is responsible for the overall operations of our Group's projects and engineering department. He is one of the founders of our Group.

He obtained a degree in Bachelor of Chemical Engineering from University Teknologi Malaysia in 2001.

He began his career in 2001 when he joined Sahamas Sdn Bhd, a company involved in the fabrication and installation of palm oil milling equipment, as Project Engineer. He subsequently left the company in 2003 and joined Tractors Manufacturing & Assembly Sdn Bhd as Project Engineer where he was responsible for monitoring projects and supervising the workshop operations. In the same year, he left the company to establish EMESB together with Wong Choi Ong, our Managing Director. He was the Project Engineer of EMESB before he was promoted to his current position on 1 August 2021.

He does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### THING JIN SUAN

Business  
Development Director

Nationality



Gender



Aged

41

**Thing Jin Suan**, a Malaysian, male, aged 41, is our Business Development Director. He is responsible for our Group's growth strategies, business development and sales and marketing operations.

He obtained his Bachelor of Chemical Engineering degree from the University of Sheffield, United Kingdom in 2005. He subsequently obtained his Master's in Business Administration from Lancaster University, United Kingdom, in 2012.

He began his career in 2005 with Linde Industrial Gases (M) Sdn Bhd, a producer of industrial gasses, as Process Engineer. He left the company in the same year and joined Tapis Teknik Sdn Bhd, a manufacturer of filtration and separation equipment, as a Sales and Application Engineer before he was promoted to Regional Sales Manager in 2007. He subsequently left the company in 2012 and joined Sterling Engineering and Trading Sdn Bhd, a company involved in trading of engineering products, as its director. He was responsible for sales and marketing, and overseeing the company's operations.

In 2015, he left and joined EMESB as Product Development Manager where he was responsible for developing growth strategies, business development, and overseeing the company's sales and marketing operations. He was promoted to his current position on 1 August 2021.

He does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

### ANSON SING YUN XIANG

Head of  
Finance

Nationality



Gender



Aged

40

**Anson Sing Yun Xiang**, a Malaysian, male, aged 40, is our Head of Finance. He is responsible for our Group's accounting and financial matters, including financial reporting, treasury functions, credit control, budgeting and taxation.

He obtained his Bachelor's Degree of Science in Accounting and Finance from the University of London in association with the London School of Economics, United Kingdom, in 2007 with a degree in Accounting and Finance. He has been a member of the Association of Chartered Certified Accountants and Malaysian Institute of Accountants since 2016.

He started his career in 2009 when he joined CLK Associates, an audit firm, as an Audit Junior and was subsequently promoted to Senior Auditor in 2012. In 2013, he left and joined Kerry Group Business Services (ASPAC) Sdn Bhd, a shared services company, as Accounts Officer. In June 2016, he left the company to join IOI Lipid Enzymtec Sdn Bhd, a manufacturer of industrial chemicals, as Accountant. Shortly after in September 2016, he joined Kimlun Sdn Bhd, a construction company, as Assistant Accounts Manager where he was responsible for supervising monthly accounts and tax-related matters.

In 2018, he left Kimlun Sdn Bhd to join EMESB as Assistant Finance Manager and was promoted to his current position on 1 August 2021.

He does not hold any other directorship in public companies and listed corporations.

He does not have any family relationship with any other Directors or major shareholders of the Company.

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### GOH YU MENG

Head of Human  
Resources and  
Administration

Nationality



Gender



Aged

70

**Goh Yu Meng**, a Malaysian, female, aged 70, is our Head of Human Resources and Administration. She is responsible for our Group's human resources and administrative function, storekeeping and logistic operations.

She attended Stamford College, Selangor and obtained the LCCI Higher Accounting in 1976. She also obtained her Certificate in Personnel Management from the Malaysian Institute of Personnel Management in 1984.

She began her career with Tampoi Oil Products Sdn Bhd in 1976, a company involved in palm oil refinery as Accounts Assistant. In 1979, she left and joined Felda Vegetable Oil Products Sdn Bhd, a company involved in palm oil refinery as Administrative and Accounts Executive. In 2000, due to the restructuring of Felda group of companies, she was assigned to work under Delima Oil Products Sdn Bhd, a company involved in palm oil refinery and manufacturing of packaged foods as Administrative and Accounts Manager. She left Delima Oil Products Sdn Bhd in April 2011.

In May 2011, she joined EMESB as the Finance and Administration Manager where she was responsible for managing the company's finances and administrative matters. On 1 August 2021, she assumed her present position and is currently responsible for overseeing our Group's human resources and administrative functions, storekeeping and logistic operations.

She does not hold any other directorship in public companies and listed corporations.

She does not have any family relationship with any other Directors or major shareholders of the Company.

#### Additional Information:

##### Conflict of Interest

None of the Key Senior Management have any conflict of interest with the Company.

##### Conviction of Offence

None of the Key Senior Management have been convicted of any offence within the past five (5) years other than traffic offences and imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.



## CHAIRMAN'S STATEMENT



### Dear Shareholders,

On behalf of the Board of Directors ("Board"), it is both a privilege and a pleasure to share with you the annual report of Ecoscience International Berhad ("Ecoscience" or "Company") for the financial year ended 31 December 2023 ("FY2023"). We have embraced the opportunity to contemplate our journey, celebrating the triumphs and overcoming the obstacles encountered along the way throughout FY2023.

**DATO' TAN YEE BOON**  
Independent Non-Executive Chairman

In our review, FY2023 emerges as a canvas where progress met challenges. Since Ecoscience's debut on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in July 2022, we have transformed through a transformative path denoted by strategic expansions and undeviating resilience. Markedly, our foray into the Indonesian market with the establishment of PT Indo Ecoscience Industries on 10 July 2023, underscores our commitment to accessing growth opportunities on a global scale.

This milestone, coupled with our strategic moves regarding private placement and free warrants issuance on the ACE Market of Bursa Securities, reflects our proactive stance in fortifying sustainable shareholder value and augmenting our financial standing.

## CHAIRMAN'S STATEMENT (CONT'D)

### REVIEW OF FY2023

In the face of uncertainties in FY2023, Ecoscience and its subsidiaries ("Group") experienced considerable revenue growth, rising by RM61.17 million, approximately 64.81% to RM155.56 million compared to the previous financial year ended 31 December 2022 ("FY2022"). Increase in revenue from plant construction, totalling RM89.74 million, drove this increase, primarily from Malaysia and Gabon projects. However, declines in supply of materials and equipment and equipment fabrication revenue, due to reduced orders, counteracted this trajectory.

Despite revenue growth, the Group narrowed its FY2023 loss before tax to RM8.49 million, a significant improvement from FY2022's RM10.96 million loss. This reduction stemmed from increased other income, alongside decreased net impairment loss on financial assets. However, lower profit margins on domestic projects, increased costs, and higher finance costs from trade line facility drawdowns partially offset this improvement.

### NAVIGATING CHALLENGES

Amidst trials in the past year, the Group faced political unrest triggered by the Gabon military coup on 30 August 2023, casting uncertainties over our operations. Despite upheaval, our dedication to operational excellence and proactive management helped navigate challenges. Though inconsequential disruptions occurred, our leadership remains confident in the gradual restoration of normalcy in our Gabon operations, assuring stakeholders of manageable impact.

Intensified competition and market saturation in the Malaysian palm oil industry posed hurdles. Swiftly pivoting, we implemented a strategic diversification approach to mitigate reduced mill tenders and adapt to market dynamics.

With proactive risk management and focus on operational excellence, we are confident in overcoming obstacles and emerging stronger.

### CHARTING THE FUTURE

Peering into the future, we anticipate a year where opportunities abound. The focus remains on core competencies, exploring new ventures with sustainable growth, and extending our global reach.

Recognising market shifts, we strategically focused on the production of renewable energy black pellets. Our goal is to lead the industry towards a greener future and set a new standard for environmental responsibility. Our unwavering commitment to sustainability has led us to engage in renewable energy projects that align with Net Zero 2050. In addition, we continue with our business strategies and plans to expand our environmental and energy efficiency business and establish our physical presence in Indonesia. We are also reinforcing our dedication to sustainability. With ongoing projects, we maintain a cautiously optimistic outlook.

For environmental sustainability, we leverage advanced testing methods to enhance efficiency, reduce carbon footprint, and promote sustainable practices in the palm oil industry. We monitor changes in laws, provide continuous training, and prioritise employee engagement and growth, ensuring compliance and fostering a positive work environment.

With positive prospects, we are confident our strategic initiatives will drive sustainable growth and value creation. We're committed to transparency, keeping stakeholders informed every step of the way.

## CHAIRMAN'S STATEMENT (CONT'D)

### ACKNOWLEDGEMENT

The Group's accomplishments do not materialise in a vacuum. Our Company thrives because of the individuals who dedicate themselves to it. The collective effort of every member contributes to the Group's success.

Therefore, on behalf of the Board, I would like to express my deepest gratitude to our shareholders, business partners, and customers. Thank you for your abiding support and entrusting us with your belief and conviction on our pursuit of business with a greater purpose.

I would also like to extend my appreciation to our management team and employees. The Group acknowledges your dedication and adaptability; your resilience and pragmatic approach have been crucial in sustaining our operations, fulfilling our mission, and playing a crucial role in shaping the future prosperity of our Group.

In 2024, we anticipate refining our corporate strategy, leveraging our progress and learning from challenges. I am confident in our ability to sustain success in the coming year.

Here's to forging ahead and pursuing greater excellence together.

### DATO' TAN YEE BOON

Independent Non-Executive Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS

## MANAGING DIRECTOR'S FY2023 OVERVIEW

**Dear Esteemed  
Shareholders,**

On behalf of our Board of Directors ("Board"), it's my utmost honour to present the Annual Report and Audited Financial Statements of Ecoscience International Berhad ("Ecoscience" or "Company") for the financial year ended 31 December 2023 ("FY2023").

**WONG CHOI ONG**

Non-Independent Executive Director/  
Managing Director

In FY2023, the Group confronted challenges while making positive strides, indicating growth opportunities. Despite a significant revenue increase from sustained billings in construction projects, we faced a loss post-tax due to various factors such as reduced profit margins, rising costs, and currency devaluation. In FY2024, we'll leverage our expertise in palm oil mill construction and expand into emerging markets, establish a physical presence in Indonesia, and strengthen environmental initiatives.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### BUSINESS OVERVIEW

Ecoscience and its subsidiary entities, referred to as the “Group” as a whole, offer comprehensive solutions for constructing palm oil mills and associated facilities, boasting in-house fabrication capabilities for palm oil milling equipment.

#### Established Track Record and Activities

With nearly two decades of experience, our core focus lies in plant construction, predominantly palm oil mills, complemented by our fabrication of essential equipment. Beyond the palm oil industry, our ventures extend into diverse sectors such as rubber, paperboard, packaging, power generation, rubber gloves, and explosive manufacturing. We also provide supplementary services like supply of materials and equipment, spare parts, and provision of maintenance services.

#### Turnkey Contracting Expertise

Operating as a turnkey contractor for plant construction, our role spans project planning, supervision, and management. We are involved in various aspects of the project, including construction, fabrication of equipment and structures, and the complete process of installing, testing, and commissioning palm oil mills. Ecoscience Manufacturing & Engineering Sdn Bhd is officially registered with the Department of Occupational Safety and Health Malaysia as a manufacturer of unfired pressure vessels.

#### Diverse Project Portfolio

Apart from our involvement in palm oil mill projects, our Group also manages diverse turnkey endeavours. These include kernel crushing plants and biogas plants, with a focus on converting palm oil mill effluent (“POME”) into biogas.

#### Global Market Presence

Our client portfolio includes multinational corporations and prominent global resource firms, solidifying our market presence across Peninsular Malaysia, East Malaysia, as well as key overseas markets such as Indonesia and Gabon. After the successful listing on the ACE Market of Bursa Malaysia Securities Berhad in July 2022, our group is actively pursuing further overseas ventures to expand our global footprint.

#### Commitment to Sustainability

In response to the urgent global necessity to combat climate change, we are fervently involved in renewable energy projects and its related initiatives. Our efforts aim to champion environmentally conscious resources and drive the progression towards a cleaner and sustainable future, securing its continuity for generations ahead.

### FY2023 FINANCIAL REVIEW

#### Revenue

Revenue for the Group saw a significant increase, mainly due to the sustained billings from projects involving the construction of plants and facilities over the course of the financial year.

Our revenue marked a rise of 64.81%, translating to a substantial increase to RM155.56 million, as compared to RM94.39 million in FY2022. This boost in revenue was largely propelled by increased earnings by RM89.74 million from plant and facility construction, mainly due to ongoing billings from projects undertaken in Malaysia and Gabon. The increase in construction revenue was partially offset by a reduction in revenue from the supply of materials and equipment, and equipment fabrication, by RM16.48 million and RM11.68 million, respectively. These declines were the result of lower orders during FY2023.

The construction of plants and facilities segment emerged as the top revenue generator for the Group, accounting for 86.16% of the total revenue. Meanwhile, the supply of materials and equipment segment contributed 7.15%, and the fabrication of equipment segment accounted for 6.33% of the Group's overall revenue.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FY2023 FINANCIAL REVIEW (CONT'D)

#### Revenue Breakdown by Geographical Locations

Revenue from different geographical regions demonstrates Malaysia as the primary contributor to the Group's earnings, with RM112.12 million recorded for FY2023, compared to RM66.48 million in FY2022. The revenue increase in Malaysia was a result of the gradual completion and recognition of construction projects for plants and facilities in FY2023.

Regarding overseas transactions, revenue from Gabon grew to RM40.95 million in FY2023, a significant rise from RM9.48 million in FY2022. This increase stems from the subsequent realization of revenue following the certification of project milestones' completion.

Conversely, revenues from foreign sales in Indonesia and Liberia decreased. In FY2023, revenue from Indonesia amounted to RM2.49 million, down from RM18.21 million in FY2022. Similarly, no revenue was generated from Liberia during the financial year. These decreases were primarily attributed to reduced revenue recognition following the completion of the majority of construction contracts.

#### Gross Profit

After subtracting the cost of sales, the Group reported a gross profit of RM7.28 million in FY2023, marking a 13.54% decrease from the RM8.42 million recorded in FY2022. This decrease in gross profit can be attributed to the higher cost of sales of RM148.28 million in FY2023, compared to RM85.97 million in FY2022. The increase in cost of sales was a result of the increase in raw material and subcontractor costs, as well as overseas project costs.

#### Loss Before Tax & After Tax

The Group incurred a loss before tax ("LBT") of RM8.49 million in FY2023, a decrease of RM2.47 million from RM10.96 million recorded in FY2022. Furthermore, the Group's loss after tax ("LAT") was documented at RM9.82 million in FY2023, as compared to the LAT of RM9.39 million observed in FY2022.

The reduction in LBT can be primarily attributed to three key factors. Firstly, there was an uptick in other income, arising from interest earned on fixed deposits and gains from short-term investments. Secondly, the decrease in net impairment loss on financial assets was notable, due to the diminished amount of impairment loss on trade receivables during FY2023.

Both LBT and LAT in FY2023 can be accounted for by various factors, including reduced profit margins in domestic projects compared to overseas ventures, escalating costs of raw materials and subcontractors, heightened finance expenses due to increased reliance on trade line facilities, and currency devaluation of MYR against the Euro and USD impacting expenses associated with international projects.

#### Trade Receivables Turnover Period

In FY2023, our Group observed an improvement in the trade receivables turnover period, shortening to 61 days from the previous year's 68 days. This positive trend was chiefly influenced by elevated efficiency in customer payments, particularly within the supply of material and equipment segment. While we've seen significant improvement in the turnover period, we continue to diligently track and review collections at regular intervals, with the aim of further enhancing it. This proactive stance ensures our financial stability while addressing any potential liquidity challenges that may arise.

#### Trade Payables Turnover Period

Our trade payables turnover period in FY2023 logged 63 days, marking a reduce from the 97 days recorded in FY2022. This reduction was mainly attributed to improvements in payment processing efficiency and strengthened supplier partnerships. We are steadfast in maintaining efficient financial management practices, meticulously reviewing payment schedules to foster strong and mutually beneficial relationships with our suppliers.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FY2023 FINANCIAL REVIEW (CONT'D)

#### Liquidity & Capital Resources

In FY2023, the Group's net cash outflows for operating activities decreased to RM10.18 million (FY2022: RM24.89 million) and the Group recorded net cash inflows from investing activities of RM1.25 million (FY2022: net cash outflows for investing activities of RM6.82 million). The drop in net cash outflows for operating activities can be attributed to the decrease in contract assets and the net cash inflows from investing activities can be ascribed to the proceeds from disposal of property, plant and equipment.

In addition, the Group's cash inflows from financing activities for FY2023 reduced to RM6.03 million (FY2022: RM30.42 million), predominantly attributable to the repayment of short-term borrowings.

Despite fluctuations, our cash flow position allows us to meet financial obligations and sustain its growth trajectory.

#### Gearing Ratio

As of December 31, 2023, the Group's gearing ratio remained steady at 0.7x, reflecting the Group's balanced financial structure. This stability indicates prudent leverage management, ensuring resilience and financial health in operations.

#### Significant Trends and Events

Barring the anticipated risks outlined in the "Key Risks Exposure and Mitigation" section of this annual report, no other significant trends or events are currently known to us that could substantially impact the Group's operational effectiveness, financial performance, or liquidity in the near term.

#### Private Placement and Free Warrants

On 11 October 2023, Ecoscience fixed the issue price for 34,000,000 placement shares at RM0.36 each, totalling RM12.24 million, constituting 10% of the Company's issued share capital. The private placement was completed on 25 October 2023, successfully listing all 34,000,000 shares on the ACE Market of Bursa Securities.

By 31 December 2023, utilisation of the proceeds from the placement were distributed: RM3.00 million (24.51%) for loan repayment, RM8.84 million (72.22%) for ongoing and new projects, and RM0.40 million (3.27%) for estimated expenses. This strategic manoeuvre, in conjunction with the free warrants issue which was completed on 28 December 2023, issuing 186,999,999 warrants on the ACE Market of Bursa Securities. Through these actions, we accentuate our adept financial management, reaffirming our dedication to sustainable value creation and shareholder confidence.

#### Dividend

No dividend has been proposed for FY2023. The board deliberates on this decision, considering both current financial circumstances and future investment opportunities cautiously, aligning with our strategic focus on fortifying growth and maximising shareholder value, all made possible by shareholders' crucial support.

### FY2023 OPERATIONAL REVIEW

#### 1. Construction of Plants and Facilities Segment

The revenue generated from the construction of plants and facilities segment experienced a substantial increase to RM134.03 million in FY2023 due to progressive billings from projects, marking a significant rise compared to RM44.29 million in FY2022.

The considerable growth in revenue is predominantly credited to the progressive billing process initiated across various projects. This segment's revenue accounted for 86.16% of the Group's total revenue in FY2023, indicating its substantial contribution to overall financial performance.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FY2023 OPERATIONAL REVIEW (CONT'D)

#### 1. Construction of Plants and Facilities Segment (Cont'd)

##### a) Palm Oil Refinery Complex in Sulawesi, Indonesia

Ecoscience Manufacturing & Engineering Sdn Bhd, Ecoscience's wholly-owned subsidiary, secured a RM24.04 million contract to construct a palm oil refinery with a daily processing capacity of 300 tonnes in Sulawesi, Indonesia. Awarded by PT WIJAYA INTI NUSANTARA SAWIT, the project includes a comprehensive refinery complex with physical refining and dry fractionation plants, and a bottling plant for Palopo Industrial Park.

##### b) Building and Substation in Selangor, Malaysia

Ecoscience Manufacturing & Engineering Sdn Bhd, Ecoscience's wholly-owned subsidiary, secured a RM38.02 million letter of award for building and substation construction in Kerling, Selangor. Awarded by Thens Architect for Maitreya Moral Society Malaysia, it involves a six-storey building with a two-storey basement and an electrical substation. Project completion is expected within 36 months, followed by a 24-month defects liability period. Barring significant delays, this contract is set to bolster the Group's earnings and net assets.

#### 2. Fabrication of Equipment Segment

In FY2023, revenue from equipment fabrication decreased by RM11.68 million to RM9.85 million (FY2022: RM21.53 million) due to fewer project orders. Despite this, Ecoscience is actively pursuing new bids to maintain order book strength. On 10 July 2023, the Company registered an entity, PT Indo Ecoscience Industries, in Indonesia, holding a 99.9% ownership stake, with the remaining 0.1% owned by its subsidiary, Ecoscience Manufacturing & Engineering Sdn Bhd. In addition, plans to open a new facility and office in Balikpapan, East Kalimantan, will enhance market presence and operational efficiency. This expansion targets to streamline operations, reduce response time, and minimize shipping costs to secure new contracts across various sectors, including palm oil plant and facility development projects.

#### 3. Supply of Materials and Equipment Segment

The Group's revenue attained from the supply of materials and equipment segment experienced a decline of RM16.48 million, amounting to RM11.12 million, compared to RM27.60 million in FY2022. This decrease can be attributed to reduced sales of construction materials and equipment.

### KEY RISKS EXPOSURE AND MITIGATION

Our Group has discerned various potential risks that could affect the operational dynamics and growth trajectory across our principal business segments. In response, we have devised tailored strategies to address these exposed risks and minimize their impact on our operations, upholding resilience and perpetual progress.

#### a. Dependency on a Core Customer

We have historically relied on a major customer for a sizeable portion of our order book, but their contribution has decreased in recent years. Our engagement with this client is project-based, and once current projects conclude, there is no guaranteed future revenue unless new contracts are secured.

Thereby, this can expose us to market fluctuations and shifts in customer preferences, which can present additional challenges. Acknowledging the risks associated with heavy reliance on a single customer, we are tenaciously pursuing opportunities to diversify our customer base by seeking projects with different clients.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### KEY RISKS EXPOSURE AND MITIGATION (CONT'D)

#### b. Sustainability of Order Book via Project Acquisition

Ecoscience's financial performance is tied closely to our continuous efforts to secure new projects, guaranteeing the ongoing sustainability of our order book. Given the competitive nature of project bidding processes, there is no certainty of our bid success or the continuous acquisition of projects. Moreover, our order book is susceptible to abrupt shifts, such as delays, terminations, suspensions, and variation orders, potentially altering the scope of our projects.

To mitigate these risks, we are dedicated to resolutely tendering for new projects within the palm oil industries, both domestically and abroad. Additionally, we are diversifying our business by promoting the leasing of heat recovery equipment and non-chemical water treatment solutions, providing us with recurring revenue streams. We've also recently broadened our market reach by appointing a distributor for our non-chemical water treatment equipment in Sarawak. Moreover, we're exploring opportunities in renewable energy ventures, particularly those involving biofuel production from palm oil waste.

#### c. Operational Risks in Gabon

Our operations in Gabon are influenced by a range of factors, including governmental policies, legal regulations, taxation schemes (i.e. withholding tax), monetary policies (including exchange controls and profit repatriation), licensing stipulations, and laws governing business practices, labour, health, safety, and environmental concerns. Non-compliance with these regulations may prompt action from Gabonese authorities, leading to fines or penalties that could disrupt our business activities and financial performance.

To counter these risks, we engage local contractors registered in Gabon for area-specific tasks and hold bank accounts in EUR to mitigate foreign exchange risks. We discreetly oversee project execution in Gabon to ascertain conformity to local laws and regulations, thereby safeguarding our business from potential adverse consequences.

#### d. Project Uncertainties

Our operations are susceptible to inherent risks associated with project delays, contract terminations, or suspensions, posing potential challenges to our project timelines. These risks are influenced by a range of factors, including material and labour availability, shipment delays, customs clearance procedures, and harsh weather events, among others, which can impact the timely achievement of project milestones, leaving us vulnerable to contractual obligations.

To address these vulnerabilities, we have established robust protocols for requesting timeline extensions from clients in instances of project delays. However, it is essential to recognize that there is no guarantee of obtaining such extensions, reinforcing the importance of proactive management of customer expectations before project commencement. This pre-emptive approach ensures alignment between all stakeholders throughout the project implementation process, thereby minimising potential disruptions.

#### e. Market Price Fluctuations on Steel Procurement

The Group faces exposure to unpredictable fluctuations in steel market prices, dictated by numerous factors such as overall economic conditions, demand, and supply capacity. As we extensively utilise steel products and pipes in plant construction and equipment fabrication, fluctuations in steel prices can significantly impact on our costs. Historically, delays in contract awards from potential clients were observed due to the heightened steel prices.

In efforts to reduce this risk, we endeavour to negotiate fixed-price agreements with suppliers of steel products and pipes whenever feasible during the contract bidding process. Alternatively, we may opt to procure the required steel materials promptly upon contract acquisition or receipt of purchase order to align with budgeted costs. However, there is no guarantee that these measures will prevent significant deviations from budgeted costs. While these measures may not offer absolute assurance, they aim to minimize substantial deviations from budgeted costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### PROSPECTS FOR FY2024

The palm oil industry stands as a cornerstone of the economies of Malaysia and Indonesia, the world's largest producers of palm oil. As a result, the economic landscape for these two neighbouring countries persists to be highly favourable. Continued strong global demand for palm oil across various sectors, including food, cosmetics, and biofuels, is expected to sustain the momentum of the palm oil mill construction industries in Malaysia and Indonesia. Moreover, ongoing expansion projects within the palm oil sector, aimed at increasing production capacity and modernising existing facilities, are anticipated to drive demand for construction services.

Despite 2023's 3.7% economic growth dip due to subdued exports, Bank Negara Malaysia is optimistic about the economic outlook in Malaysia. Q4 2023 saw 3% growth fuelled by labour market improvements and domestic demand. Malaysia's inflation declined to 1.5% in December 2023, lower than other economies like the USA (3.4%) and Indonesia (2.6%). Optimism for 2024 includes corporate earnings, domestic demand, and sectors like property and healthcare poised for recovery. Renewable energy, backed by the National Energy Transition Roadmap, is a key focus, with government reforms boosting investor confidence. The government targets 4%-5% economic growth in 2024, prioritising high-value investments in energy transition, digital, and high-tech sectors for job creation.

(Sources: Ministry of Finance Malaysia, "Fiscal Outlook and Federal Government Revenue Estimates 2024." and Bank Negara Malaysia, "Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023.")

In 2023, Indonesia's economic growth reached 5.05%, slightly lower than the previous year's 5.31%. Growth varied geographically, with notable rates in provinces like Kalimantan, Sulawesi, and Maluku and Papua. For 2024, Indonesia expects stable inflation and gross domestic product growth easing to 3.7%, driven by private consumption, increased business investment, and public spending. Services exports will benefit from tourism recovery, and tax reforms aim to boost government revenues. The World Bank stresses the need for reforms to achieve faster, greener, and more inclusive growth. Indonesia plans to strengthen productivity and achieve sustainable growth through targeted actions. Eased mobility restrictions, heightened foreign direct investment, and ongoing national projects completion contribute to a favourable business environment. The push for local refinery establishment is expected to stimulate employment opportunities and spur refinery plant constructions.

(Source: Badan Pusat Statistik Indonesia. "Indonesia Economic Growth Quarter IV-2023.")

In the financial year of 2024 ("FY2024"), our Group remains committed to our primary expertise in palm oil mill construction, facility support, and equipment fabrication. We will actively explore new business prospects to expand our clientele, tapping into emerging geographical markets. Along with that, our priority courses of actions include establishing a physical presence in Indonesia and scaling up our operations in the environmental and energy efficiency businesses.

In view of the evolving business landscape, we retain prudent optimism for FY2024, buoyed by continuing projects and forthcoming new business opportunities. We are steadfast in our efforts to secure projects while pursuing greater success and sustainability.



# SUSTAINABILITY STATEMENT



## REPORTING FRAMEWORK

This sustainability statement adheres to Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, offering transparent insights into Ecoscience International Berhad ("Ecoscience" or "Company") and its subsidiaries' (collectively as the "Group") sustainability progress for FY2023. It covers operations in plant and facility construction, equipment fabrication, and supply of materials and equipment.

Recognising the growing significance of environmental, social, and governance ("ESG") factors, the Board of Directors ("Board") has established an ESG committee to advance sustainable development. Following principles outlined in the Malaysian Code of Corporate Governance and Bursa Securities' Sustainability Reporting Guide, the Board oversees sustainability matters to meet stakeholder expectations. To track progress, we aim to create a Performance Scorecard by Q2 2024, aiding in achieving targets across key areas.

### Sustainability Governance Structure

Embedded within our four-tier sustainability governance structure is a dedication to sustainability across our businesses. We emphasize creating sustainable value and expanding our operations, balancing economic, environmental, and social factors within the community. These principles are ingrained in our corporate values, strengthening unity among our workforce and guiding our decision-making processes.

Role	Responsibility
Board of Directors	<ul style="list-style-type: none"> <li>- Ensure adherence to sustainability practices and performance standards</li> <li>- Assess the effectiveness of sustainability initiatives and processes</li> <li>- Provide oversight, guidance, and direction for the Group's sustainability matters as required</li> <li>- Report on significant risks and opportunities related to sustainability</li> <li>- Approve management proposals regarding sustainability matters</li> </ul>
Managing Director	<ul style="list-style-type: none"> <li>- Spearhead and oversee implementation of overall sustainability strategy across the Group</li> <li>- Engage in discussions, reviews, and regular monitoring of sustainability matters and progress frequently and consistently</li> </ul>
ESG Committee	<ul style="list-style-type: none"> <li>- Chaired by the Group's Business Development Director</li> <li>- Consists of senior representatives of departments and human resources</li> <li>- Conduct materiality assessment on sustainability issues</li> <li>- Lead, supervise, and monitor the progress and enhancements aimed at attaining the Group's core sustainability objectives</li> </ul>
Heads of Departments	<ul style="list-style-type: none"> <li>- Oversee, manage, and drive the performance of sustainability matters within their respective departments</li> <li>- Report on status of action plans and performance of sustainability issues to the ESG Committee</li> </ul>

Both the ESG Committee and the Board actively review material sustainability matters, utilizing the criteria outlined in the Global Reporting Initiative ("GRI") indexes. The ESG Committee, alongside heads of departments, conducts the identification process and assesses and rates the materiality matters, ultimately obtaining final approval from the Board.

The Chairman of the ESG Committee, accredited as a member of the Institute of Certified Sustainability Practitioners ("ICSP"), has delegated relevant materiality matters to each Head of Department ("HOD") while providing a comprehensive understanding of GRI practices. Subsequently, HODs will undergo GRI training in batches, scheduled upon the opening of the training window.

## SUSTAINABILITY STATEMENT (CONT'D)

### Materiality Assessment Methodology

In our Group's role as a comprehensive service provider within the palm oil milling industry, we are amplifying our efforts to promote sustainability across the supply chain.

Every year, we conduct a thorough review of our material sustainability matters, ranking them based on stakeholders' feedback and their impact on our operations. This process involves three stages:

1. **Identify:** The Group identifies crucial material sustainability matters by engaging with stakeholders.
2. **Prioritise:** We prioritise material sustainability matters by evaluating their significance to the Group and their importance to stakeholders.
3. **Review and Validate:** We review and validate material sustainability matters through discussions among the Managing Director, Board of Directors, and ESG Committee to identify any shifts in priorities that require attention.

Aligned with the Group's operations, we have pinpointed significant material sustainability matters concerning economic, environmental, social, and governance aspects. Our existing practices and measures to address these sustainability matters are outlined in the following section: Stakeholder Engagements.

### Stakeholder Engagements

Our sustainability strategy relies on actively involving stakeholders in both formal and informal discussions to understand their priorities and concerns. Stakeholder engagement is fundamental to our Group's business sustainability and long-term performance. This proactive approach enables us to anticipate challenges, foster trust, and develop solutions that benefit all parties involved.

Detailed summaries of these engagements are available in the table below:

Stakeholder	Focus and Interest	Engagement Approach
Suppliers/Contractors	<ul style="list-style-type: none"> <li>Punctual delivery</li> <li>Consistent and prompt payment schedule</li> <li>Quality of products and services</li> <li>Transparent pricing and procurement best practices</li> <li>Business and operational performance</li> <li>Compliance to laws</li> <li>Ethical business conducts</li> </ul>	<ul style="list-style-type: none"> <li>Vendor prequalification registrations</li> <li>Contract engagement</li> <li>Project meetings</li> <li>Conferences, exhibitions, seminars</li> <li>Project site visits</li> <li>On-time payments</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Strong relationships with customers</li> <li>Prompt delivery of services and products</li> <li>Quality of products and services</li> <li>Efficient resolution of complaints</li> <li>Adherence to security, health, and safety standards</li> <li>Customer experience and services</li> </ul>	<ul style="list-style-type: none"> <li>Proactively cultivate and nurture relationships</li> <li>Industry networking events, exhibitions, and conferences</li> <li>Customer complaints</li> <li>Regular meetings and site visits for customer feedback and satisfaction</li> </ul>
Investors/Shareholders	<ul style="list-style-type: none"> <li>Shareholder value</li> <li>Corporate governance</li> <li>Business strategy</li> <li>Financial performance</li> <li>Financial returns and dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Annual reports</li> <li>Quarterly financial reports</li> <li>General meetings</li> <li>Announcements to Bursa Malaysia Securities Berhad</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### Stakeholder Engagements (Cont'd)

Stakeholder	Focus and Interest	Engagement Approach
<b>Communities</b>	<ul style="list-style-type: none"> <li>Operational impact</li> <li>Positive community ties</li> <li>Community engagements</li> <li>Community goodwill and support</li> <li>Talent acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility</li> <li>Charities such as fundraisers, donations, and volunteering programs</li> <li>Community outreach campaigns</li> <li>Internships</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Sustainability practices</li> <li>Employee welfare, compensations, and incentives</li> <li>Employee training and development</li> <li>Job performance</li> <li>Career progression</li> <li>Uplifting workplace culture and environment</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisals</li> <li>Safety awareness training</li> <li>Professional development and career advancement schemes</li> <li>Whistle Blowing Policy</li> <li>In-house memos and circulars</li> <li>Corporate website</li> <li>Annual reports</li> </ul>
<b>Government/ Regulatory Agencies</b>	<ul style="list-style-type: none"> <li>Laws and regulations compliance</li> <li>Workplace health and safety</li> <li>Environmental standards and sustainability objectives</li> <li>Corporate governance compliance</li> <li>Government policies and schemes</li> <li>Investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and project site visits and inspections</li> <li>Official seminars, events, information sessions, and industry dialogues</li> <li>Engagements in cooperative initiatives and schemes</li> <li>Annual reports</li> </ul>
<b>Industry Peers</b>	<ul style="list-style-type: none"> <li>Industry standards and best practices</li> <li>Industry knowledge and trends</li> <li>Environmental and sustainability updates</li> </ul>	<ul style="list-style-type: none"> <li>Industry networking events, seminars, and conferences</li> <li>Meetings with industry experts</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### Materiality Assessment Matrix

We have reviewed and completed a materiality assessment matrix, leading to the formulation of targeted timelines and actions for generating the Performance Scorecard. The materiality assessment matrix, resulting from a comprehensive assessment involving representatives from all stakeholder groups, delineates the impact of Ecoscience's value creation across three areas, as indicated by the colour gradients displayed below:

**Points of Differentiation:**

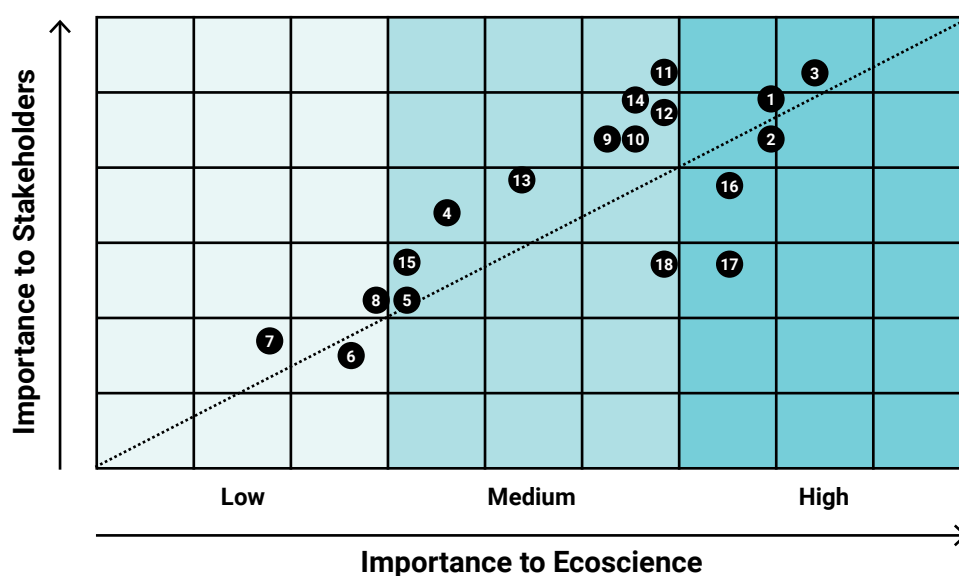
Topics in which Ecoscience can lead

**Value Enhancement:**

Topics capable of enhancing operational value for Ecoscience

**Value Protection:**

Foundation topics for Ecoscience



Area of Sustainability Matters	Topic of Sustainability Matters
Economic	<ol style="list-style-type: none"> <li>1. We serve as an all-in-one solution provider.</li> <li>2. Our in-house capabilities include equipment design and fabrication.</li> <li>3. Our consistent history of excellence stands as a cornerstone for sustained business growth.</li> </ol>
Environment	<ol style="list-style-type: none"> <li>4. Innovative and eco-friendly products and services compliant with regulations</li> <li>5. Solar and renewable energy</li> <li>6. Waste and resources management</li> <li>7. Digitalized processes</li> <li>8. Water management</li> </ol>
Social	<ol style="list-style-type: none"> <li>9. Diversity, equity, and inclusion</li> <li>10. Human rights</li> <li>11. Health and safety</li> <li>12. Employee management</li> <li>13. Talent management</li> <li>14. Employee remuneration and retention</li> <li>15. Community investments</li> </ol>
Governance	<ol style="list-style-type: none"> <li>16. Policies and governance practices</li> <li>17. Supply chain management</li> <li>18. Cybersecurity and data protection</li> </ol>

## SUSTAINABILITY STATEMENT (CONT'D)

### Key Material Sustainability Matters and Their Significance

The identified sustainability matters crucial to Ecoscience are outlined below:

- Ensuring the long-term sustainability of our primary business operations.
- Adapting to and mitigating environmental challenges amidst the ongoing global climate shifts.
- Cultivating a supportive organisational culture that prioritises social well-being.
- Upholding accountability and responsibility in line with our organisational values and objectives.



### ECONOMIC

Employing the following strategic measures, the Group drives towards enduring success and sustainable growth:

#### We serve as an all-in-one solution provider.

We are optimally positioned to deliver end-to-end solutions for the construction of palm oil mills and their auxiliary facilities, leveraging our core competencies in procurement, construction, and commissioning. With expertise in fabricating palm oil milling equipment, our construction division seamlessly supports plantation operations. This integrated approach remains our foremost competitive advantage, streamlining processes for clients who benefit from dealing with a single turnkey contractor overseeing the full project lifecycle.

#### Our in-house capabilities include equipment design and fabrication.

With our internal capacity for fabricating specific palm oil milling equipment, we manage cost factors and delivery timelines effectively. This also empowers us to deliver tailored solutions to the precise requirements of our customers. Periodically, we collaborate with external consultants and engineers to innovate novel designs for palm oil milling equipment, continuously refining, and adapting them to meet evolving performance criteria.

#### Our consistent history of excellence stands as a cornerstone for sustained business growth.

For two decades, we have honed our expertise in providing construction and fabrication solutions for plants, facilities, and equipment across Malaysia and beyond, including Indonesia, Gabon, and Liberia. With our expansive footprint and a solid track record in both local and international markets, we have positioned ourselves for sustained business growth and longevity, drawing on our extensive experience and market presence.



## SUSTAINABILITY STATEMENT (CONT'D)



### ENVIRONMENT

Below are the sustainable initiatives the Group adopts in response to environmental concerns such as climate change, waste management, and pollution, along with efforts to temper greenhouse gas emissions:

#### Innovative and Eco-Friendly Products and Services Compliant with Regulations

The Group is dedicated to delivering eco-friendly solutions and technologies, including non-chemical treatments for cooling towers and boilers, alongside biogas plant installations. Our expertise lies in constructing biogas facilities for palm oil mill effluent ("POME") treatment, incorporating pre-treatment systems, bioreactor tanks, biogas treatment systems, and power generation systems, all adhering to Department of Environment Malaysia standards.

The Group has made significant investments in Wastewater Treatment Technology, pioneering innovative approaches in POME treatment. We are also actively involved as an Engineering, Procurement, and Construction ("EPC") contractor in an innovative waste-to-energy plant, recognised as the world's first black pellet plant designed for drop-in coal replacement.

Moreover, we ardently pursue research and development endeavours geared towards achieving zero discharge from palm oil mills through advanced water treatment methods. We invest substantial resources in our environmental and energy efficiency business segment, enabling us to consistently enhance our service delivery to customers.

#### Solar and Renewable Energy

The Group is fully committed to combating climate change by reducing greenhouse gas emissions. Through an Environmental Policy and Climate Transition Strategy, we aim for carbon neutrality by 2030 and net-zero emissions by 2050. Key initiatives include energy-efficient LED lighting, solar photovoltaic installations, and partnerships for renewable solutions.

Adhering to Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, high-level targets include a 10% reduction in energy consumption and a 40% reduction in GHG emissions by 2030. Our solar panel installations in 2021 contribute to these goals, with ongoing efforts to refine emission-tracking methods. This comprehensive approach underscores the Group's commitment to environmental sustainability and a greener future.

Electricity consumption for three years:

Year	Usage (kWh)
2021	401,472
2022	303,854
2023	142,070

The Group consistently seeks opportunities to engage in renewable energy tenders. We have implemented decarbonisation solutions aimed at reducing greenhouse gas ("GHG") emissions and water sustainability.

#### Waste and Resources Management

Effective waste management is crucial for minimising environmental impact, particularly in manufacturing and construction sectors. Our approach involves handling various waste types, including non-hazardous materials like domestic, construction, and recyclable waste. Prioritising waste minimisation and the "Reduce, Reuse, and Recycle" (3R) approach, we ensure compliance with stringent environmental regulations.

We reduce single-use materials and repurpose packaging for logistics during product export, utilising wooden pallets and carton boxes for transporting goods. At project sites, we segregate materials such as wood, steel, and general waste, with licensed contractors managing scheduled waste management processes.

Dedicated to diverting non-hazardous waste from landfills, we integrate waste reduction initiatives into our sustainability goals. Embracing the 3R approach, we focus on waste reduction, reuse, and recycling, with landfill disposal as a last resort, maintaining conscientious environmental stewardship and sustainable business practices.

Ecoscience underscores environmental sustainability by emphasising the use of recycled materials and green-certified options, minimising environmental impact by integrating recycled materials like mild steel and stainless steel, reducing reliance on virgin resources.

## SUSTAINABILITY STATEMENT (CONT'D)



### ENVIRONMENT (CONT'D)

#### Waste and Resources Management (Cont'd)

We actively engage in initiatives to reduce virgin material consumption and track material usage across projects, providing deeper insights into our sustainability efforts. Our commitment to sustainability is evident in meticulous material management and advocating for the use of recycled materials, driving continuous improvement toward our sustainability objectives.

Consumption of key construction materials spanning three years:

Materials	Consumption (Tonnage)		
	2021	2022	2023
Steel (Mild Steel Plate)	1,132	1,532	1,665
Steel (Stainless Steel Plate)	162	211	245
HT Deformed Bar	325	1,611	1,408

#### Digitalised Processes

We utilise Computerised Numerical Control ("CNC") machinery, which automates manufacturing procedures through pre-programmed software and codes, controlling the actions of our production equipment. This state-of-the-art technology ensures precision, repeatability, and the ability to fabricate intricate geometries effortlessly, unlike manual machining.

In contrast, manual machining involves the use of hand-operated tools such as lathes, mills, and drill presses, operated by skilled machinists who rely on their experience and judgment to fabricate parts and components. Manual machining demands a high level of expertise, and the precision of the final product could be inconsistent in comparison to CNC machining.

#### Water Management

Water is indispensable to our factory operations, fulfilling various needs like tank cleaning, testing, sanitation, and worker hygiene. With a focus on efficient water management, we strive to cut costs and boost water use efficiency.

Our water primarily comes from local utility suppliers (RANHILL @ SAJ) and rainwater catchment systems. We are actively reducing reliance on utility suppliers by exploring alternative sources like rainwater catchments. This involves installing rain catchment tanks and implementing water-saving measures.

In FY2023, we achieved a significant milestone with a 20% reduction in daily water consumption compared to FY2022. This progress aligns with our FY2024 goal of a 30% reduction from FY2022 levels. Furthermore, rainwater catchment utilisation increased from 5% to 20% in FY2023.

For FY2024, our target is to further cut daily operational water use by increasing reliance on rainwater catchment.

Water consumption from FY2022 to FY2023:

Year	Total Water Consumption (m³)
2022	6,552
2023	4,105

## SUSTAINABILITY STATEMENT (CONT'D)



### SOCIAL

The Group is devoted to refining organisational culture and implementing industry-leading practices to cultivate an exceptional work environment for our employees and contribute positively to the broader community.

#### Diversity, Equity, and Inclusion

The vigour of our workforce lies in its diversity, equal opportunities, and innovation, reflecting the vibrant communities we serve. Guided by our Code of Conduct, we endorse fair employment practices and unbiased career advancement opportunities, prioritising merit-based hiring and promotion, rejecting discrimination based on race, gender, age, religion, nationality, or disability. Embracing diverse backgrounds enriches our perspectives and capabilities, enabling us to better understand the dynamic demands of our customers and stakeholders.

Cultivating a culture of mutual respect for all cultures and differences contributes to a harmonious and inclusive workplace, where discrimination, unfair treatment, and harassment are unequivocally condemned and forbidden. It's gratifying to announce zero reported instances of discrimination in FY2023.

In FY2023, the Group's employee count surged to 229, marking a substantial increase from the previous year's tally of 113. Among these employees recorded in FY2023, males constituted 87% (199 employees) while females made up 13% (30 employees) of the workforce. The distribution of genders within our Group is influenced by operational dynamics and the cultural milieu of our operating countries.

Specifically, female involvement in our construction operations is relatively lower, primarily because the work involves manual labour and physically strenuous tasks commonly perceived as male dominated.

Number of employees categorised by gender (over a period of three years):

Year	2021	2022	2023
Gender			
Female	22	24	30
Male	68	89	199
<b>Total</b>	<b>90</b>	<b>113</b>	<b>229</b>

Attaining gender equality requires sustained efforts and may entail challenging gender stereotypes regarding job roles. As a result, dedicated to inclusiveness, we strive to create a workplace atmosphere conducive to the career progression and meaningful involvement of our female employees in every operational sector.

#### Human Rights

Protecting human rights is a fundamental aspect of our business at our Group. We understand that emphasising uncompromising human rights practices not only improves efficiency but also nurtures a harmonious work environment. Any violations of human rights can result in regulatory penalties, diminish employee retention rates, and tarnish our reputation as a responsible employer.

We ensure conformity with the legal requirements in each of our operational countries, including adherence to Malaysia's Employment Act 1955 and Trade Union Act 1959, and Singapore's Employment Act 1968, reflected in our Company Policy, Standard Operating Procedures, and Employee Handbook. We regularly review our policies to meet or surpass regulatory standards, with our Human Rights Policy recently updated in accordance with the Minimum Wages Order 2022, demonstrating our commitment to fair labour practices.

Our focus areas include migrant worker rights, diversity, equity, inclusion, and the eradication of modern slavery. Key policy highlights encompass zero tolerance for child and forced labour, protection against discrimination and sexual harassment, and the provision of fair wages and suitable living conditions for all workers, including foreign workers. Furthermore, we hold subcontractors and suppliers accountable for maintaining human rights standards across the value chain.

We also provide grievance mechanisms and whistleblowing channels to facilitate safe and confidential reporting, resulting in no reported human rights incidents through these channels in FY2023.

## SUSTAINABILITY STATEMENT (CONT'D)



### SOCIAL (CONT'D)

#### Health and Safety

Ensuring health and safety remains paramount for our Group, especially post-Covid-19, to enhance operational effectiveness and prevent injuries. We enforce stringent Health and Safety Policies aligned with industry standards like Occupational Safety and Health Act (OSHA) 1994, Factories Machinery Act (FMA) 1967, and MS 1722:2011 Malaysian Standard, supported by Health, Safety and Environment (HSE) Working Committees. Rigorous risk management, including regular Hazard Identification, Risk Assessment and Risk Control reviews, fosters a culture of incident reporting.

Our Group's Health and Safety Committee oversees hazard identification, earning recognition from Malaysia's Department of Occupational Safety and Health with two Green Books and two Yellow Books. These accolades acknowledge the dedication of Safety and Health Officers and Site Safety Supervisors in ensuring workplace safety.

Our comprehensive health and safety approach includes providing insurance, medical care, and training covering hazard management and skill development. We conduct awareness campaigns to address sexual harassment and promote workplace respect and inclusivity.

To give precedence to employee well-being, we offer essential amenities like water filtration systems and packed meals for overtime workers. Employees adhering to health protocols with zero medical leave claim will receive monetary rewards.

In FY2023, 230 participants received health and safety training, an 187.5% increase from FY2022. While aiming for zero fatalities, we respond promptly to incidents, implementing corrective measures and refining policies to prevent recurrences.

Number of participants underwent diverse training sessions covering health and safety standards from FY2021 to FY2023:

Year	2021	2022	2023
<b>Number of Participants (including employees and contractors)</b>	85	80	230

Total hours worked, number of work-related fatalities, number of lost-time injuries, and lost-time incident rate ("LTIR") from FY2021 to FY2023:

	2021		2022		2023	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
<b>Total Hours Worked</b>	179,520	0	137,280	62,400	491,712	82,368
Number of Fatalities	0	0	0	0	0	0
Number of Lost-Time Injuries	0	0	0	0	1	0
LTIR	0	0	0	0	0.49	0

#### Employee Management

Our business values our people as the key drivers of our success. We prioritise cultivating a motivated and empowered workforce, equipped with the requisite skills to fulfil our mission. Central to our strategy is promoting employee well-being, encouraging conducive work environments, and fostering strong interpersonal connections.

We ensure equal opportunities for career growth and invest in professional training to prepare for business expansion. Our commitment to recruiting, developing, and retaining top talent is unrelenting, with tailored development programs to maintain competitiveness. The Board also engages employees in social policy decisions.

## SUSTAINABILITY STATEMENT (CONT'D)



### SOCIAL (CONT'D)

#### Employee Management (Cont'd)

Our pledge further includes the rights and welfare of our workforce, ensuring secure living conditions, sanitation, food, healthcare accessibility, and fair compensation in alignment with legal mandates.

We enforce ethical business practices through various policies and regulations (refer to "Policies and Governance Practices" under the "Governance" section). Adhering to the Malaysia Employment Act 1955, we also underscore confidentiality and provide a swift grievance resolution process for employees, ensuring their concerns are promptly addressed.

As the Group and its workforce thrive, we nurture camaraderie through cherished company traditions like monthly birthday celebrations, annual dinners, and company trips. Our goal is to raise the well-being of our staff and cultivate a workplace culture where they feel a deep sense of belonging and are motivated to contribute to the Group's growth.

#### Talent Management

At Ecoscience, investing in human capital is crucial for thriving in today's competitive landscape. Effective talent management is key to attracting, retaining, and engaging top-tier talent to drive our long-term goals.

Recognising our employees as our greatest asset, we emphasise the identification and continuous development of our diverse workforce to meet evolving demands and ensure sustainability. Efficient talent management helps predict future requirements and manage workforce transitions, such as turnover and skill deficits. We leverage technology to optimise recruitment and enhance solution delivery for clients.

We prioritise professional development through continuous training opportunities, empowering employees to reach their full potential. In FY2023, we invested a total of 1,603 training hours across eight departments, targeting critical upskilling needs:

Department	Number of Training Hours
Management	147
Engineering	490
Human Resource and Administration	84
Store	70
Finance	70
Logistic	56
Purchasing	28
Production	658
<b>Total</b>	<b>1,603</b>

#### Employee Remuneration and Retention

Abiding by the Minimum Wage Order 2022, our Group offers competitive salaries and bonuses to retain top talent, included in our transparent and attractive remuneration package based on industry standards, skills, qualifications, performance, competencies, experience, and tenure, with no gender-based wage discrepancies. Our employees also receive compensation for overtime work as stipulated by local legislation.

The remuneration package is complemented by an extensive benefit package, comprising various leave entitlements (i.e. annual, sick, hospitalization, marriage, maternity and paternity, compassionate, and unpaid leave), and inclusive insurance coverage and medical incentives. Alongside, we have internally instituted a transparent and structured career progression model, providing employees with the resources needed to succeed.

## SUSTAINABILITY STATEMENT (CONT'D)



### SOCIAL (CONT'D)

#### Community Investments

Our pledge to social inclusion and sustainability rests heavily on nourishing constructive relationships between communities and businesses. Through community investment and impact initiatives, especially in education and social welfare, Ecoscience plays an active role in developing local talent and empowering communities.

For FY2024, our Group has set aside a budget of RM20,000 to endorse initiatives under Yayasan Kebajikan Negara ("YKN"), which is instrumental in amplifying social welfare initiatives across Malaysia. An exemplar of such a project is Anjung Singgah YKN, a government-supported social intervention centre in Malaysia, which provides temporary housing, meals, and interventions to homeless individuals, facilitating their assimilation into society and their ability to contribute to its advancement.



### GOVERNANCE

Establishing sustainable governance within an organisation is paramount for ensuring its long-term viability and success. This involves implementing robust systems, procedures, and policies that place sustainability at the forefront of decision-making and operational practices.

By ingraining sustainable governance principles into the fabric of our Group, we can guarantee that our business strategies are in harmony with our values and objectives, benefiting all stakeholders. In the long run, fostering solid governance instils trust, minimises risks, and bolsters our reputation, resulting in elevated customer loyalty enduring corporate prosperity.

#### Policies and Governance Practices

The Group is unwavering in its commitment to ethical business practices, as outlined in our approved code of conduct, readily available on our website. Our comprehensive suite of policies includes Code of Conduct, Anti Bribery and Corruption Policy, Whistle Blowing Policy, Board Charter, Fit and Proper Policy, and Risk Management Framework. These policies are implemented across all departments within the Group to ensure vigilant risk monitoring and alignment with the Group's objectives. Applicable to all employees, these policies embody our shared values and principles.

Our Group has a firm zero-tolerance stance against corruption and any integrity breaches are reported through our confidential whistleblowing channel. As of 31 December 2023, we've recorded zero incidents of corruption.

Maintaining confidentiality and safeguarding company information is critical, with every employee mandated to uphold stringent privacy standards throughout their tenure. Compliance is reinforced through the signing of acceptance letters, in strict accordance with the Malaysia Employment Act 1955.



## SUSTAINABILITY STATEMENT (CONT'D)



### GOVERNANCE (CONT'D)

#### Supply Chain Management

Sustainability is integral to our procurement strategy, shaping a conscientious supply chain focused on promoting positive environmental, social, and governance impacts.

Comprehensive sustainability criteria guide supplier selection, with a new sustainability assessment introduced in 2024 for pre-qualification, enhancing accountability.

Capacity-building programs support suppliers, particularly SMEs, in adopting sustainable practices, while local sourcing is prioritized to boost the economy and reduce carbon footprint. In FY2023, RM122 million, constituting 98% (FY2022: 95%) of our procurement expenditure, was directed towards local suppliers, highlighting our commitment to ethical business practices.

#### Cybersecurity and Data Protection

Our Group rigorously follows data privacy regulations, exemplified by compliance with the Personal Data Protection Act 2010. We ensure confidentiality by refraining from data sales and transparently collecting personal data solely for legitimate purposes.

Our robust IT infrastructure, including migrating our email server to Microsoft Server, enforces stringent access controls. Regular phishing email simulations enhance employee awareness. As of 31 December 2023, we have had zero verified complaints or breaches, affirming our dedication to data security and privacy.



### SUMMARY

Through our ESG approach, we strive to positively impact both people and the environment, making strides in reducing emissions and phasing out single-use materials. Recognising the vital role of our people in these efforts, we prioritise their involvement in shaping our sustainability agenda.

Ecoscience values ESG sustainability tremendously for driving business growth and competitiveness. As a publicly traded entity, we are eager for the substantial headway we will accomplish to solidify our standing. We are resolved to enlist professionals to educate our ESG Committee and adhere to evolving standards. Our commitment to progress and shaping a sustainable future for all stakeholders remains firm as we continue to embrace best practices.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Ecoscience International Berhad ("EIB" or the "Company") recognises the importance in applying the Principles and Practices stipulated in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia throughout the Company and its subsidiaries ("Group"). The Board is committed to ensure highest standards of accountability and transparency are being observed and practised to promote good corporate governance throughout the Group as those are essential to the effective operations of the Group.

This Statement is prepared in compliance with ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read together with the Corporate Governance Report 2023 of the Company ("CG Report") which is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com) and the Company's announcement on the website of Bursa Securities.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the MCCG during the financial year ended 31 December 2023 ("FY 2023"), which are as follows:

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

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

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD RESPONSIBILITIES

The Board takes full responsibility for the performance of the Group and leading the Group towards achieving its short and long-term objectives, setting corporate strategies for growth and new business development. The Board has delegated the day-to-day operations of the Group to the Managing Director ("MD") and the Executive Director ("ED"). They manage the Group in accordance with the strategies and policies approved by the Board.

For the Board to discharge its functions and responsibilities orderly and effectively, the Board has delegated specific powers and responsibilities to various Board Committees namely Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). The functions of each Board Committee are set out in the Terms of Reference ("TOR") of the respective Committees which were approved by the Board. The TOR of each Board Committee are available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com) and will be annually or periodically reviewed by the NC and/or Board in accordance with the needs of the Company.

The TOR of the ARMC was updated and approved by the Board on 24 November 2023 upon the recommendation of the ARMC, which requires the ARMC to review any or potential conflict of interest situations that arose, persist or may arise within the Group and the measures taken to resolve, eliminate or mitigate such conflicts.

The principal roles and responsibilities of the Board are as follows:

- (a) Formulating a strategic plan for the Company and tailoring the same from time to time by taking practical, realistic and holistic approaches;
- (b) Reviewing, challenging and deciding on management's proposals and monitor its implementation;
- (c) Promoting good corporate governance culture within the Group;
- (d) Identifying principal risks and ensuring the implementation of appropriate systems to mitigate these risks;
- (e) Reviewing the adequacy and integrity of the Company's internal control systems for compliance with applicable laws, regulations, rules and guide;
- (f) Assessing management's response to ensure the Company's business is properly managed and sustained; and
- (g) Overseeing the development and implementation of the investor relations programme.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### CHAIRMAN

The Chairman of the Board, Dato' Tan Yee Boon, who is an Independent Non-Executive Director ("Chairman"), is responsible for leading the Board in ensuring the integrity and effectiveness of the Group's governance practices, acts as a facilitator at the meetings and ensures that Board proceedings comply with good conduct and best practices.

The Board recognises the importance of having a clearly accepted division of power and responsibilities between the Chairman and the MD of the Company to ensure a balance of power and authority.

Therefore, the positions of the Chairman and the MD were held by different individuals. The Chairman is a non-executive member of the Board.

The Chairman carries out a leadership role in the conduct of the Board and the primary responsibilities of the Chairman are, amongst others, as follows:

- (a) Providing leadership for the Board in ensuring the Board discharges its responsibilities effectively;
- (b) The efficient organisation and conduct of the Board's function, chairing Board meetings and encouraging all directors to play an active role in Board activities;
- (c) Taking the lead in setting the values and standards of the Company;
- (d) Ensuring complete and accurate information is furnished to Board members on a timely basis to facilitate decision-making;
- (e) Ensuring accurate and timely information, in particular, the performance of the Company, is furnished to Board members;
- (f) Setting the Board meeting agenda and ensuring that the complete and accurate information will be received by the Directors and adequate time is allocated for discussion of issues tabled to the Board for deliberation;
- (g) Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
- (h) Chairing general meetings of shareholders and ensuring orderly conduct of the proceedings of such meetings;
- (i) Ensuring effective communication with shareholders and stakeholders and that their views are communicated to the Board as a whole; and
- (j) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

The MD, Mr Wong Choi Ong bears overall responsibilities for the Group's business performance and managing the Group in accordance with the strategies and policies approved by the Board. The MD is also responsible for the day-to-day operations of the Group, within the authorities as delegated by the Board.

Our ED, Mr Pan Kum Wan is involved in leadership roles to oversee the day-to-day operations and management within his specific areas of expertise or assigned responsibilities. He is also responsible for the implementation of strategic plans and policies set by the Board and to assist the MD in discharging his duties.

### CHAIRMAN OF THE BOARD SHOULD NOT BE A MEMBER OF THE BOARD COMMITTEES

The Board complies with Practice 1.4 of the MCGG whereby the Chairman of the Board is not a member of the ARMC, NC or RC of the Company. This is to enable the Chairman to exercise his independence and objective view, and also to provide advice and guidance to the Board Committees based on his vast experiences.

### QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board is supported by two (2) qualified and competent Company Secretaries to provide support and guidance in advising the Board on all secretarial matters of the Company in relation but not limited to Companies Act 2016, AMLR of Bursa Securities and MCGG.

One of the Company Secretaries is a member of Malaysian Institute of Chartered Secretaries and Administrators whilst the other one is a member of Malaysian Institute of Accountants. They are qualified to act as Company Secretary pursuant to Section 235(2) of the Companies Act 2016.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### QUALIFIED AND COMPETENT COMPANY SECRETARY (CONT'D)

The Company Secretaries are responsible for providing support and guidance in advising the Board on all secretarial matters of the Company, in particular its compliance with the AMLR of Bursa Securities as well as informing and keeping the Board abreast of the latest development in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.

### ACCESS TO INFORMATION AND ADVICE

The meeting materials of each Board and Board Committees meeting were given to all the Directors at least five (5) days in advance prior to the respective meeting. Reasonable time were given to Directors to review the Board papers so that matters arising could be properly deliberated at the Board and Board Committees meetings and appropriate decisions could be made by the Board and respective Board Committees.

The Board shall have full access to the advice and services of the Company Secretaries and may request information and documents relating to the Company from the Company Secretary in order to facilitate their work duties as a Director.

The Board may also seek for independent professional advice at the Company's expense to enable it to discharge its duties with adequate knowledge on the matters being deliberated.

### COMPANY'S POLICIES

The Board encourages employees across the Group to adhere to and to maintain the highest standard of ethical behaviour. Hence the Group has adopted the following policies as a mechanism to minimise any risks that may occur.

#### 1. Board Charter

The Board had on 20 August 2021 adopted a Board Charter to set out their roles, duties and responsibilities of the Board, Directors and Board Committees to be in line with the principles of good corporate governance. The Board Charter would be periodically reviewed and updated as and when necessary to ensure that it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

#### 2. Code of Conduct

The Group had on 1 July 2020 adopted a Code of Conduct which serves as a documentation of its commitment in business dealings with customers, vendors, suppliers, contractors, government, regulators, investors, the business community as a whole in a manner that is efficient, effective and fair. The Code of Conduct is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

#### 3. Whistle Blowing Policy

The Group had on 1 July 2020 adopted a Whistle Blowing Policy to provide an avenue for the employees of the Group and members of the public to raise genuine concerns of any wrongdoing or improper conduct involving the Group and its directors or employees. The Whistle Blowing Policy is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

#### 4. Anti Bribery and Corruption Policy

The Group is committed to conducting business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence had adopted an Anti Bribery and Corruption Policy on 30 July 2021. The Anti Bribery and Corruption Policy is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### COMPANY'S POLICIES (CONT'D)

#### 5. Directors' Fit and Proper Policy

The Board had on 12 July 2022 adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

#### 6. Remuneration Policy

The Board had on 16 January 2023 adopted a Remuneration Policy to set out the criteria to be used in recommending the remuneration package of the Board and senior management of the Company which is in line with the principles and practices of the MCCG, upon the recommendation of the RC. Subsequently, the Remuneration Policy was revised on 12 April 2023. The Remuneration Policy is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

### BOARD COMPOSITION

The Board is committed to ensuring that its composition not only reflects the diversity as recommended by MCCG, as best as it can, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

The current Board consists of six (6) members, comprising two (2) Non-Independent Executive Directors and four (4) Independent Non-Executive Directors. The Company has complied with Rule 15.02 of the AMLR of Bursa Securities of having at least two (2) or one third (1/3) of the Board as independent directors. The Company is also in line with Practice 5.2 of the MCCG where at least half of the Board are independent directors.

Currently, there are two (2) female members on the Board, namely Ms Ang Chye Kian and Ms Andrea Huong Jia Mei which representing 33% of the total Board members. The female Directors provide the Board with gender diversity that serves to bring value to the Board discussions from different perspectives and approaches as well as different leadership styles.

### BOARD MEETINGS

During the FY 2023, five (5) Board meetings were held in which the Board deliberated upon and considered various issues including the Group's financial results, performance of the Group's business, major investment, business plan and policies and strategies issues affecting the Group's business.

The following is the record of attendance of the Board Members:

Name of Directors	Attendance for FY 2023
Dato' Tan Yee Boon	5/5
Wong Choi Ong	5/5
Pan Kum Wan	5/5
Law Sang Thiam	5/5
Ang Chye Kian	5/5
Andrea Huong Jia Mei	5/5

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### CONTINUING PROFESSIONAL DEVELOPMENT

The Directors are encouraged to attend continuous education programmes/seminars/conferences and shall receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group. Further, all Directors, including newly appointed Directors, are required to attend the Mandatory Accreditation Programme as prescribed by Bursa Securities from time to time.

Details of seminars/conferences/training programmes attended by the Board members during the FY 2023 are listed below:

Name of Directors	Seminars/Conferences/Training Programmes Attended
Dato' Tan Yee Boon	<ul style="list-style-type: none"> <li>■ Sustainability Governance, Management &amp; Reporting</li> <li>■ Starting &amp; Managing Corporate Sustainable &amp; ESG Corporate</li> <li>■ An Overview Of the Listing Requirements</li> </ul>
Wong Choi Ong	Starting & Managing Corporate Sustainable & ESG Corporate
Pan Kum Wan	Starting & Managing Corporate Sustainable & ESG Corporate
Law Sang Thiam	<ul style="list-style-type: none"> <li>■ Most Important Tax Updates in 2022 That You Must Know</li> <li>■ 2023 Budget Seminar</li> <li>■ MIA Webinar Series: Sharpening Practical Accounting Skills to Handle Full Set of Accounts</li> <li>■ Starting &amp; Managing Corporate Sustainable &amp; ESG Corporate</li> <li>■ MIA Webinar Series: Understanding Internal Controls and Test of Control</li> <li>■ MIA Webinar Series: Approaches and Techniques for Determining Fair Value - Accounting for transactions effects by fair value measurement</li> <li>■ 2024 Budget Seminar</li> <li>■ MIA Webinar Series: Optimising on Latest Tax Incentives in Malaysia</li> <li>■ MIA Webinar Series: Latest Updates: Sales Tax for Manufacturers and Sub-Contractors</li> </ul>
Ang Chye Kian	<ul style="list-style-type: none"> <li>■ Bursa Malaysia Immersive Session: The Board "Agender"</li> <li>■ Starting &amp; Managing Corporate Sustainable &amp; ESG Corporate</li> </ul>
Andrea Huong Jia Mei	<ul style="list-style-type: none"> <li>■ MIA Webinar Series: Practical Secretarial Workshop Series (Workshop 3) – Meeting, Minutes and Resolutions</li> <li>■ Sustainability, Risk Management and Corporate Liability under Corruption and Bribery</li> <li>■ The Ultimate Guide to RPT Analysis, Probably (Vol. 1)</li> <li>■ MIA Webinar Series: Integrating Environmental, Social and Governance into Organisational Financial Reporting Framework</li> <li>■ Starting &amp; Managing Corporate Sustainable &amp; ESG Corporate</li> <li>■ Chapter 10 Series: Computation of Percentage Ratios</li> <li>■ ESG Auditing Techniques: Providing Assurance on the Sustainability Statement or Report</li> <li>■ Practical Risk Assessment Techniques</li> </ul>



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### RE-ELECTION OF DIRECTORS

In accordance with the Company's Constitution and in compliance with Rule 7.26(2) of the AMLR of Bursa Securities, all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Clause 76(3) of the Company's Constitution, an election of Directors shall take place each year at the Annual General Meeting ("AGM") of the Company, where one-third (1/3) of the Directors 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 at the conclusion of the AGM and be eligible for re-election. The Directors to retire in every year shall be the Directors who have been longest in office since their last election.

Pursuant to Clause 78 of the Company's Constitution, any Director so appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

The NC has conducted a fit and proper assessment of the retiring directors who seek for re-election at the forthcoming AGM namely, Mr Wong Choi Ong and Dato' Tan Yee Boon pursuant to the Fit and Proper Policy adopted by the Company. The assessment includes the submission of the Fit and Proper Declaration Forms by the retiring Directors to the NC. The NC was satisfied with the fit and proper assessment of the retiring directors.

Based on the evaluation of the individual Directors, the NC was satisfied with the performance of the retiring Directors and the Board has on 5 April 2024 concurred with the NC, to recommend the above retiring Directors for re-election at the forthcoming AGM based on the following justifications:

1. Mr Wong Choi Ong remains objective in expressing his views and managing the daily operations of the Group efficiently. He has enormous experience in the construction of palm oil mills and facilities. Over the years, he has been instrumental in the growth and development of our Group. He has been contributing significantly in penetrating foreign markets including the expansion into Indonesia, Gabon and Liberia. Mr Wong is responsible for driving the future direction of our Group, development of business strategies and business opportunities, marketing as well as building and maintaining business relationships with our customers. He has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Executive Director/Managing Director of the Company.
2. Dato' Tan Yee Boon fulfils the requirements of independence set out in Guidance Note 9 of the AMLR of Bursa Securities. He remains objective and independent in expressing his views and participating in Board deliberations and decision-making. He has vast experience in the legal profession and is able to provide the Board with a diverse set of expertise and perspectives. He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

### TENURE OF INDEPENDENT DIRECTORS

In line with the Practice 5.3 of the MCCG and in accordance with the Board Charter, the tenure of an independent director should not exceed a term limit of nine (9) years. In the event that the Board intends to retain the independent director beyond the nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process and the manner to obtain the shareholders' approval on the resolution shall follow the recommendation of MCCG.

Currently, none of the Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### NOMINATION COMMITTEE

The NC which comprises of three (3) Independent Non-Executive Directors is to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring that the Board consists of the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit the Company's objectives and strategic goals.

The Board has through the NC undertakes an annual assessment of the performance and effectiveness of the Board as a whole, Board Committees and individual Director's contribution to the effectiveness on the process of the Board. The effectiveness of the Board is assessed based on specific criteria, including the mix of skills, experience, tenure and other core qualities possessed by Directors.

One (1) committee meeting was held on 12 April 2023 for the annual assessment on the effectiveness of the Board, the Board Committees and all individual Directors, based on their performance for the FY 2022. The NC had also assessed and recommended the re-election of Mr Pan Kum Wan and Mr Law Sang Thiam as Directors at the 2<sup>nd</sup> AGM of the Company held on 26 May 2023.

Meanwhile, the NC had on 5 April 2024 conducted the annual assessment on the effectiveness of the Board, the Board Committees and all individual Directors, based on their performance for the FY 2023.

Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises Directors who possess a wide range of expertise, experience and skill in various fields enable them to discharge their duties and responsibilities effectively. The Chairman of the Board had performed excellently and contributed to the Board.

### REMUNERATION COMMITTEE

The Board has set up a RC which comprises exclusively Independent Non-Executive Directors, is responsible for reviewing and recommending to the Board matters relating to the remuneration of the Board and senior management, which consist of compensation, bonuses, incentives and benefits.

The RC meets when required and is entrusted, among others, to establish a formal and transparent procedure for developing executive remuneration, fixing and examining the remuneration packages and other benefits of the Executive Directors and senior management. The contribution, responsibilities and performance of each Executive Director and senior management is taken into account when determining their respective remuneration packages.

Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.

The RC has recommended the adoption of the Remuneration Policy to the Board for approval via written resolution and the Remuneration Policy of the Group was adopted on 16 January 2023 and subsequently revised on 12 April 2023. The Remuneration Policy is available on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

One (1) committee meeting was held on 12 April 2023 for the review and recommendation of the proposed remuneration package of the Executive Directors and key senior management to the Board for approval as well as the payment of directors' fees and benefits to the Board for their recommendation to the shareholders for approval.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### DIRECTORS' REMUNERATION

The details of the Directors' remuneration comprising remuneration and material benefits-in-kind received from the Company and the Group for the FY 2023 are as follows:-

Category	Salaries (RM)	Fees (RM)	Benefits-in-kind (RM)	*Other emoluments (RM)	Total (RM)
<b>Executive Directors</b>					
Wong Choi Ong	1,786,153	–	23,950	123,559	1,933,662
Pan Kum Wan	1,194,968	–	14,275	69,143	1,278,386
<b>Non-Executive Directors</b>					
Dato' Tan Yee Boon	–	60,000	–	5,000	65,000
Law Sang Thiam	–	36,000	–	5,000	41,000
Ang Chye Kian	–	36,000	–	5,000	41,000
Andrea Huong Jia Mei	–	36,000	–	5,000	41,000

**Note:**

\*Other emoluments comprise contributions to Employees Provident Fund, Social Security Organisation and Employment Insurance System, and allowances.

The MCGG recommended the Board to disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. However, the Board is of the view that due to the highly competitive nature of the human resource market, the disclosure on a named basis for the top senior management would not be in the best interest of the Company.

Nevertheless, the details of the remuneration of the top five senior management in each successive band of RM100,000 during the FY 2023 are as follows:-

Range of Remuneration (RM)	Number of Employees
100,000 – 200,000	2
200,001 – 300,000	1
300,001 – 400,000	–
400,001 – 500,000	–
500,001 – 600,000	2

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is assisted by the Audit and Risk Management Committee (“ARMC”) which comprises solely three (3) Independent Non-Executive Directors, to oversee the Group’s corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations. The Chairman of the ARMC is not the Chairman of the Board.

The Board took note of Practice 9.2 of the MCCG that the ARMC to have a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC and has incorporated the said practice in the TOR of the ARMC. No former partner of the Company’s external audit firm and/or the affiliate firm has been appointed to the Board thus far.

The independence, suitability and appointment/re-appointment of the External Auditors is reviewed by the ARMC annually.

The composition of the ARMC is reviewed annually with the view to maintain an independent and effective ARMC, and in line with the principles of the MCCG, all members of the ARMC will undertake continuous professional training relating to development in accounting and auditing standards by attending trainings on the developments and changes in the Malaysian Financial Reporting Standards in order for them to discharge their duties effectively.

Details of the activities carried out by the ARMC for the FY 2023 are set out in the ARMC Report in the Annual Report.

#### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is entrusted with the overall responsibility of continually maintaining a sound system of risk management and internal controls, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard stakeholders’ interest and the Group’s assets. The internal control system is designed to assess current and emerging risks and respond appropriately to the risks encountered.

As an effort to enhance the system of risk management and internal controls, the Board together with the assistance of an external professional Internal Audit firm adopted on-going monitoring and reviewing of the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the ARMC and the Board in strengthening and improving current management and operating style in pursuit of best practices.

As an ongoing process, significant business risks faced by the Group are identified and evaluated, and consideration is given to the potential impact in achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the importance of being accountable to the shareholders and investing public via a direct and effective line of communication. The Company always ensures timely release of announcement of events, quarterly announcement of financial results and product information on the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com).

The Company also maintains various methods of dissemination of information to shareholders, stakeholders and the public at large such as announcements and disclosure to Bursa Securities, Annual Reports, General Meetings and investors, analyst and media briefings.

#### CONDUCT OF GENERAL MEETINGS

General meetings serve as an invaluable platform for shareholders to engage with the Board and Key Senior Management in productive dialogue and provide constructive feedback that contributes to the overall betterment of the Group.

The notice of AGM was issued at least twenty-eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, was also published in major local newspaper.

Each item of special business included in the notices of the AGM or Extraordinary General Meeting was accompanied by a full explanation of the effects of any proposed resolution. In line with Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in the notice of general meetings were put to vote by poll. The Company appointed an independent scrutineer, Scrutineer Solutions Sdn. Bhd. to validate the vote cast in the general meetings and the outcome of the general meetings were announced to Bursa Securities on the same meeting days.

All the Directors as well as the Chairman of the respective Board Committees (i.e. Audit and Risk Management Committee, Remuneration Committee and Nomination Committee) were present at the 2<sup>nd</sup> AGM held on 26 May 2023 and the Extraordinary General Meeting held on 24 November 2023 to engage directly with the shareholders and responded to all questions raised and provided clarification as required by the shareholders. The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

The minutes of the 2<sup>nd</sup> AGM and the Extraordinary General Meeting were made available on the Company's website within 30 business days after the general meetings.

#### COMPLIANCE STATEMENT

Save as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

This Corporate Governance Overview Statement was approved by the Board on 5 April 2024.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“the Board”) of Ecoscience International Berhad (“Ecoscience” or “the Company”) is pleased to present its Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December (“FY”) 2023.

## OBJECTIVES

The principal objectives of ARMC is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the financial reporting process, internal controls and risk management of the Company and its subsidiaries (collectively “the Group”).

## MEMBERS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Our ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, and each satisfies the independence requirements contained in the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The composition of the ARMC are as follows:

ARMC Members	Designation	Directorship
Law Sang Thiam	Chairman	Independent Non-Executive Director
Ang Chye Kian	Member	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director

The Chairman of the ARMC, namely Mr Law Sang Thiam, has been a member of the Malaysian Institute of Accountants since 2003 and Malaysian Institute of Certified Public Accountants since 2004. Hence, the Company complies with Rule 15.09(1)(c)(i) of the AMLR.

The Company has complied with Rule 15.09(1)(b) of the AMLR of Bursa Securities which required all the ARMC members to be non-executive directors, with majority of them being independent directors.

Details of the members of the ARMC are contained in the Profile of Directors as set out on pages 11 to 13 of this Annual Report.

## MEETINGS AND ATTENDANCE

During the FY 2023, five (5) meetings were held. The details of attendance of each member at the ARMC meetings were as follows:

ARMC Members	No. of meeting attended	Percentage
Law Sang Thiam	5/5	100%
Ang Chye Kian	5/5	100%
Andrea Huong Jia Mei	5/5	100%

Senior management were invited to attend the meetings for clarification of matters raised at the meetings as and when required.

Minutes of each ARMC meeting were recorded by the Company Secretaries and tabled for confirmation and adoption at the next ARMC meeting. The Chairman of the ARMC reported the salient issues of each meeting to the Board.

## TERMS OF REFERENCE

The ARMC is guided by its Terms of Reference, which is available on the Company’s website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com). The Terms of Reference shall be assessed, reviewed and updated when necessary.



## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC carried out its duties for the FY 2023 in accordance with its Terms of Reference.

The following summarises the works carried out by the ARMC during FY 2023:

#### Financial Performance and Reporting

- Reviewed quarterly financial reports for the quarters ended 31 December 2022, 31 March 2023, 30 June 2023 and 30 September 2023 of the Group before recommending to the Board for their consideration, approval and subsequent announcement to Bursa Securities. At all ARMC meetings, the Head of Finance presented and explained the financial performance of the Group to the members of ARMC. The ARMC has ensured that the quarterly and annual financial reports were prepared in compliance with the AMLR of Bursa Securities, applicable approved accounting standards of the Malaysian Accounting Standards Board (MASB) and other relevant legal and statutory requirements.
- Reviewed and highlighted to the Board significant matters raised by the External Auditors and Internal Auditors including key audit matters and actions taken for improvement.
- Reviewed the Audit and Risk Management Committee Reports and Statement on Risk Management and Internal Control before recommending to the Board for consideration and approval for inclusion in the Annual Report 2022.
- Reviewed on a quarterly basis, related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms.
- Reported to the Board on matters and issues discussed during the ARMC meetings, together with applicable recommendations for approvals.
- Reviewed the changes to the Terms of Reference of the ARMC that requires the ARMC to review any or potential conflict of interest situations that arose, persist or may arise within the Group and the measures taken to resolve, eliminate or mitigate such conflicts before recommending to the Board for consideration and approval.

#### External Audit

- On 28 February 2023, reviewed the External Auditors' works to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements for FY 2022.
- Reviewed the suitability and performance as well as factors relating to the independence of the External Auditors with due consideration to the quality, robustness and timeliness of the audit and report furnished, audit governance, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements as well as the quality of the people and service level. Based on the review on 12 April 2023, the ARMC was satisfied with the External Auditors' suitability, objectivity, independence as well as the quality of audit services provided, sufficiency of audit resources and interactions with the management for FY 2022. The ARMC had then recommended to the Board for the re-appointment of Crowe Malaysia PLT as the Company's External Auditors.
- On 24 November 2023, the ARMC reviewed and approved the external audit plan for FY 2023, which covers the audit approach, areas of audit emphasis, group audit, assessment on control reliance, liaise with internal auditors and to take into consideration the work covered to determine External Auditors' audit strategy, reporting and deliverables, engagement team, fees and other matters for the FY 2023, as presented by Mr Piong Yew Peng, the partner of our External Auditors, Crowe Malaysia PLT.
- Conducted private session with the External Auditors without the presence of the Management on 24 November 2023.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### Internal Audit

- Reviewed the first internal audit report prepared by GovernanceAdvisory.com Sdn Bhd ("GA") in respect of project tendering management during the review period from 1 August 2022 to 31 October 2022 as presented by GA on 28 February 2023 which covers the scope of work of GA, review objectives, review approach, summary of projects invited to tender in year 2022, details of targeted project tender, standard operating policies and procedures and summary of audit observations.
- Reviewed the second internal audit report prepared by GA in respect of progress billing and collection during the review period from 1 February 2023 to 30 April 2023 as presented by GA on 25 August 2023, which covers the scope of work of GA, review objectives, review approach, standard operating procedures, project selected, narrative of internal control, detailed audit observations and potential risks and implications.
- Conducted private session with GA without the presence of the Management on 28 February 2023.
- Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that the internal audit function is effective.
- Reviewed and monitored the outcome of follow-up audits including proposed recommendations, status of completion and corrective actions taken by the Management.

### INTERNAL AUDIT FUNCTION

The Board acknowledges the need for an effective system of internal control covering all aspects of the Group's activities including the mapping and management of risks which the Group may be exposed to.

The Group has engaged an independent internal audit service provider, GA to provide internal audit function to the Group. This is to assist the ARMC in discharging its duties and responsibilities in carrying out regular reviews on the effectiveness of the internal control system and risk management framework. During the FY 2023, GA has conducted two (2) reviews on the internal controls of the Group on its progress billings and collections for the period from 1 February 2023 to 30 April 2023, and on its subcontractor management for the period from 1 September 2023 to 30 November 2023. The professional fee incurred in respect of the internal audit function of the Group for FY 2023 was RM16,000 per scope of work.

The principal role of the internal audit function is to undertake independent and periodic review of the system of internal control and risk management so as to provide a reasonable assurance to the ARMC that such system continues to operate satisfactorily and effectively.

GA adopts a risk-based approach in planning the internal audit review, based on the International Professional Practices Framework (IPPF), the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

### EVALUATION OF ARMC

The Board, through the Nomination Committee, has evaluated the performance of the ARMC and its members. Based on the assessment conducted for FY 2023, the ARMC and its members are found to have effectively discharged their duties and responsibilities in accordance with the ARMC's Terms of Reference.

This report was approved by the ARMC on 5 April 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of Ecoscience International Berhad (the “Board”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) of Ecoscience International Berhad and its subsidiaries (collectively the “Group”) prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance.

## BOARD RESPONSIBILITIES

The Board acknowledges its responsibility and re-affirms its commitment to maintaining sound systems of risk management and internal control to promote good corporate governance, safeguard stakeholders’ interest and the Group’s assets as well as to review the adequacy and effectiveness of these systems.

The Board has delegated the review of the adequacy, effectiveness and integrity of the risk management and internal control systems to the Audit and Risk Management Committee (“ARMC”), which keeps the Board informed of any significant issues arising from the risk management and internal control systems of the Group that has brought to the attention of the ARMC by the Management, the Internal Auditors and the External Auditors.

Due to the inherent limitations in any system of risk management and internal control, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the Group from achieving its business objectives. As such, the systems could only provide reasonable but not absolute assurance against the risks of material misstatement of financial information, financial losses and fraud or breaches of laws or regulations. The Board remains responsible for the governance of risk and all the actions of the ARMC with regard to the execution of delegated oversight responsibilities.

## RISK MANAGEMENT

Risk management is an integral part of our Group’s business operations and this process goes through a review process by the Board. This is to ensure that all high risks are adequately addressed at various levels within the Group.

The Group has in place a risk management framework as an ongoing process for identifying, analysing, managing and monitoring risks faced by the Group. The risk management process includes identifying significant risks and assessing the likelihood of occurrence, impact and severity of each risk identified. Appropriate mitigating, reporting and monitoring measures are proposed to manage the risks. Managing Director, Executive Director and Heads of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards.

The duties and responsibilities of the ARMC in relation to risk management are as follows:

- (i) To review and recommend risk management strategies, policies and risk tolerance levels for the Board’s approval.
- (ii) To review and assess the adequacy and effectiveness of risk management and internal control policies and framework in identifying, measuring, monitoring and, controlling risks and the extent to which these are operating effectively.
- (iii) To ensure infrastructure, resources and systems are in place for risk management, i.e. ensure that the staff responsible for implementing risk management systems perform those duties independently of the risk-originating activities of the Company and the Group (where applicable).
- (iv) To review periodic risk management and business exposures reports from the respective business units of the Company and the Group (where applicable) on risk exposures, risk portfolio compositions and risk management activities.
- (v) To review and recommend new policies or changes to policies, and to consider their risk implications.
- (vi) To note and adopt the respective Board minutes (or any other forms of documents that highlight the risk exposures and activities) of companies in the Group with respect to risk management activities carried out at that level.
- (vii) To review disclosures statements relating to management of sustainability, risk management and internal control in the annual report.
- (viii) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

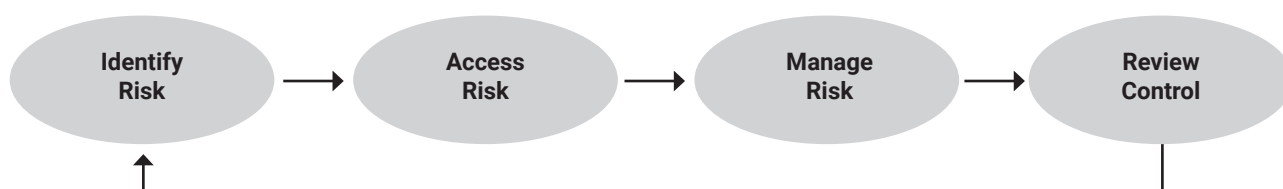
## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### RISK MANAGEMENT (CONT'D)

Management meetings and/or discussions will be held regularly to ensure that the risks faced by the Group are monitored and the existing mitigating actions are adequate. During these meetings, the key risks and corresponding controls implemented will be deliberated, reviewed, communicated and agreed upon.

The application of the risk management process is based on the general principles of an internationally recognised risk management framework. Based on the key risks identified, measures and actions are identified and implemented to minimise the possibility and impact of these risks.

The Risk Management process adopted by the Company is as follows:



The Head of Departments have identified potential risks which are pertinent to the Group. These risks and its mitigating factors can be summarised as follows:

Risk	Mitigating factors
Dependent on our ability to continuously secure new projects	<ul style="list-style-type: none"> <li>We will continue to tender for new projects.</li> <li>We will continue to promote our business.</li> <li>Participate in tendering of projects related to renewable energy, such as businesses related to the production of biofuel from palm oil waste.</li> </ul>
We are subject to risks associated with Gabon	<ul style="list-style-type: none"> <li>We reduce our risk exposure by sub-contracting the local portion of the work to contractors who are registered in Gabon.</li> <li>We maintain bank accounts in EUR, which provide a natural hedge against foreign exchange fluctuations to mitigate the foreign exchange risk.</li> <li>We closely monitor our project executions in Gabon to ensure compliance with the necessary laws, rules, and other requirements of conducting business in Gabon.</li> </ul>
We are exposed to the risks of project delays as well as contract termination or suspension	<ul style="list-style-type: none"> <li>It is within our practice to request for an extension of time supported by reason with the respective customer.</li> </ul>
Fluctuations in the market price of steel	<ul style="list-style-type: none"> <li>We will lock in the price for all of the steel products and pipes with suppliers for a period of time while we bid for a contract.</li> </ul>
Cyber Risk	<ul style="list-style-type: none"> <li>Increase the size of the local server.</li> <li>We ensure the outsourced IT service providers are competent to safeguard and protect all information and documents at all times.</li> <li>We implement tight security measures, including passwords, firewalls and anti-virus software.</li> <li>We educate employee on anti-phishing safety tips on electronic mail transmissions.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### RISK MANAGEMENT (CONT'D)

The Head of Departments have identified potential risks which are pertinent to the Group. These risks and its mitigating factors can be summarised as follows: (Cont'd)

Risk	Mitigating factors
Bribery and Corruption	<ul style="list-style-type: none"><li>We ensure continuous awareness of the Anti-Bribery and Corruption Policy, the Company has posted the Policy on the Company's website for easy access by employees and business associates.</li></ul>
Currency exchange fluctuations	<ul style="list-style-type: none"><li>To hedge the currency when necessary.</li><li>We pay foreign subcontractor or supplier with same currency.</li></ul>
Talent retention and sustainability	<ul style="list-style-type: none"><li>Implement diversity in hiring and promotion.</li><li>Provide training and development to the employee.</li><li>Employee recognition and rewards.</li></ul>
Health and safety	<ul style="list-style-type: none"><li>Safety training.</li><li>Joint management-worker health and safety meeting to identify, assess and reduce the risk level.</li></ul>
Regulatory and Compliance Risk	<ul style="list-style-type: none"><li>To keep abreast of new developments on AMLR and other regulatory requirements as set by the relevant statutory bodies and regulators.</li></ul>

### INTERNAL CONTROL SYSTEM

The Group has incorporated various key elements into its system of internal control, among which includes:

#### Limits of Authority

A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.

#### Policies and Procedures

Documented internal policies and procedures are in place to ensure compliance with internal controls and the relevant rules and regulations. These are reviewed regularly to ensure that the gaps in controls are addressed and where required, revised to meet the business condition.

#### Code of Conduct

A Code of Conduct policy practices strict commitment to high standards of legal compliance as well as business ethics and expects all employees to adhere to these standards.

#### Whistle Blowing Policy

A Whistle Blowing Policy is established to provide an avenue for employees and other stakeholders to report any breach or suspected breach of any law or regulation in a safe and confidential manner.

#### Anti-Bribery and Corruption Policy

An Anti-Bribery Management and Corruption Policy is established to call for commitment from all stakeholders to uphold the highest standards of ethical conduct, integrity and accountability in our business activities and operations.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL CONTROL SYSTEM (CONT'D)

#### Internal Audit Function

The Group has outsourced its internal audit function to an independent internal audit service provider, GovernanceAdvisory.com Sdn Bhd, which reports directly to the ARMC on a regular basis. Their primary responsibility is to provide independent assessments of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system. The management is responsible for ensuring that corrective actions are taken on reported weaknesses and the internal audit function will carry out subsequent follow-up reviews to ensure the identified areas are rectified for control improvement.

The outsourced internal audit function is free from any relationship or conflict of interest which could impair their objectivity and independence. The outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, obtained sufficient resources and has unrestricted access to employees and information for the internal audit activity.

Two (2) internal audit reviews were conducted in respect of the scope on progress billings and collections, and subcontractor management for the FY 2023.

The Board has reviewed the adequacy and effectiveness of the Group's risk management activities and internal control framework and ensured that necessary actions have been or are being taken to rectify identified weaknesses. The Board concludes that continual improvement on the effective systems of risk management and internal control is in place to safeguard the stakeholders' interest and the Group's assets.

Based on the internal audit review conducted, none of the weaknesses noted has resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in this Annual Report 2023.

#### ASSURANCE

The Board has received assurances from the Managing Director, Executive Director and Head of Finance that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects during FY 2023. There are no significant areas of concern that may affect the financial, operational and compliance controls.

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

Pursuant to Rule 15.23 of the AMLR, the External Auditors have reviewed this Statement for inclusion in this Annual Report 2023. Their limited assurance review is guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

AAPG3 does not require the External Auditors to consider whether the 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 systems including the assessment and opinion by the Board of Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

#### CONCLUSION

The Board is of the view that the Group's risk management and internal control systems in place for FY 2023, and up to the date of approval of this Statement, is adequate and effective to safeguard the stakeholders' interest and the Group's assets.

This Statement was approved by the Board on 5 April 2024.



# DIRECTORS' RESPONSIBILITY STATEMENT

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

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

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with 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 the Company as at 31 December 2023 and of the financial performance and cash flows for the financial year ended on that date.

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

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

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

The above statement is made in accordance with a resolution of Board of Directors dated 5 April 2024.



# FINANCIAL

## STATEMENTS

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### 06 FINANCIAL STATEMENTS

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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 information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

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

## RESULTS

	The Group RM	The Company RM
Loss after tax for the financial year	9,818,495	6,729,247
Attributable to:-		
Owners of the Company	9,818,495	6,729,247

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM74,991,180 to RM87,231,180 by way of issuance of 34,000,000 new ordinary shares at an issue price of RM0.36 per share pursuant to a private placement for a total cash consideration of RM12,240,000.

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

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

**DIRECTORS' REPORT**  
(CONT'D)**WARRANTS**

As at the end of the financial year, the Company has the following outstanding warrants:

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 31.12.2023
Warrants 2023/2026	RM0.41	20 December 2026	186,999,999

Warrants 2023/2026 were issued on 21 December 2023 pursuant to the bonus issue of 186,999,999 free warrants in the Company on the basis of one free warrant for every two existing ordinary shares in the Company. The warrants entitle the holders to subscribe for new ordinary shares in the Company on the basis of one new ordinary share for every warrant held at an exercise price of RM0.41 per ordinary share within 3 years from the date of the issue of the warrants. The exercise price of the warrants is subject to adjustment from time to time accordance with the conditions stipulated in the Deed Poll created on 29 November 2023.

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

**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 their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

## DIRECTORS' REPORT (CONT'D)

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### 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:-

Wong Choi Ong \*  
Pan Kum Wan \*  
Andrea Huong Jia Mei  
Ang Chye Kian  
Dato' Tan Yee Boon  
Law Sang Thiam

\* Directors of the Company and its subsidiaries.

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Ding Rui Zhen, Claire  
Pan Ching Looi  
Thing Jin Suan

**DIRECTORS' REPORT**  
(CONT'D)**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 corporations during the financial year are as follows:-

	<-----Number of Ordinary Shares----->			
	At 1.1.2023	Bought	Sold	At 31.12.2023
<b>The Company</b>				
<i>Direct Interests</i>				
Wong Choi Ong	13,928,000	—	—	13,928,000
Ang Chye Kian	100,000	—	—	100,000
Dato' Tan Yee Boon	200,000	—	—	200,000
Law Sang Thiam	200,000	—	—	200,000
<i>Indirect Interests</i>				
Wong Choi Ong #	153,117,000	—	—	153,117,000
Pan Kum Wan *	164,383,927	10,000	—	164,393,927

	<-----Number of Warrants----->			
	At 1.1.2023	Allotment	Sold	At 31.12.2023
<b>The Company</b>				
<i>Direct Interests</i>				
Wong Choi Ong	—	6,964,000	—	6,964,000
Ang Chye Kian	—	50,000	—	50,000
Dato' Tan Yee Boon	—	100,000	—	100,000
Law Sang Thiam	—	100,000	—	100,000
<i>Indirect Interests</i>				
Wong Choi Ong #	—	76,558,500	—	76,558,500
Pan Kum Wan *	—	82,196,963	—	82,196,963

# Deemed interested by virtue of his indirect substantial shareholding in Rajawali Wang Sdn. Bhd. through Caiwan Capital Sdn. Bhd. and Visionary Support Sdn. Bhd. and interest through children's shareholding in the Company.

\* Deemed interested by virtue of his indirect substantial shareholding in Rajawali Wang Sdn. Bhd. through Dynagear Technologies Sdn. Bhd. and Visionary Support Sdn. Bhd. and interest through spouse's and children's shareholding in the Company.

By virtue of their shareholdings in the Company, Wong Choi Ong and Pan Kum Wan are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

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



## DIRECTORS' REPORT (CONT'D)

### 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 arise from the following transactions:-

	The Group RM	The Company RM
<b>Subsidiaries</b>		
Interest income	–	17,834

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is 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:-

	The Group RM	The Company RM
Fees	168,000	168,000
Salaries, bonuses and other benefits	3,003,023	20,000
Defined contribution benefits	190,800	–
	3,361,823	188,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM38,225.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

**DIRECTORS' REPORT**  
(CONT'D)**SUBSIDIARIES**

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiaries of the Company</i>			
Ecoscience Manufacturing & Engineering Sdn. Bhd. ("EMESB")	Malaysia	100%	Construction of plants and facilities, fabrication of equipment, and supply of materials and equipment
Asia Ecoscience Pte. Ltd.	Singapore	100%	Installation of industrial machinery and equipment, mechanical engineering works, general building engineering design and consultancy services
<i>Subsidiaries of EMESB</i>			
Ecoscience Technologies Sdn. Bhd.	Malaysia	100%	Fabrication and supply of energy and environmental related equipment
Top Well Trading & Services Sdn. Bhd.	Malaysia	100%	Supply of spare parts and construction materials, and provision of maintenance services

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 22 August 2023, the Company announced a proposal to undertake an issuance of up to 187,000,000 free warrants in the Company ("Free Warrants") on the basis of 1 Warrant for every 2 existing ordinary shares in the Company ("Proposed Free Warrants Issue"). The shareholders approved the Proposed Free Warrants Issue during the extraordinary general meeting held on 24 November 2023.

The Free Warrants were issued on 21 December 2023 with an exercise price of RM0.41 and completed on 28 December 2023 following the admission of the Warrants to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing and quotation of 186,999,999 Free Warrants on the ACE Market of Bursa Securities on 28 December 2023.

- (b) On 10 July 2023, the Group has incorporated a wholly-owned subsidiary, PT Indo Ecoscience Industries in Indonesia which is 99.9% owned by Ecoscience International Berhad and 0.1% owned by its wholly-owned subsidiary, Ecoscience Manufacturing & Engineering Sdn Bhd. As at financial year end, the Group has yet to complete the incorporation of this Indonesia subsidiary.

## 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:-

	The Group RM	The Company RM
Audit fees	221,145	68,000
Non-audit fees	25,000	25,000
	246,145	93,000

Signed in accordance with a resolution of the directors dated 5 April 2024.

**Wong Choi Ong**

**Pan Kum Wan**

## STATEMENT BY DIRECTORS

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

We, Wong Choi Ong and Pan Kum Wan, being two of the directors of Ecoscience International Berhad, state that, in the opinion of the directors, the financial statements set out on pages 71 to 132 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 of 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 5 April 2024.

**Wong Choi Ong**

**Pan Kum Wan**

## STATUTORY DECLARATION

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

I, Wong Choi Ong, being the director primarily responsible for the financial management of Ecoscience International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 71 to 132 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  
Wong Choi Ong, NRIC Number: 640814-05-5189  
at Johor Bahru  
in the State of Johor  
on this dated 5 April 2024

Before me

**Wong Choi Ong**

**Nur Amreeta Kaur Gubachen Singh (J276)**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ECOSCIENCE INTERNATIONAL BERHAD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Ecoscience International Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information as set out on pages 71 to 132.

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### Key Audit Matters (Cont'd)

Reasonableness of revenue recognition arising from contracts with customers Refer to Notes 4.1(e) and 26 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group's revenue is principally derived from the following businesses:</p> <ul style="list-style-type: none"> <li>• Construction of Plants and Facilities</li> <li>• Fabrication of Equipment</li> <li>• Supply of materials and equipment</li> <li>• Others</li> </ul> <p>Pursuant to MFRS 15, revenue may be recognised at a point in time or progressively over time and judgements required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:-</p> <ul style="list-style-type: none"> <li>• Interpreting of contract terms and conditions;</li> <li>• Assessing and identifying the performance obligations; and</li> <li>• Assessing the computation of revenue recognition.</li> </ul>	<p>To address this risk, our audit procedures involved the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the contract terms and identifying performance obligations stipulated in the contracts on sample basis;</li> <li>• Evaluating whether the performance obligations are satisfied at a point in time or over time; and</li> <li>• Assessing whether the revenue is recognised in accordance with MFRS 15 "Revenue with Contract Customers".</li> </ul>
Reasonableness of attributable profit arising from construction contracts Refer to Notes 4.1(e) to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group recognises certain revenue and cost relating to its construction activities over time by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period using the input method. This requires the use of estimates on construction contract revenue and cost.</p> <p>Revenue and cost recognised on over time have an inherent risk as they involve judgement and estimates. Substantial changes to construction contract revenue and cost estimates in the future can have a significant effect on the Group's results.</p>	<p>To address this risk, our audit procedures involved the following:</p> <ul style="list-style-type: none"> <li>• Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the construction contract revenue and cost;</li> <li>• Reviewing the reasonableness of the estimated construction contract revenue by comparing the letter of awards, progress claims certified by the construction customers' consultants and variation orders on sample basis; and</li> <li>• Reviewing the reasonableness of the estimated construction contract cost by reviewing the contract works awarded to subcontractors and suppliers, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period on sample basis.</li> </ul>



## INDEPENDENT AUDITORS' REPORT (CONT'D)

### Key Audit Matters (Cont'd)

Going concern basis for the preparation of the Group's financial statements Refer to Notes 3.1 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has prepared its financial statements on a going concern basis notwithstanding that the Group recorded a loss before tax of RM8.5 million and a negative operating cash flow of RM10.2 million for the financial year ended 31 December 2023.</p> <p>As disclosed in Note 3.1 to the financial statements, the Directors are of the opinion that there is no material uncertainty in respect of the ability of the Group to continue as a going concern and the preparation of the financial statements of the Group in the going concern basis is appropriate after having considered the expected cash flows arising from the Group's ongoing construction and fabrication projects and adequacy of financing facilities available to the Group.</p> <p>This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the Directors' assessment on going concern basis for the preparation of the financial statements of the Group.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>Assessing the ability of the Group to continue as a going concern and meet its obligations for the next twelve months from the date of financial statements based on the budgeted cash flows prepared by the management for the said period and evaluating the key assumptions used by management in preparing the budgets;</li> <li>Assessing the availability of financing facilities to the Group to support its operations;</li> <li>Evaluating the judgement exercised by management in determining the appropriateness of using the going concern basis in the preparation of the financial statements; and</li> <li>Evaluating the adequacy of disclosures for the going concern in the financial statements.</li> </ul>

### 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.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional 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.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

### OTHER MATTERS

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

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

Johor Bahru

5 April 2024

**Piong Yew Peng**  
03070/06/2025 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

		The Group		The Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	–	–	71,529,668	51,566,100
Property, plant and equipment	6	22,707,849	25,282,227	–	–
Other investments	7	3,620,315	2,036,700	–	–
		26,328,164	27,318,927	71,529,668	51,566,100
<b>CURRENT ASSETS</b>					
Inventories	8	24,043,114	18,169,801	–	–
Trade receivables	9	29,182,557	22,694,034	–	–
Other receivables, deposits and prepayments	10	8,453,574	12,450,675	18,623	178,167
Short-term investment	11	5,141,092	5,915,926	5,141,092	5,915,926
Contract assets	12	47,008,657	57,678,761	–	–
Amount owing by subsidiaries	13	–	–	681,381	14,428,187
Current tax assets		4,227,490	5,164,799	75,000	45,000
Fixed deposits with licensed banks	14	23,672,084	17,195,605	–	–
Cash and bank balances		2,652,455	6,419,820	178,656	50,178
		144,381,023	145,689,421	6,094,752	20,617,458
<b>TOTAL ASSETS</b>		<b>170,709,187</b>	<b>173,008,348</b>	<b>77,624,420</b>	<b>72,183,558</b>

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

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

		The Group		The Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	15	87,231,180	74,991,180	87,231,180	74,991,180
Merger deficit	16	(45,209,495)	(45,209,495)	–	–
Foreign exchange translation reserve	17	556,954	(461,365)	–	–
Retained profits/(Accumulated losses)		33,848,564	43,667,059	(9,698,526)	(2,969,279)
<b>TOTAL EQUITY</b>		<b>76,427,203</b>	<b>72,987,379</b>	<b>77,532,654</b>	<b>72,021,901</b>
<b>NON-CURRENT LIABILITIES</b>					
Hire purchase payables	18	627,460	968,628	–	–
Term loans	19	7,135,194	8,143,248	–	–
Deferred tax liabilities	20	1,205,343	638,598	–	–
		<b>8,967,997</b>	<b>9,750,474</b>	<b>–</b>	<b>–</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	21	21,530,289	29,682,015	–	–
Other payables and accruals	22	4,601,755	5,552,779	91,766	161,657
Provisions	23	810,030	810,232	–	–
Contract liabilities	12	9,569,485	8,616,288	–	–
Hire purchase payables	18	250,952	490,986	–	–
Term loans	19	1,278,428	1,103,922	–	–
Short-term borrowings	24	35,867,151	30,815,635	–	–
Bank overdrafts	25	11,398,282	13,191,611	–	–
Current tax liabilities		7,615	7,027	–	–
		<b>85,313,987</b>	<b>90,270,495</b>	<b>91,766</b>	<b>161,657</b>
<b>TOTAL LIABILITIES</b>		<b>94,281,984</b>	<b>100,020,969</b>	<b>91,766</b>	<b>161,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>170,709,187</b>	<b>173,008,348</b>	<b>77,624,420</b>	<b>72,183,558</b>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	26	155,562,749	94,388,776	–	–
COST OF SALES		(148,281,696)	(85,967,314)	–	–
GROSS PROFIT		7,281,053	8,421,462	–	–
OTHER INCOME		2,622,128	593,387	221,793	624,813
		9,903,181	9,014,849	221,793	624,813
ADMINISTRATIVE EXPENSES		(13,638,926)	(14,083,337)	(1,084,368)	(3,131,382)
FINANCE COSTS		(4,162,428)	(2,640,374)	(287)	(152)
OTHER OPERATING (EXPENSES)/ INCOME		(276,548)	354,945	(5,767,733)	(23,967)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	27	(311,023)	(3,604,927)	(6,630,595)	–
LOSS BEFORE TAX	28	(8,485,744)	(10,958,844)	(7,630,211)	(2,530,688)
TAX (EXPENSE)/INCOME	29	(1,332,751)	1,568,625	(98,652)	–
LOSS AFTER TAX		(9,818,495)	(9,390,219)	(6,729,247)	(2,530,688)
OTHER COMPREHENSIVE INCOME/(EXPENSE)	30				
Foreign currency translation differences		1,018,319	(212,522)	–	–
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(8,800,176)	(9,602,741)	(6,729,247)	(2,530,688)
LOSS PER SHARE (SEN)	31				
Basic		(2.84)	(3.18)		
Diluted		(2.77)	(3.18)		

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



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Non-Distributable			Distributable		Total Equity RM
		Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM		
<b>The Group</b>							
Balance at 1.1.2023		74,991,180	(45,209,495)	(461,365)	43,667,059		72,987,379
Loss after tax for the financial year		-	-	-	(9,818,495)		(9,818,495)
Other comprehensive income for the financial year		-	-	1,018,319	-		1,018,319
- Foreign currency translation differences							
Total comprehensive income/ (expenses) for the financial year		-	-	1,018,319	(9,818,495)		(8,800,176)
Contributions by and distribution to owners:							
- Issuance of shares via private placement	15	12,240,000	-	-	-		12,240,000
Balance at 31.12.2023		87,231,180	(45,209,495)	556,954	33,848,564		76,427,203
Balance at 1.1.2022		51,566,102	(45,209,495)	(248,843)	53,057,278		59,165,042
Loss after tax for the financial year		-	-	-	(9,390,219)		(9,390,219)
Other comprehensive expense for the financial year		-	-	(212,522)	-		(212,522)
- Foreign currency translation differences							
Total comprehensive expense for the financial year		-	-	(212,522)	(9,390,219)		(9,602,741)
Contributions by and distributions to owners:							
- Issuance of shares for public issue	15	24,650,850	-	-	-		24,650,850
- Listing expense	15	(1,225,772)	-	-	-		(1,225,772)
Total contributions by and distributions to owners		23,425,078	-	-	-		23,425,078
Balance at 31.12.2022		74,991,180	(45,209,495)	(461,365)	43,667,059		72,987,379

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

STATEMENTS OF CHANGES IN EQUITY  
(CONT'D)

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
<b>The Company</b>				
Balance at 1.1.2022		51,566,102	(438,591)	51,127,511
Loss after tax/Total comprehensive expenses for the financial year		–	(2,530,688)	(2,530,688)
Contributions by and distributions to owners:-				
- Issuance of shares for public issue	15	24,650,850	–	24,650,850
- Listing expenses	15	(1,225,772)	–	(1,225,772)
Total contributions by and distributions to owners		23,425,078	–	23,425,078
Balance at 31.12.2022/1.1.2023		74,991,180	(2,969,279)	72,021,901
Loss after tax/Total comprehensive expenses for the financial year		–	(6,729,247)	(6,729,247)
Contribution by and distributions to owners:-				
- Issuance of shares via private placement	15	12,240,000	–	12,240,000
Balance at 31.12.2023		87,231,180	(9,698,526)	77,532,654

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>				
Loss before tax	(8,485,744)	(10,958,844)	(6,630,595)	(2,530,688)
Adjustments for:-				
Depreciation of property, plant and equipment	1,395,260	1,181,864	—	—
Fair value loss on other investments	276,548	32,678	—	—
Fair value gain on short-term investment	(162,829)	(42,673)	(162,829)	(42,673)
Gain on disposal of property, plant and equipment	(105,066)	—	—	—
Impairment loss:				
- contract assets	69,702	—	—	—
- subsidiaries	—	—	5,763,187	—
- trade receivables	823,224	3,675,527	—	—
Interest expenses	3,215,613	2,375,766	—	—
Interest income	(599,919)	(359,780)	(58,964)	(260,740)
Inventories written down	1,586,391	—	—	—
Provision for onerous contract	(202)	202	—	—
Reversal of impairment loss on trade receivables	(581,903)	(70,600)	—	—
Unrealised (gain)/loss on foreign exchange	(1,345,269)	157,551	—	—
Operating loss before working capital changes	(3,914,194)	(4,008,309)	(1,089,201)	(2,834,101)
Increase in inventories	(7,459,704)	(2,956,466)	—	—
Decrease/(Increase) in contract assets	10,600,402	(815,769)	—	—
(Increase)/Decrease in trade and other receivables	(1,431,744)	(32,863,029)	159,544	(177,667)
Increase in contract liabilities	953,197	8,616,233	—	—
(Decrease)/Increase in trade and other payables	(9,102,750)	9,886,619	(69,891)	140,457
<b>CASH FOR OPERATIONS</b>	<b>(10,354,793)</b>	<b>(22,140,721)</b>	<b>(999,548)</b>	<b>(2,871,311)</b>
Income tax paid	(275,402)	(2,801,000)	(128,652)	(45,000)
Income tax refunded	446,705	47,011	—	—
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(10,183,490)</b>	<b>(24,894,710)</b>	<b>(1,128,200)</b>	<b>(2,916,311)</b>

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

STATEMENTS OF CASH FLOWS  
(CONT'D)

		The Group		The Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Interest income received		599,919	359,780	58,964	260,740
Repayment from/(Advances to) subsidiaries		–	–	13,746,806	(14,846,078)
Disposal/(Purchase) of short-term investment		937,663	(5,873,253)	937,663	(5,873,253)
Proceeds from disposal of property, plant and equipment		2,236,900	–	–	–
Purchase of other investments		(1,860,163)	(537)	–	–
Purchase of property, plant and equipment	32(a)	(666,601)	(1,305,540)	–	–
Share application money for additional investment in a subsidiary		–	–	(25,726,755)	–
NET CASH FROM/(FOR) INVESTING ACTIVITIES		1,247,718	(6,819,550)	(10,983,322)	(20,458,591)
CASH FLOWS FROM FINANCING ACTIVITIES					
Additions to pledged fixed deposits		(6,476,479)	(3,676,862)	–	–
Drawdown of short-term borrowings	32(b)	117,220,529	88,464,296	–	–
Drawdown of term loans	32(b)	1,724,950	673,050	–	–
Interest paid	32(b)	(3,215,613)	(2,375,766)	–	–
Net proceeds from issuance of ordinary shares		12,240,000	23,425,078	12,240,000	23,425,078
Repayment of short-term borrowings	32(b)	(112,169,013)	(74,322,822)	–	–
Repayment of hire purchase obligations	32(b)	(581,202)	(483,686)	–	–
Repayment of term loans	32(b)	(2,710,449)	(1,285,609)	–	–
NET CASH FROM FINANCING ACTIVITIES		6,032,723	30,417,679	12,240,000	23,425,078
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,903,049)	(1,296,581)	128,478	50,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(6,771,791)	(5,250,899)	50,178	2
EFFECTS OF TRANSLATION RESERVE		929,013	(224,311)	–	–
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	32(d)	(8,745,827)	(6,771,791)	178,656	50,178

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur W.P, Kuala Lumpur
Principal place of business	:	PLO 555, Jalan Keluli 8 Pasir Gudang Industrial Estate 81700 Pasir Gudang Johor Darul Takzim

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

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 5 April 2024.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under 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.

#### 3.1 GOING CONCERN

The Group has prepared its financial statements on a going concern basis notwithstanding that the Group recorded a loss before tax of RM8.5 million and a negative operating cash flow of RM10.2 million for the financial year ended 31 December 2023. This gives rise to concern as to whether the use of the going concern assumption is appropriate in connection with the preparation of the Group's financial statements.

The directors are of the opinion that there is no material uncertainty in respect of the ability of the Group to continue as a going concern and the preparation of the financial statements of the Group on a going concern basis is appropriate after having considered the following:

- (a) The expected cash flows arising from the Group's ongoing construction and fabrication projects; and
- (b) Adequacy of financing facilities available to the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 During the current financial year, the Group and the Company have adopted the following new accounting standards (including consequential amendments, if any):-

**MFRSs (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 standard (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

- 3.3 The Group and the Company have not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

**MFRSs (Including The Consequential Amendments)**

**Effective Date**

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

Amendment 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

Amendment to MFRS 107 and MFRS 7: Supplier Finance Arrangements

1 January 2024

Amendments to MFRS 121: Lack of Exchangeability

1 January 2025

The adoption of the above accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(b) Impairment of Property, Plant and Equipment**

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

##### **(c) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 8 to the financial statements.

##### **(d) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 12 to the financial statements respectively.

##### **(e) Revenue Recognition for Construction Contracts**

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 12 to the financial statements.

##### **(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### (a) **Going Concern**

Management concludes that it is appropriate to prepare the financial statements on a going concern basis. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 3.1 to the financial statements.

##### (b) **Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### (c) **Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

#### 4.2 FINANCIAL INSTRUMENTS

##### (a) **Financial Assets**

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

##### (b) Financial Liabilities

###### Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest.

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

##### (d) Derivative

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

##### (e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

#### 4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as merger deficit. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### 4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Plant and machinery	20%
Furniture, fittings and office equipment	20%
Motor vehicles	20%
Renovations	20%
Electrical installation	20%

Asset work-in-progress represent plant and machinery under installation. They are not depreciated until such time when the asset is available for use.

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal annual periods and rates are:-

Leasehold land	Over the remaining 44 years
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#### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### (a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

The group represents the right-of-use assets under property, plant and equipment in the statement of financial position.

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### 4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

### 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 RM	2022 RM
Unquoted shares, at cost	51,566,100	51,566,100
Accumulated impairment losses	(5,763,187)	–
	45,802,913	51,566,100
Share application money for additional investment in a subsidiary	25,726,755	–
	71,529,668	51,566,100
Accumulated impairment losses:-		
At 1 January	–	–
Addition during the financial year (Note 28)	5,763,187	–
At 31 December	5,763,187	–

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Subsidiaries of the Company				
Ecoscience Manufacturing & Engineering Sdn. Bhd. (“EMESB”)	Malaysia	100	100	Construction of plants and facilities, fabrication of equipment, and supply of materials and equipment
Asia Ecoscience Pte. Ltd. ^	Singapore	100	100	Installation of industrial machinery and equipment, mechanical engineering works, general building engineering design and consultancy services

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
		%	%	
Subsidiaries of EMESB				
Ecoscience Technologies Sdn. Bhd.	Malaysia	100	100	Fabrication and supply of energy and environmental related equipment
Top Well Trading & Services Sdn. Bhd.	Malaysia	100	100	Supply of spare parts and construction materials, and provision of maintenance services

<sup>^</sup> This subsidiary was audited by other firms of chartered accountants.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2023 RM	Additions (Note 32(a)) RM	Disposal RM	Translation Differences RM	Depreciation Charges (Note 28) RM	At 31.12.2023 RM
<b>2023</b>						
<i>Carrying Amount</i>						
<u>Owned assets</u>						
Freehold land	1,814,000	–	–	–	–	1,814,000
Buildings	15,742,959	–	(2,068,268)	286,106	(323,535)	13,637,262
Plant and machinery	1,556,307	350,782	–	–	(448,533)	1,458,556
Furniture, fittings, and office equipment	257,068	70,927	–	12	(113,736)	214,271
Motor vehicles	1,434,193	–	(63,566)	–	(402,796)	967,831
Renovations	22,176	–	–	(3)	(22,037)	136
Electrical installation	39	–	–	–	–	39
Asset under construction	–	244,892	–	–	–	244,892
<u>Right-of-use asset</u>	20,826,742	666,601	(2,131,834)	286,115	(1,310,637)	18,336,987
<u>Leasehold land</u>	4,455,485	–	–	–	(84,623)	4,370,862
	25,282,227	666,601	(2,131,834)	286,115	(1,395,260)	22,707,849



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2022 RM	Additions (Note 32(a)) RM	Reclassification RM	Translation Differences RM	Depreciation Charges (Note 28) RM	At 31.12.2022 RM
<b>2022</b>						
<i>Carrying Amount</i>						
<u>Owned assets</u>						
Freehold land	1,814,000	-	-	-	-	1,814,000
Buildings	16,084,916	-	-	(22,394)	(319,563)	15,742,959
Plant and machinery	692,978	120,608	1,006,962	-	(264,241)	1,556,307
Furniture, fittings, and office equipment	234,875	124,945	-	(23)	(102,729)	257,068
Motor vehicles	647,481	1,154,378	-	-	(367,666)	1,434,193
Renovations	65,598	-	-	(381)	(43,041)	22,176
Electrical installation	39	-	-	-	-	39
Asset under construction	784,412	222,550	(1,006,962)	-	-	-
	20,324,299	1,622,481	-	(22,798)	(1,097,240)	20,826,742
<u>Right-of-use asset</u>						
Leasehold land	4,540,109	-	-	-	(84,624)	4,455,485
	24,864,408	1,622,481	-	(22,798)	(1,181,864)	25,282,227

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>The Group</b>			
<b>2023</b>			
<u>Owned assets</u>			
Freehold land	1,814,000	–	1,814,000
Buildings	15,711,000	(2,073,738)	13,637,262
Plant and machinery	5,796,951	(4,338,395)	1,458,556
Furniture, fittings, and office equipment	1,610,527	(1,396,256)	214,271
Motor vehicles	2,983,072	(2,015,241)	967,831
Renovations	1,210,325	(1,210,189)	136
Electrical installation	57,313	(57,274)	39
Asset under construction	244,892	–	244,892
	29,428,080	(11,091,093)	18,336,987
<u>Right-of-use asset</u>			
Leasehold land	5,000,000	(629,138)	4,370,862
	34,428,080	(11,720,231)	22,707,849
<b>2022</b>			
<u>Owned assets</u>			
Freehold land	1,814,000	–	1,814,000
Buildings	17,805,818	(2,062,859)	15,742,959
Plant and machinery	5,446,169	(3,889,862)	1,556,307
Furniture, fittings, and office equipment	1,538,140	(1,281,072)	257,068
Motor vehicles	3,618,734	(2,184,541)	1,434,193
Renovations	1,197,014	(1,174,838)	22,176
Electrical installation	57,313	(57,274)	39
	31,477,188	(10,650,446)	20,826,742
<u>Right-of-use asset</u>			
Leasehold land	5,000,000	(544,515)	4,455,485
	36,477,188	(11,194,961)	25,282,227

(a) The Group has leased contract for leasehold land used in its operations. The lease term is as follows:-

Leasehold land	The Group has entered into 1 (2022 – 1) non-cancellable operating lease agreement for the use of land. The lease is for a period of 60 (2022 – 60) years with no renewal or purchase option included in the agreement. The lease does not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land without the prior approval from lessor.
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NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) The following property, plant and equipment of the Group have been pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Notes 19, 24 and 25 to the financial statements:-

	The Group	
	2023 RM	2022 RM
<i>Carrying Amount</i>		
Plant and machinery	747,000	946,200
Freehold land	1,814,000	1,814,000
Leasehold land	4,370,862	4,455,485
Buildings	13,479,784	15,238,630
	20,411,646	22,454,315

- (c) Included in the property, plant and equipment of the Group were motor vehicles and plant and machinery with a total carrying amount of RM910,623 (2022 – RM1,572,098) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 18 to the financial statements.

## 7. OTHER INVESTMENTS

	The Group	
	2023 RM	2022 RM
At 1 January	2,036,700	2,068,841
Additions	1,860,163	207,658
Disposal	–	(207,121)
Fair value loss during the financial year (Note 28)	(276,548)	(32,678)
At 31 December	3,620,315	2,036,700

Other investments represent four life insurance policies (the “Policy”) taken to insure a managing director and one of the key management personnel (“KMP”) of the Group (the “Insured Person”). Under the Policy, the beneficiary is a bank (the “Bank”) and the total insured sum is RM16,710,000 (2022 – RM3,010,000). At the inception of the Policy, the Group paid an upfront payment of RM4,069,125 (2022 – RM2,208,962). For any insured events happened to the Insured Person, the insured sum will be used to settle the outstanding bank loan of the Group from the Bank and thereafter any excess amount will be payable to the Group. The Policy can be withdrawn at any time with surrender charges if such withdrawal occurs before the maturity date of the Policy and a cash refund will be based on the cash surrender value of the Policy at the date of withdrawal.

As at 31 December 2023, the directors of the Group expect that the Policy will be terminated at the maturity date and there will be no specific surrender charges in accordance with the terms of the Policy. The directors of the Group consider that the expected life of the Policy will remain unchanged from initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7. OTHER INVESTMENTS (CONT'D)

At the end of reporting period, the upfront payments and its maturity dates are as follows:

	The Group	
	2023 RM	2022 RM
- expires in year 2024	2,001,304	2,001,304
- expires in year 2028	207,658	207,658
- expires in year 2029	1,700,203	-
- expires in year 2033	159,960	-
	4,069,125	2,208,962

In the event of death of the Insured Person, the other investments will be derecognised and any resulting gains or losses will be recognised in profit or loss.

### 8. INVENTORIES

	The Group	
	2023 RM	2022 RM
Raw materials	3,400,938	4,177,026
Work-in-progress	21,331,988	13,096,196
Finished goods	896,579	896,579
	25,629,505	18,169,801
Less: Inventories written down	(1,586,391)	-
	24,043,114	18,169,801
Recognised in profit or loss:-		
Inventories recognised as cost of sales	146,695,305	85,967,314
inventories written down (Note 28)	1,586,391	-
Movement for inventories written down:-		
At 1 January	-	-
Addition during the financial year	1,586,391	-
At 31 December	1,586,391	-

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 9. TRADE RECEIVABLES

	The Group	
	2023 RM	2022 RM
Third parties	33,185,161	26,455,317
Less : Allowance for impairment losses	(4,002,604)	(3,761,283)
	29,182,557	22,694,034
Allowance for impairment losses:-		
At 1 January	3,761,283	156,356
Addition during the financial year (Note 27)	823,224	3,675,527
Reversal during the financial year (Note 27)	(581,903)	(70,600)
At 31 December	4,002,604	3,761,283

- (a) The Group's normal trade credit terms range from 30 to 60 (2022 – 30 to 60) days.
- (b) Included in the trade receivables of the Group at the end of the reporting period was an amount of RM6,934,509 which has been assigned to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

## 10. OTHER RECEIVABLES, DEPOSITS, AND PREPAYMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables:-				
Third parties	7,354,251	11,348,797	5,039	–
Goods and services tax recoverable	–	824	–	–
	7,354,251	11,349,621	5,039	–
Advance payments to suppliers	430,631	69,479	–	–
Deposits	549,002	653,575	1,500	178,167
Prepayments	119,690	378,000	12,084	–
	8,453,574	12,450,675	18,623	178,167

The advance payments to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11. SHORT-TERM INVESTMENT

	The Group/The Company	
	2023	2022
	RM	RM
Money market fund, at fair value (Note 32(d))	5,141,092	5,915,926

The fund invests mainly into Islamic money market instruments and thus have minimum exposure to changes in market value. There is no maturity period for money market funds as these money is callable on demand.

### 12. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023	2022
	RM	RM
<b>Contract Assets</b>		
Construction of plants and facilities	44,893,449	51,831,404
Fabrication of equipments and goods	2,184,910	5,847,357
	47,078,359	57,678,761
Less : Allowance for impairment losses	(69,702)	–
	47,008,657	57,678,761
<b>Contract Liabilities</b>		
Construction of plants and facilities	(1,402,877)	(8,518,019)
Fabrication of equipments and goods	(8,166,608)	(98,269)
	(9,569,485)	(8,616,288)
	37,439,172	49,062,473

- (a) The contract assets primarily relate to the Group's right to consideration for works completed on construction contracts and fabrication works but not yet billed as at the reporting date. The amount will be invoiced within 180 (2022 – 180) days.

Included in contract assets are retention sum receivables totalling RM2,952,405 (2022 – RM8,449,713). These retention sums are expected to be collected within the periods ranging from 360 to 720 (2022 – 360 to 720) days.

- (b) The movement in the loss allowance in respect of the contract assets are summarised below:-

	The Group	
	2023	2022
	RM	RM
At 1 January		
Addition during the financial year (Note 27)	69,702	–
At 31 December	69,702	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (c) The contract liabilities primarily relate to advance considerations received from few customers for construction contracts, fabrication works and trading of goods of which the revenue will be recognised over the remaining contract term of the specific contract it relates to within 90 (2022 – 30) days.
- (d) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2023 RM	2022 RM
At 1 January	49,062,473	42,865,549
Revenue recognised in profit or loss during the financial year	155,552,749	94,365,776
Billings to customers during the financial year	(170,483,712)	(88,089,197)
Impairment loss recognised in profit and loss (Note 27)	(69,702)	–
Translation difference	3,377,364	(79,655)
At 31 December	37,439,172	49,062,473

- (e) As at the end of the reporting period, the transaction price allocated to the unsatisfied performance obligation is expected to be recognised as below:-

	2023 RM	2022 RM
Within 1 year	109,371,880	148,450,465
Between 1 and 2 years	43,470,202	28,569,621
	152,842,082	177,020,086

The amounts disclosed above do not have variable consideration.

### 13. AMOUNTS OWING BY SUBSIDIARIES

The amounts owing by subsidiaries represent unsecured advances granted to subsidiaries which are repayable on demand. Interest is charged ranging from 3.25% to 5.00% (2022 – 2.25% to 3.25%) per annum on the outstanding balance. The amounts owing are to be settled in cash.

### 14. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.10% to 3.45% (2022 – 1.60% to 2.85%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2022 – 30 to 365) days for the Group.
- (b) All the fixed deposits with licensed banks of the Group at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to Group as disclosed in Notes 19, 24 and 25 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number of Shares		RM	RM
<b>Issued and Fully Paid-up</b>				
Ordinary Shares				
At 1 January	340,000,000	257,830,500	74,991,180	51,566,102
Issuance of new shares:				
- public issue	–	82,169,500	–	24,650,850
- private placement	34,000,000	–	12,240,000	–
Listing expenses	–	–	–	(1,225,772)
At 31 December	374,000,000	340,000,000	87,231,180	74,991,180

(a) 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.

(b) During the financial year, the Company increased its issued and paid-up share capital from RM74,991,180 to RM87,231,180 by way of issuance of 34,000,000 new ordinary shares at an issue price of RM0.36 per share pursuant to a private placement for a total cash consideration of RM12,240,000.

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

(c) In the previous financial year, the Company increased its issued and paid-up share capital from RM51,566,102 to RM76,216,952 by way of issuance of 82,169,500 new ordinary shares at an issue price of RM0.30 per share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM24,650,850. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,225,772 were offset against share capital.

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

### 16. MERGER DEFICIT

The merger deficit arises from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

### 17. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 18. HIRE PURCHASE PAYABLES (SECURED)

	2023 RM	The Group 2022 RM
Minimum hire purchase payments:		
- not later than 1 year	283,662	544,336
- later than 1 year and not later than 5 years	667,300	1,043,362
	950,962	1,587,698
Less: Future finance charges	(72,550)	(128,084)
Present value of hire purchase payables	878,412	1,459,614
Analysed by:-		
Current liabilities	250,952	490,986
Non-current liabilities	627,460	968,628
	878,412	1,459,614

The hire purchase payables are secured by the Group's property, plant and equipment as disclosed in Note 6(c) to the financial statements.

## 19. TERM LOANS (SECURED)

	2023 RM	The Group 2022 RM
Current liabilities	1,278,428	1,103,922
Non-current liabilities	7,135,194	8,143,248
	8,413,622	9,247,170

(a) The term loans at the end of the reporting period are secured by:-

- (i) legal charges over property, plant and equipment as disclosed in Note 6(b) to the financial statements;
- (ii) fixed deposits with licensed banks of the Group as disclosed in Note 14(b) to the financial statements;  
and
- (iii) jointly and severally guaranteed by certain directors of the Group.

(b) The interest rate profile of the term loans are summarised below:-

	Effective Interest Rate %	2023 RM	The Group 2022 RM
Fixed rate term loans	3.00	420,392	624,056
Floating rate term loans	4.10 - 5.89	7,993,230	8,623,114
		8,413,622	9,247,170

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 19. TERM LOANS (SECURED) (CONT'D)

- (c) The term loans are secured by a negative pledge that imposes certain covenants on the subsidiary. The significant covenants of the term loans are as follows:-
- (i) The subsidiary maintains a tangible net worth of not less than RM30,000,000 for the financial year.
  - (ii) The subsidiary's gearing ratio shall not exceed 2.0 times.
  - (iii) Dividend payment made by the subsidiary shall not exceed 50% of its respective year's profit after tax.
  - (iv) The subsidiary shall maintain operating account with bank with minimum 30% sales proceed to be channelled to the bank.

The subsidiary has complied with the loan covenants.

### 20. DEFERRED TAX LIABILITIES

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 29) RM	At 31.12.2023 RM
<b>2023</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	2,364,980	3,990	2,368,970
Contract assets	–	351,773	351,773
	2,364,980	355,763	2,720,743
<i>Deferred Tax Assets</i>			
Provisions	(194,400)	–	(194,400)
Contract liabilities	(617,082)	617,082	–
Allowance for impairment losses	(865,700)	(455,300)	(1,321,000)
Unused tax losses	(49,200)	49,200	–
	(1,726,382)	210,982	(1,515,400)
	638,598	566,745	1,205,343

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. DEFERRED TAX LIABILITIES (CONT'D)

	At 1.1.2022 RM	Recognised in Profit or Loss (Note 29) RM	At 31.12.2022 RM
<b>2022</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	2,302,080	62,900	2,364,980
Contract assets	313,412	(313,412)	–
	2,615,492	(250,512)	2,364,980
<i>Deferred Tax Assets</i>			
Provisions	(194,400)	–	(194,400)
Contract liabilities	–	(617,082)	(617,082)
Allowance for impairment losses	–	(865,700)	(865,700)
Unused tax losses	–	(49,200)	(49,200)
	(194,400)	(1,531,982)	(1,726,382)
	2,421,092	(1,782,494)	638,598

### 21. TRADE PAYABLES

The normal trade credit term granted to the Group range from 30 to 60 (2022 – 30 to 60) days.

### 22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables - third parties	2,188,711	1,753,493	17,566	107,847
Deposit received	480,950	382,500	–	–
Accruals	1,426,483	2,261,428	74,200	53,810
Payroll liabilities	505,611	1,155,358	–	–
	4,601,755	5,552,779	91,766	161,657

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. PROVISIONS

	2023 RM	The Group 2022 RM
<b>Provision for Onerous Contract</b>		
At 1 January	202	–
Provision made during the financial year (Note 28)	–	202
Realisation of provision made in previous financial year (Note 28)	(202)	–
At 31 December	–	202
<b>Provision for Liquidated Ascertained Damages</b>		
At 1 January/31 December	810,030	810,030

### 24. SHORT-TERM BORROWINGS (SECURED)

	2023 RM	The Group 2022 RM
Bankers' acceptances	9,834,291	9,020,317
Invoice financing	25,532,860	21,295,318
Revolving credit	500,000	500,000
	35,867,151	30,815,635

- (a) The short-term borrowings of the Group at the end of the reporting period bore interest rates ranging from 4.14% to 7.16% (2022 – 3.48% to 7.06%) per annum. The short-term borrowings drawn for a period ranging from 85 to 150 (2022 – 58 to 150) days for the Group.
- (b) The short-term borrowings of the Group are secured in the same manner as the term loans disclosed in Note 19 to the financial statements.
- (c) Certain short-term borrowings of the Group are further secured by assignment of contract proceeds receivable to a licensed bank.

### 25. BANK OVERDRAFTS (SECURED)

- (a) The bank overdrafts of the Group are secured in the same manner as the term loans disclosed in Note 19 to the financial statements.
- (b) The bank overdrafts of the Group at the end of the reporting period bore floating interest rates ranging from 7.70% to 10.65% (2022 – 7.45% to 10.40%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### (CONT'D)

## 26. REVENUE

	2023 RM	The Group 2022 RM
<b>Revenue from Contracts with Customers</b>		
<u>Recognised over time</u>		
Construction of plants and facilities	134,031,442	44,290,696
Fabrication of equipment	6,309,189	6,556,774
	140,340,631	50,847,470
<u>Recognised at a point in time</u>		
Fabrication of equipment	3,535,010	14,950,379
Supply of material and equipment	11,122,479	27,601,358
Others	554,629	966,569
	15,212,118	43,518,306
	155,552,749	94,365,776
<b>Revenue from Other Source</b>		
Rental income from equipment	10,000	23,000
	155,562,749	94,388,776

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 35.2 to the financial statements.
- (b) The information on transaction price allocated to unsatisfied performance obligations as at the reporting date is disclosed in Note 12(e) to the financial statements.
- (c) The information about the performance obligations in contracts with customers is summarised below:-

#### Construction of plants and facilities

Revenue from construction contracts is recognised over time in the period when the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. REVENUE (CONT'D)

- (c) The information about the performance obligations in contracts with customers is summarised below (Cont'd):-

#### Fabrication of equipments and goods

The construction contracts include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the expected cost plus a margin approach.

Revenue is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Billings to customers are based on agreed milestones under the agreement, certified by architects. The credit period is ranging from 30 to 60 days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms not exceeding 12 months.

Revenue from fabrication of equipment which either creates or enhances an asset that the customer controls as the asset is created or enhanced or the customer simultaneously receives and consumes the benefits provided as the Group performs is recognised over time according to the accounting policy as described in "construction of plants and facilities".

#### Others

Revenue from others included the sales of material, equipment and spare parts, repair and maintenance services and other services.

Revenue from sales of material, equipment and spare parts is recognised at a point in time when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue from repair and maintenance and other services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from other services which the customer simultaneously receives and consumes the benefits provided as the Company performs is recognised over time according to the accounting policy as described in "construction of plants and facilities".

There is no significant financing component in the selling price as the billings are made on the normal credit terms not exceeding 12 months.

- (d) The information of the revenue from other sources is summarised below:-

#### Rental Income

Rental income is recognised on a straight-line basis over the lease term.



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 27. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2023 RM	2022 RM
Impairment losses on contract assets (Note 12)	69,702	–
Impairment losses on trade receivables (Note 9)	823,224	3,675,527
Reversal of impairment losses on trade receivables (Note 9)	(581,903)	(70,600)
	311,023	3,604,927

## 28. LOSS BEFORE TAX

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	221,145	173,296	68,000	48,000
- non-audit fees	25,000	5,000	25,000	5,000
Depreciation of property, plant and equipment (Note 6)	1,395,260	1,181,864	–	–
Directors' remuneration (Note 33(a))	3,642,695	3,665,947	188,000	110,000
Fair value loss on other investments	276,548	32,678	–	–
Impairment loss on investment in subsidiaries (Note 5)	–	–	5,763,187	–
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	912,678	834,175	–	–
- bankers' acceptances	1,803,938	1,171,062	–	–
- hire purchase payables	51,637	40,796	–	–
- term loans	447,360	329,744	–	–
Inventories written down	1,586,391	–	–	–
Lease expenses:				
- short-term leases	1,292,220	487,062	–	–
- low-value assets	9,561	9,200	–	–
Listing expenses	–	1,624,433	–	2,924,748
(Gain)/Loss on foreign exchange:				
- realised	(247,106)	(107,064)	4,546	23,967
- unrealised	(1,345,269)	157,551	–	–
Provisions of onerous contract	(202)	202	–	–
Staff costs (including other key management personnel as disclosed in Note 33):				
- short-term employee benefits	7,724,792	8,998,066	–	–
- defined contribution benefits	695,285	715,992	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 28. LOSS BEFORE TAX (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax is arrived at after charging/(crediting) (Cont'd):-				
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investment	(162,829)	(42,673)	(162,829)	(42,673)
Gain on disposal of property, plant and equipment	(105,066)	-	-	-
Interest income received on short-term investment	(29,838)	(3,253)	(29,838)	(3,253)
Interest income on financial assets measured at amortised cost:				
- bank	(12,227)	(57,264)	(11,292)	(57,264)
- fixed deposits with licensed banks	(557,703)	(298,901)	-	-
- advances to subsidiaries	-	-	(17,834)	(200,223)
- others	(151)	(362)	-	-
Lease income	(161,737)	(184,275)	-	-

### 29. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
- current financial year	358,800	15,200	-	-
- underprovision in the previous financial year	407,206	198,669	98,652	-
	766,006	213,869	98,652	-
Deferred tax (Note 20):				
- origination and reversal of temporary differences	471,745	(1,657,294)	-	-
- under/(over)provision in the previous financial year	95,000	(125,200)	-	-
	566,745	(1,782,494)	-	-
	1,332,751	(1,568,625)	98,652	-

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 29. TAX EXPENSE/(INCOME) (CONT'D)

A reconciliation of income tax expense applicable to loss before taxation at the statutory tax rates to tax expense/income at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(8,485,744)	(10,958,844)	(6,630,595)	(2,530,688)
Tax at the statutory tax rate of 24% (2022 – 24%)	(2,036,579)	(2,630,123)	(1,591,343)	(607,365)
Tax effects of:-				
Non-deductible expenses	1,426,301	311,225	1,586,375	528,146
Non-taxable income	(66,401)	(132,814)	(45,932)	(781)
Effects of differential in tax rate of a foreign subsidiary	144,111	476,503	–	–
Utilisation of deferred tax assets not recognised in the previous financial year	–	(21,900)	–	–
Deferred tax assets not recognised during the financial year	1,363,113	355,015	50,900	80,000
Underprovision of income tax in the previous financial year	407,206	198,669	98,652	–
Under/(Over)provision of deferred tax in the previous financial year	95,000	(125,200)	–	–
	1,332,751	(1,568,625)	98,652	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 – 24%) of the estimated assessable profit for the financial year. The taxation of a foreign subsidiary is calculated at the Singapore statutory tax rate of 17% (2022 - 17%) of the estimated assessable profit for the financial year.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unused tax losses:				
- expires year of assessment 2028	29,000	29,000	–	–
- expires year of assessment 2029	490,000	490,000	–	–
- expires year of assessment 2030	454,000	454,000	–	–
- expires year of assessment 2032	33,000	33,000	–	–
- expires year of assessment 2033	322,000	–	212,000	–
	1,328,000	1,006,000	212,000	–

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. OTHER COMPREHENSIVE INCOME/(EXPENSE)

	The Group	
	2023 RM	2022 RM
<b>Item that Will be Reclassified Subsequently to Profit or Loss</b>		
Foreign currency translation:		
- changes during the financial year	1,018,319	(212,522)

### 31. LOSS PER SHARE

#### (a) Basic Loss Per Share

The basic loss per share is calculated by dividing the consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2023 RM	2022 RM
Loss attributable to owners of the Company (Basic)	(9,818,495)	(9,390,219)
Weighted average number of ordinary shares in issue (Basic)	346,241,096	295,425,860
Basic loss per share (sen)	(2.84)	(3.18)

#### (b) Diluted Loss Per Share

The diluted loss per share is calculated by dividing the consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year and adjusted for the effects of dilutive potential ordinary shares.

	The Group	
	2023 RM	2022 RM
Loss attributable to the owners of the Company (Diluted)	(9,818,495)	(9,390,219)
Weighted average number of ordinary shares in issue (Basic)	346,241,096	295,425,860
Effect of dilution due to conversion of warrants	8,850,490	–
Weighted average number of ordinary shares in issue (Diluted)	355,091,586	295,425,860
Diluted loss per share (sen)	(2.77)	(3.18)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 32. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2023 RM	2022 RM
Cost of property, plant and equipment purchased (Note 6)	666,601	1,622,481
Less: Acquired through hire purchase arrangements	–	(1,014,800)
Add: Payments in respect of previous financial year's purchases	–	697,859
	666,601	1,305,540

- (b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bank Overdrafts RM	Term Loans RM	Hire Purchase Payables RM	Short-term Borrowings RM	Total RM
<b>2023</b>					
At 1 January	*	9,247,170	1,459,614	30,815,635	41,522,419
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	*	1,724,950	–	117,220,529	118,945,479
Repayment of principal	*	(2,710,449)	(581,202)	(112,169,013)	(115,460,664)
Repayment of interests	(912,678)	(447,360)	(51,637)	(1,803,938)	(3,215,613)
	(912,678)	(1,432,859)	(632,839)	3,247,578	269,202
<u>Other Changes</u>					
Foreign exchange adjustments	–	151,951	–	–	151,951
Interest expenses recognised in profit or loss (Note 28)	912,678	447,360	51,637	1,803,938	3,215,613
	912,678	599,311	51,637	1,803,938	3,367,564
At 31 December	*	8,413,622	878,412	35,867,151	45,159,185

- \* Bank overdrafts have formed part of the cash and cash equivalents, therefore, no movement for principal amount is presented.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Bank Overdrafts RM	Term Loans RM	Hire Purchase Payables RM	Short-term Borrowings RM	Total RM
<b>2022</b>					
At 1 January	*	9,720,507	928,500	16,674,161	27,323,168
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	*	673,050	–	88,464,296	89,137,346
Repayment of principal	*	(1,285,609)	(483,686)	(74,322,822)	(76,092,117)
Repayment of interests	(834,175)	(329,744)	(40,796)	(1,171,062)	(2,375,777)
	(834,175)	(942,303)	(524,482)	12,970,412	10,669,452
<u>Other Changes</u>					
Acquisition of new hire purchase arrangements for assets purchased in current financial year (Note 32(a))	–	–	1,014,800	–	1,014,800
Foreign exchange adjustments	–	139,222	–	–	139,222
Interest expenses recognised in profit or loss (Note 28)	834,175	329,744	40,796	1,171,062	2,375,777
	834,175	468,966	1,055,596	1,171,062	3,529,799
At 31 December	*	9,247,170	1,459,614	30,815,635	41,522,419

\* Bank overdrafts have formed part of the cash and cash equivalents, therefore, no movement for principal amount is presented.

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2023 RM	2022 RM
Payment of short-term leases	1,292,220	487,062
Payment of low-value assets	9,561	9,200
	1,301,781	496,262

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 32. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term investment	5,141,092	5,915,926	5,141,092	5,915,926
Fixed deposits with licensed banks	23,672,084	17,195,605	–	–
Cash and bank balances	2,652,455	6,419,820	178,656	50,178
Bank overdrafts	(11,398,282)	(13,191,611)	–	–
	20,067,349	16,339,740	5,319,748	5,966,104
Less: Short-term investment (Note 11)	(5,141,092)	(5,915,926)	(5,141,092)	(5,915,926)
Fixed deposits pledged to licensed banks (Note 14)	(23,672,084)	(17,195,605)	–	–
	(8,745,827)	(6,771,791)	178,656	50,178

## 33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial years are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	168,000	98,000	168,000	98,000
- salaries, bonuses and other benefits	3,003,023	3,047,276	20,000	12,000
	3,171,023	3,145,276	188,000	110,000
Defined contribution benefits	190,800	206,700	–	–
	3,361,823	3,351,976	188,000	110,000
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees	20,321	19,374	–	–
- salaries, bonuses and other benefits	232,759	264,489	–	–
	253,080	283,863	–	–
Defined contribution benefits	27,792	30,108	–	–
	280,872	313,971	–	–
Total directors' remuneration (Note 28)	3,642,695	3,665,947	188,000	110,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM38,225 (2022 – RM44,725).



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 33. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial years are as follows (Cont'd):-

#### (b) Other Key Management Personnel

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term employee benefits	1,406,012	1,392,527	–	–
Defined contribution benefits	104,678	105,768	–	–
Total compensation for other key management personnel (Note 28)	1,510,690	1,498,295	–	–

### 34. RELATED PARTY DISCLOSURES

#### (a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

#### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the subsidiaries during the financial year:-

	The Company	
	2023 RM	2022 RM
<b>Subsidiaries</b>		
Management fees	–	321,400
Interest income	17,834	200,223

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. 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.

The Group is organised into the 3 main reportable segments as follows:-

- Construction of Plants and Facilities Segment – involved in the construction of palm oil mill, and its facilities, rubber plantation facilities and other industry facilities.
- Fabrication of Equipment Segment – involved in the fabrication of palm oil mill equipment.
- Supply of Material and Equipment – involved in trading of construction material and equipment.
- Others – involved in fabrication of other equipment and other services.

- (a) The directors assess the performance of the reportable segments based on their profit before interest expense and tax. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

- (b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and other tax-related liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses and listing expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. OPERATING SEGMENTS (CONT'D)

#### 35.1 BUSINESS SEGMENTS

2023	Construction of Plants and Facilities RM	Fabrication of Equipment RM	Supply of Material and Equipment RM	Others RM	The Group RM
<b>Revenue</b>					
External revenue	134,031,442	9,854,199	11,122,479	554,629	155,562,749
<b>Results</b>					
Segment (loss)/profit before interest and tax	(2,453,819)	284,151	526,113	(515,426)	(2,158,981)
Finance costs					(4,162,428)
Unallocated expenses					(2,164,335)
Loss before tax					(8,485,744)
<b>Other Information</b>					
Depreciation of property, plant and equipment	1,066,521	221,218	99,584	7,937	1,395,260
Fair value loss on other investments	234,329	18,365	22,757	1,097	276,548
Fair value gain on short- term investment	–	–	–	(162,829)	(162,829)
Gain on disposal of property, plant and equipment	(89,026)	(6,977)	(8,646)	(417)	(105,066)
Impairment loss on					
- contract assets	4,629	59,061	5,736	276	69,702
- trade receivables	697,546	54,669	67,744	3,265	823,224
Interest income	(472,689)	(37,961)	(45,906)	(43,363)	(599,919)
Interest expenses	2,633,512	323,571	243,933	14,597	3,215,613
Inventories written down	1,344,204	105,349	130,546	6,292	1,586,391
Gain on foreign exchange					
- realised	(114,209)	(70,120)	(63,931)	1,154	(247,106)
- unrealised	(1,356,730)	11,666	(205)	–	(1,345,269)
Realisation of provision of onerous contract	(171)	(13)	(17)	(1)	(202)
Reversal of impairment losses on trade receivables	(493,066)	(38,643)	(47,885)	(2,309)	(581,903)

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 35. OPERATING SEGMENTS (CONT'D)

## 35.1 BUSINESS SEGMENTS (CONT'D)

2023	Construction of Plants and Facilities RM	Fabrication of Equipment RM	Supply of Material and Equipment RM	Others RM	The Group RM
<b>Assets</b>					
Segment assets	122,137,276	15,119,367	23,359,775	5,865,279	166,481,697
Unallocated assets: - current tax assets					4,227,490
Total assets					170,709,187
<u>Additions to non-current assets other than financial instruments are:-</u>					
Property, plant and equipment	60,099	587,436	5,837	13,229	666,601
<b>Liabilities</b>					
Segment liabilities	31,707,088	2,458,250	2,130,125	216,096	36,511,559
Unallocated liabilities: - current tax liabilities					7,615
- deferred tax liabilities					1,205,343
- short-term borrowings					35,867,151
- hire purchase payables					878,412
- term loans					8,413,622
- bank overdrafts					11,398,282
Total liabilities					94,281,984

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. OPERATING SEGMENTS (CONT'D)

#### 35.1 BUSINESS SEGMENTS (CONT'D)

2022	Construction of Plants and Facilities RM	Fabrication of Equipment RM	Supply of Material and Equipment RM	Others RM	The Group RM
<b>Revenue</b>					
External revenue	44,290,696	21,530,153	27,601,358	966,569	94,388,776
<b>Results</b>					
Segment (loss)/profit before interest and tax	(9,247,428)	4,565,564	(427,184)	(157,262)	(5,266,310)
Finance costs					(2,640,374)
Unallocated expenses					(3,052,160)
Loss before tax					(10,958,844)
<b>Other Information</b>					
Depreciation of property, plant and equipment	515,841	328,405	319,892	17,726	1,181,864
Fair value gain on other investments	16,540	6,272	9,576	290	32,678
Fair value loss on short- term investment	–	–	–	(42,673)	(42,673)
Gain on foreign exchange - realised	81,956	(146,517)	(76,214)	33,711	(107,064)
Impairment loss on trade receivables	2,968,827	220,990	482,280	3,430	3,675,527
Interest income	(151,475)	(57,437)	(87,696)	(63,172)	(359,780)
Interest expenses	1,113,163	566,894	668,094	27,615	2,375,766
Loss on foreign exchange - unrealised	5,948	92,206	59,397	–	157,551
Provision - onerous contract	102	39	59	2	202
Reversal of impairment losses on trade receivables	–	(65,598)	–	(5,002)	(70,600)

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 35. OPERATING SEGMENTS (CONT'D)

## 35.1 BUSINESS SEGMENTS (CONT'D)

2022	Construction of Plants and Facilities RM	Fabrication of Equipment RM	Supply of Material and Equipment RM	Others RM	The Group RM
<b>Assets</b>					
Segment assets	93,798,453	33,549,488	33,240,847	7,254,761	167,843,549
Unallocated assets: - current tax assets					5,164,799
Total assets					173,008,348
<u>Additions to non-current assets other than financial instruments are:-</u>					
Property, plant and equipment	757,827	403,753	438,741	22,160	1,622,481
<b>Liabilities</b>					
Segment liabilities	25,216,402	8,400,763	10,540,660	503,489	44,661,314
Unallocated liabilities: - current tax liabilities					7,027
- deferred tax liabilities					638,598
- short-term borrowings					30,815,635
- hire purchase payables					1,459,614
- term loans					9,247,170
- bank overdrafts					13,191,611
Total liabilities					100,020,969

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. OPERATING SEGMENTS (CONT'D)

#### 35.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

The Group	Revenue		Non-current Assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Gabon	40,954,478	9,474,363	–	–
Indonesia	2,492,610	18,213,449	–	–
Liberia	–	224,128	–	–
Malaysia	112,115,661	66,476,836	19,031,738	21,851,385
Singapore	–	–	3,676,111	3,430,842
	155,562,749	94,388,776	22,707,849	25,282,227

#### 35.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

The Group	Revenue	
	2023 RM	2022 RM
Customer A	60,982,141	12,274,517
Customer B	25,706,069	16,913,331
Customer C	21,065,961	10,935,253
Customer D	–	22,742,912

### 36. 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 guarantees extended by a subsidiary to third parties	5,369,689	7,180,454

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

##### (i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Euro Dollar ("EUR"), United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

##### *Foreign Currency Exposure*

	Euro RM	United States Dollar RM	Singapore Dollar RM
<b>The Group</b>			
<b>2023</b>			
<u>Financial Assets</u>			
Trade receivables	7,609,766	5,029,484	–
Other receivables	5,666,733	2,511	1,249
Fixed deposits with licensed banks	–	5,671,183	–
Cash and bank balances	1,615,419	230,635	136,373
	14,891,918	10,933,813	137,622
<u>Financial Liabilities</u>			
Trade payables	–	(363,436)	(202,034)
Other payables	(1,857,974)	–	–
Term loans	–	–	(2,466,250)
	(1,857,974)	(363,436)	(2,668,284)
Net financial assets/(liabilities)	13,033,943	10,570,377	(2,530,662)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	1,729,173	–	–
Currency Exposure	14,763,116	10,570,377	(2,530,662)



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currencies of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

##### *Foreign Currency Exposure (Cont'd)*

The Group	Euro RM	United States Dollar RM	Singapore Dollar RM
<b>2022</b>			
<u>Financial Assets</u>			
Trade receivables	4,717,113	2,194,777	–
Other receivables	6,678,464	2,460,764	70,603
Fixed deposits with licensed banks	–	2,024,770	–
Cash and bank balances	63,205	191,817	98,634
	11,458,782	6,872,128	169,237
<u>Financial Liabilities</u>			
Trade payables	–	(1,070,042)	–
Other payables	–	–	(21,951)
Term loans	–	–	(2,379,491)
	–	(1,070,042)	(2,401,442)
Currency Exposure	11,458,782	5,802,086	(2,232,205)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	2023 RM	The Group 2022 RM
<b>Effects on Loss After Tax</b>		
EUR/RM - strengthened by 11% (2022 - 8%)	(1,304,026)	(609,325)
- weakened by 11% (2022 - 8%)	1,304,026	609,325
USD/RM - strengthened by 12% (2022 - 14%)	(995,768)	(649,830)
- weakened by 12% (2022 - 14%)	995,768	649,830
SGD/RM - strengthened by 9% (2022 - 10%)	173,652	190,171
- weakened by 9% (2022 - 10%)	(173,652)	(190,171)
<b>Effects on Equity</b>		
EUR/RM - strengthened by 11% (2022 - 8%)	1,297,345	1,026,755
- weakened by 11% (2022 - 8%)	(1,297,345)	(1,026,755)

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 19, 24 and 25 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

##### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023 RM	2022 RM
<b>Effects on Loss After Tax</b>		
Increase of 25 (2022 - 100) basis points	67,737	302,289
Decrease of 25 (2022 - 100) basis points	(67,737)	(302,289)

There is no impact on the Group's equity.

##### (iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

##### (b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2022 – 4) customers which constituted approximately 41% (2022 – 59%) of its trade receivables at the end of the reporting period.

In addition, the Group also determine concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2023 RM	2022 RM
Malaysia	11,769,428	13,949,717
Gabon	12,603,099	6,833,631
Indonesia	4,810,030	1,910,686
	29,182,557	22,694,034

##### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM 25,796,675 (2022 – RM 29,839,697), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

##### (iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganization.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 12 months past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 – 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP) rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

## 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses*

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
<b>The Group</b>				
<b>2023</b>				
Current (not past due)	19,530,169	–	(50,089)	19,480,080
1 to 90 days past due	7,107,132	–	(135,668)	6,971,464
91 to 180 days past due	2,046,551	–	(192,723)	1,853,828
181 to 365 days past due	877,185	–	–	877,185
More than 365 days past due	3,624,124	(3,179,380)	(444,744)	–
Trade receivables	33,185,161	(3,179,380)	(823,224)	29,182,557
Contract assets	47,078,359	–	(69,702)	47,008,657
	80,263,520	(3,179,380)	(892,926)	76,191,214
<b>2022</b>				
Current (not past due)	11,694,240	–	–	11,694,240
1 to 90 days past due	10,480,939	–	–	10,480,939
91 to 180 days past due	320,100	–	–	320,100
181 to 365 days past due	2,477,844	(2,477,844)	–	–
More than 365 days past due	1,482,194	(1,283,439)	–	198,755
Trade receivables	26,455,317	(3,761,283)	–	22,694,034
Contract assets	57,678,761	–	–	57,678,761
	84,134,078	(3,761,283)	–	80,372,795

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 9 and 12 to the financial statements respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

###### Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 180 days past due in making a contractual payment.

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 180 days past due	Lifetime expected credit losses

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

###### *Allowance for Impairment Losses*

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

## 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balance)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

*Input, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the amount owing is not recoverable.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

###### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

###### *Allowance for Impairment Losses*

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.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
<b>2023</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	–	21,530,289	21,530,289	21,530,289	–	–
Other payables and accruals	–	4,120,805	4,120,805	4,120,805	–	–
Short-term borrowings	7.80	35,867,151	35,867,151	35,867,151	–	–
Hire purchase payables	4.42	878,412	950,962	283,662	667,300	–
Term loans	4.41	8,413,622	10,874,815	1,680,636	4,002,127	5,192,052
Bank overdrafts	8.06	11,398,282	11,398,282	11,398,282	–	–
		82,208,561	84,742,304	74,880,825	4,669,427	5,192,052
<b>2022</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	–	29,682,015	29,682,015	29,682,015	–	–
Other payables and accruals	–	5,170,279	5,170,279	5,170,279	–	–
Short-term borrowings	5.12	30,815,635	30,815,635	30,815,635	–	–
Hire purchase payables	4.81	1,459,614	1,587,698	544,336	1,043,362	–
Term loans	4.25	9,247,170	12,057,568	1,495,436	4,012,927	6,549,205
Bank overdrafts	7.79	13,191,611	13,191,611	13,191,611	–	–
		89,566,324	92,504,806	80,899,312	5,056,289	6,549,205

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	<b>Weighted Average Effective Interest Rate %</b>	<b>Carrying Amount RM</b>	<b>Contractual Undiscounted Cash Flows RM</b>	<b>Within 1 Year RM</b>
<b>The Company</b>				
<b>2023</b>				
<u>Non-derivative</u>				
<u>Financial Liabilities</u>				
Other payables and accruals	–	91,766	91,766	91,766
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	–	*	25,796,675	25,796,675
		91,766	25,888,441	25,888,441
<b>2022</b>				
<u>Non-derivative</u>				
<u>Financial Liabilities</u>				
Other payables and accruals	–	161,657	161,657	161,657
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	–	*	29,839,697	29,839,697
		161,657	30,001,354	30,001,354

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less cash and bank balances, fixed deposits with licensed banks and short-term investment. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2023 RM	2022 RM
Short-term borrowings (Note 24)	35,867,151	30,815,635
Hire purchase payables (Note 18)	878,412	1,459,614
Term loans (Note 19)	8,413,622	9,247,170
Bank overdrafts (Note 25)	11,398,282	13,191,611
	56,557,467	54,714,030
Less: Short-term investment (Note 11)	(5,141,092)	(5,915,926)
Fixed deposits with licensed banks (Note 14)	(23,672,084)	(17,195,605)
Cash and bank balances	(2,652,455)	(6,419,820)
Net debt	25,091,836	25,182,679
Total equity	76,427,203	72,987,379
Debt-to-equity ratio	0.33	0.35

The debt-to-equity of the Company at the end of the reporting period is not presented as there is no external borrowings.

There were no changes in the approach to capital management during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Other investments (Note 7)	3,620,315	2,036,700	–	–
Short-term investment (Note 11)	5,141,092	5,915,926	5,141,092	5,915,926
	8,761,407	7,952,626	5,141,092	5,915,926
<u>Amortised Cost</u>				
Amount owing by subsidiaries (Note 13)	–	–	681,381	14,428,187
Trade receivables (Note 9)	29,182,557	22,694,034	–	–
Other receivables (Note 10)	7,354,251	11,348,797	5,039	–
Fixed deposits with licensed banks (Note 14)	23,672,084	17,195,605	–	–
Cash and bank balances	2,652,455	6,419,820	178,656	50,178
	62,861,347	57,658,256	865,076	14,478,365
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Hire purchase payables (Note 18)	878,412	1,459,614	–	–
Term loans (Note 19)	8,413,622	9,247,170	–	–
Trade payables (Note 21)	21,530,289	29,682,015	–	–
Other payables and accruals (Note 22)	4,120,805	5,170,279	91,766	161,657
Short-term borrowings (Note 24)	35,867,151	30,815,635	–	–
Bank overdrafts (Note 25)	11,398,282	13,191,611	–	–
	82,208,561	89,566,324	91,766	161,657

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

## 37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net (losses)/gains recognised in profit or loss	(83,881)	13,248	192,667	45,926
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	1,026,314	(3,062,175)	29,126	243,808
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(2,320,792)	(2,612,489)	(4,546)	(10,288)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instrument Carried at Fair Value			Fair Value of Financial Instrument not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2023</b>								
<b>Financial Assets</b>								
Short-term investment	5,141,092	-	-	-	-	-	5,141,092	5,141,092
Other investments	-	3,620,315	-	-	-	-	3,620,315	3,620,315
	5,141,092	3,620,315	-	-	-	-	8,761,407	8,761,407
<b>Financial Liabilities</b>								
Hire purchase payables	-	-	-	-	878,412	-	878,412	878,412
Term loans	-	-	-	-	409,428	-	409,428	420,392
- fixed rate	-	-	-	-	7,993,230	-	7,993,230	7,993,230
- floating rate	-	-	-	-	-	-	-	-
	-	-	-	-	9,281,070	-	9,281,070	9,292,034

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

## 37.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Group	Fair Value of Financial Instrument Carried at Fair Value			Fair Value of Financial Instrument not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2022</b>								
<u>Financial Asset</u>								
Short-term investment	5,915,926	-	-	-	-	-	5,915,926	5,915,926
Other investments	-	2,036,700	-	-	-	-	2,036,700	2,036,700
	5,915,926	2,036,700	-	-	-	-	7,952,626	7,952,626
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	1,459,614	-	1,459,614	1,459,614
Term loans	-	-	-	-	608,281	-	608,281	624,056
- fixed rate	-	-	-	-	8,623,114	-	8,623,114	8,623,114
- floating rate	-	-	-	-	-	-	-	-
	-	-	-	-	10,691,009	-	10,691,009	10,706,784
<b>The Company</b>								
<b>2023</b>								
<u>Financial Asset</u>								
Short-term investment	5,141,092	-	-	-	-	-	5,141,092	5,141,092
<b>2022</b>								
<u>Financial Asset</u>								
Short-term investment	5,915,926	-	-	-	-	-	5,915,926	5,915,926



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

#### 37.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of other investments and short-term investment are determined by reference to information provided by the respective financial institutions, with which the investments were entered into.
- (ii) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of hire purchase payables and term loans that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2023	2022
	%	%
Hire purchase payables	4.42	4.81
Term loan (fixed rate)	4.81	4.34

### 38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 22 August 2023, the Company announced a proposal to undertake an issuance of up to 187,000,000 free warrants in the Company ("Free Warrants") on the basis of 1 Warrant for every 2 existing ordinary shares in the Company ("Proposed Free Warrants Issue"). The shareholders approved the Proposed Free Warrants Issue during the extraordinary general meeting held on 24 November 2023.

The Free Warrants were issued on 21 December 2023 with an exercise price of RM0.41 and completed on 28 December 2023 following the admission of the Warrants to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") and the listing and quotation of 186,999,999 Free Warrants on the ACE Market of Bursa Securities on 28 December 2023.

- (b) On 10 July 2023, the Group has incorporated a wholly-owned subsidiary, PT Indo Ecoscience Industries in Indonesia which is 99.9% owned by Ecoscience International Berhad and 0.1% owned by its wholly-owned subsidiary, Ecoscience Manufacturing & Engineering Sdn Bhd. As at financial year end, the Group has yet to complete the incorporation of this Indonesia subsidiary.

## ADDITIONAL COMPLIANCE INFORMATION

### AMOUNT OF AUDIT FEES AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the External Auditors by the Company and the Group for FY2023 are as follows:

	Group (RM)	Company (RM)
Audit fees	221,145	68,000
Non-audit fees	25,000	25,000
Total	246,145	93,000

### MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of the Directors, chief executive and major shareholders subsisting at the end of the financial year under review.

### UTILISATION OF PROCEEDS

The Company had raised gross proceeds of approximately RM24.65 million from the initial public offering exercise and the utilisation of proceeds raised as at 5 April 2024 are as follows:

<i>Utilisation of proceeds</i>	<i>Proposed utilisation RM'000</i>	<i>Amount utilised RM'000</i>	<i>Balance to be utilised RM'000</i>	<i>Estimated timeframe for utilisation of the Company on the ACE Market of Bursa Securities</i>
<b>Business expansion</b>				
- Establishment of new fabrication facility and office in Indonesia	5,000	30	4,970	Within 24 months
- Expansion of environmental and energy efficiency business	1,000	771	229	Within 24 months
<b>Working capital</b>	7,851	7,851	–	Within 12 months
<b>Repayment of bank borrowings</b>	7,000	7,000	–	Within 12 months
<b>Estimated listing expenses</b>	3,800	3,800	–	Within 1 month
<b>Total</b>	24,651	19,452	5,199	

The utilisation of gross proceeds as disclosed above should be read in conjunction with the Prospectus of Ecoscience dated 21 June 2022.

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### Private Placement

The gross proceeds from the private placement of 34,000,000 new Shares ("Placement Shares"), representing 10.00% of the total number of issued Shares at an issue price of RM0.36 per Share to third party investors ("Private Placement") which was completed on 25 October 2023 amounting to approximately RM12.24 million and the status of utilisation of proceeds as at 5 April 2024 is as follows:

<i>Utilisation of proceeds</i>	<i>Proposed utilisation RM'000</i>	<i>Amount utilised RM'000</i>	<i>Balance to be utilised RM'000</i>	<i>Estimated timeframe for utilisation upon listing of Placement Shares on the ACE Market of Bursa Securities</i>
<i>Repayment of bank borrowings</i>	3,000	3,000	–	<i>Within 12 months</i>
<i>Funding for the existing and new projects of the Group</i>	8,840	8,840	–	<i>Within 12 months</i>
<b><i>Estimated expenses</i></b>	400	400	–	<i>Within 1 month</i>
<b><i>Total</i></b>	12,240	12,240	–	

The utilisation of proceeds disclosed above should be read in conjunction with the Company's announcements dated 22 August 2023 and 18 September 2023 in relation to, amongst others, the Private Placement.

## LIST OF PROPERTIES

No	Location	Description/ Existing Use	Area (Sq. Metres)	Tenure	Date of Revaluation/ Date of Acquisition	Age of Building (Years)	Carrying Amount as at 31/12/2023 (RM'000)
1	PLO 555 & PLO 506, Jalan Keluli 8, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor	A single-storey factory building annexed with a 3-storey office building/ Head Office and manufacturing plant	Gross floor area: 103,344 for factory and 9,300 for office	60 years leasehold expiring on 2 July 2067 (remaining tenure of 44 years)	24 August 2016 (Revaluation)	17	12,272
2	No. 8, Jalan Ekoperniagaan 1/10, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	A single-storey semi-detached factory building with mezzanine office/ Office	8,785	Freehold	8 August 2017	7	2,757
3	2 Venture Drive, #13-04 Vision Exchange, Singapore 608526	Office unit at 13th floor of 25-storey office tower/ Office	517	99 Years leasehold expiring on 9 June 2112 (remaining tenure of 89 years)	15 September 2017	10	3,676
4	Block C-627, Jalan PJU 1a/2, Oasis Damansara, 47301 Petaling Jaya, Selangor	Commercial building/Rented to Jom Cars & Tours Sdn Bhd	879	Freehold	22 May 2012	8	491
5	Block D1-613, Jalan PJU 1a/2, Oasis Damansara, 47301 Petaling Jaya, Selangor	Service apartment unit/ Vacant	1,034	Freehold	19 February 2013	8	627

# ANALYSIS OF SHAREHOLDINGS

## AS AT 3 APRIL 2024

### SHARE CAPITAL

Total number of issued Shares	:	374,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

### DISTRIBUTION OF SHAREHOLDINGS AS AT 3 APRIL 2024

SIZE OF SHAREHOLDINGS	No. of shareholders	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
LESS THAN 100	1	0.077	12	0.000
100 TO 1,000	299	22.859	119,500	0.032
1,001 TO 10,000	469	35.856	2,694,588	0.720
10,001 TO 100,000	387	29.587	14,377,700	3.844
100,001 TO 18,699,999*	149	11.391	184,926,836	49.446
18,700,000 AND ABOVE**	3	0.230	171,881,364	45.958
	<b>1,308</b>	<b>100.000</b>	<b>374,000,000</b>	<b>100.000</b>

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

### DIRECTORS' SHAREHOLDINGS AS AT 3 APRIL 2024

NO.	NAMES	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1	TAN YEE BOON	200,000	0.053	–	–
2	WONG CHOI ONG	13,928,000	3.724	153,117,000 <sup>(1)</sup>	40.940
3	PAN KUM WAN	–	–	164,393,927 <sup>(2)</sup>	43.956
4	LAW SANG THIAM	200,000	0.053	–	–
5	ANG CHYE KIAN	100,000	0.027	–	–
6	ANDREA HUONG JIA MEI	–	–	–	–

Note:

<sup>(1)</sup> Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Caiwan Capital Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his daughter, Wong Pei Li's shareholdings in our Company.

<sup>(2)</sup> Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Dynagear Technologies Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his spouse, Li Siok Go's and his sons, Pan Ching Looi's and Pan Ching Yeong's shareholdings in our Company.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 3 APRIL 2024

NO.	NAMES	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1	WONG CHOI ONG	13,928,000	3.724	153,117,000 <sup>(1)</sup>	40.940
2	PAN KUM WAN	–	–	164,393,927 <sup>(2)</sup>	43.956
3	RAJAWALI WANG SDN. BHD.	153,000,000	40.909	–	–
4	CAIWAN CAPITAL SDN. BHD.	–	–	153,000,000 <sup>(3)</sup>	40.909
5	VISIONARY SUPPORT SDN. BHD.	–	–	153,000,000 <sup>(3)</sup>	40.909
6	DYNAGEAR TECHNOLOGIES SDN. BHD.	–	–	153,000,000 <sup>(3)</sup>	40.909
7	WONG YEW CHOO	18,881,364	5.048	–	–

Note:

- <sup>(1)</sup> Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Caiwan Capital Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his daughter, Wong Pei Li's shareholdings in our Company.
- <sup>(2)</sup> Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Dynagear Technologies Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his spouse, Li Siok Go's and his sons, Pan Ching Looi's and Pan Ching Yeong's shareholdings in our Company.
- <sup>(3)</sup> Deemed interested by virtue of its shareholdings in Rajawali Wang Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

### LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 3 APRIL 2024

NO.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	RAJAWALI WANG SDN. BHD.	123,000,000	32.888
2	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJAWALI WANG SDN BHD	30,000,000	8.021
3	WONG YEW CHOO	18,881,364	5.048
4	CHOW PUI HEE	18,517,000	4.951
5	LIM SIEW KUEN	16,184,850	4.328
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHOI ONG (7014162)	13,928,000	3.724
7	LI SIOK GO	10,069,727	2.692
8	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NOMIS SIM SIANG LENG (SMART)	8,199,600	2.192
9	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR ANDY TAN BOON KIONG	7,637,710	2.042

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 3 APRIL 2024 (CONT'D)

NO.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIONG LEE CHIAN (E-TSA/TPG)	7,362,200	1.969
11	TAY HONG SING	5,771,400	1.543
12	THAM YEW LEONG	5,194,000	1.389
13	GOH YU MENG	5,150,565	1.377
14	LEE YOON HUAT	4,410,900	1.179
15	YOH SHEUE SHYUAN	4,184,600	1.119
16	LOW GUAN HONG	3,865,000	1.033
17	TIA TUAN SIM	3,576,884	0.956
18	WOO CHIEW LOONG	3,289,400	0.880
19	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	3,068,400	0.820
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SIM KENG CHOR (PB)	3,000,000	0.802
21	WOO CHIEW LOONG	3,000,000	0.802
22	CHUA YEIN YEIN	2,749,600	0.735
23	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	2,000,000	0.535
24	PONG CHIN HUAT	1,833,400	0.490
25	LEE MING GEOK	1,500,000	0.401
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AI LENG (E-KLG/TSK)	1,500,000	0.401
27	SINTARI VENTURE SDN BHD	1,450,800	0.388
28	PHANG SUN WAH	1,380,000	0.369
29	LEE SIAU LUN	1,339,800	0.358
30	PAN CHING LOOI	1,300,000	0.348
		<b>313,345,200</b>	<b>83.782</b>

# ANALYSIS OF WARRANT HOLDINGS

AS AT 3 APRIL 2024

## WARRANT

Total number of issued Warrants : 186,999,999  
Exercise price : RM0.41  
Expiry Date : 20 December 2026

## DISTRIBUTION OF WARRANT HOLDINGS AS AT 3 APRIL 2024

SIZE OF WARRANT HOLDINGS	No. of holders	Percentage of holders(%)	No. of warrants	Percentage of warrants (%)
LESS THAN 100	194	17.003	9,624	0.005
100 TO 1,000	161	14.110	87,626	0.047
1,001 TO 10,000	422	36.985	1,834,250	0.981
10,001 TO 100,000	248	21.735	9,874,500	5.280
100,001 TO 9,349,998*	113	9.904	89,253,317	47.729
9,349,999 AND ABOVE**	3	0.263	85,940,682	45.958
	<b>1,141</b>	<b>100.000</b>	<b>186,999,999</b>	<b>100.000</b>

\* Less than 5% of issued warrants

\*\* 5% and above of issued warrants

## DIRECTORS' WARRANT HOLDINGS AS AT 3 APRIL 2024

NO.	NAMES	Direct		Indirect	
		No. of warrants	Percentage of warrant held (%)	No. of warrants	Percentage of warrant held (%)
1	TAN YEE BOON	100,000	0.053	—	—
2	WONG CHOI ONG	6,964,000	3.724	76,558,500 <sup>(1)</sup>	40.940
3	PAN KUM WAN	—	—	82,196,963 <sup>(2)</sup>	43.956
4	LAW SANG THIAM	100,000	0.053	—	—
5	ANG CHYE KIAN	7,100	0.004	—	—
6	ANDREA HUONG JIA MEI	—	—	—	—

Note:

<sup>(1)</sup> Deemed interested by virtue of his indirect warrant holdings in Rajawali Wang Sdn Bhd through Caiwan Capital Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his daughter, Wong Pei Li's warrant holdings in our Company.

<sup>(2)</sup> Deemed interested by virtue of his indirect warrant holdings in Rajawali Wang Sdn Bhd through Dynagear Technologies Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his spouse, Li Siok Go's and his sons, Pan Ching Looi's and Pan Ching Yeong's warrant holdings in our Company.



## ANALYSIS OF WARRANT HOLDINGS (CONT'D)

### LIST OF TOP 30 WARRANT HOLDERS AS AT 3 APRIL 2024

NO.	Name of Warrantholders	No. of Warrants	Percentage of warrant held (%)
1	RAJAWALI WANG SDN. BHD.	61,500,000	32.888
2	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJAWALI WANG SDN BHD	15,000,000	8.021
3	WONG YEW CHOO	9,440,682	5.048
4	CHOW PUI HEE	9,258,500	4.951
5	LIM SIEW KUEN	7,710,625	4.123
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHOI ONG (7014162)	6,964,000	3.724
7	LI SIOK GO	5,034,863	2.692
8	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NOMIS SIM SIANG LENG (SMART)	4,858,400	2.598
9	TAY HONG SING	2,778,600	1.486
10	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR ANDY TAN BOON KIONG	2,317,355	1.239
11	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	2,272,750	1.215
12	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW SEN HOI	2,250,000	1.203
13	LEE YOON HUAT	2,205,450	1.179
14	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW KANG LEONG	2,000,000	1.070
15	YOH SHEUE SHYUAN	1,941,300	1.038
16	LOW GUAN HONG	1,932,500	1.033
17	TIA TUAN SIM	1,838,442	0.983
18	WOO CHIEW LOONG	1,644,700	0.880
19	GOH YU MENG	1,575,282	0.842
20	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAN YOON KEONG	1,500,000	0.802
21	WOO CHIEW LOONG	1,500,000	0.802
22	CHUA YEIN YEIN	1,227,300	0.656
23	LIM CHUN YOW	1,112,000	0.595
24	PHANG SUN WAH	990,000	0.529
25	PONG CHIN HUAT	916,700	0.490

**ANALYSIS OF  
WARRANT HOLDINGS  
(CONT'D)****LIST OF TOP 30 WARRANT HOLDERS AS AT 3 APRIL 2024 (CONT'D)**

<b>NO.</b>	<b>Name of Warrantholders</b>	<b>No. of Warrants</b>	<b>Percentage of warrant held (%)</b>
26	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR ONG XIN LIN	800,000	0.428
27	LEE MING GEOK	750,000	0.401
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM AI LENG (E-KLG/TSK)	750,000	0.401
29	AGNES CHAN WAI CHING	700,000	0.374
30	CHEAH MOOI KHIM	700,000	0.374
		<b>153,469,449</b>	<b>82.065</b>

# NOTICE OF THIRD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Third Annual General Meeting ("**3<sup>rd</sup> AGM**") of Ecoscience International Berhad ("**Ecoscience**" or "**Company**") will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities via TIH Online website at <https://tiih.online> from the broadcast venue at Discover Room, Level M3, VE Hotel & Residences, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on **Tuesday, 28 May 2024 at 10.00 a.m.**, to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees to the following Non-Executive Directors for the period from 29 May 2024 until the date of the next Annual General Meeting of the Company to be held in 2025:
  - (a) RM5,500.00 per month for Dato' Tan Yee Boon **Ordinary Resolution 1**  
(Please refer to Explanatory Note 2)
  - (b) RM3,300.00 per month for Mr Law Sang Thiam **Ordinary Resolution 2**  
(Please refer to Explanatory Note 2)
  - (c) RM3,300.00 per month for Ms Ang Chye Kian **Ordinary Resolution 3**  
(Please refer to Explanatory Note 2)
  - (d) RM3,300.00 per month for Ms Andrea Huong Jia Mei **Ordinary Resolution 4**  
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors' benefits up to an amount of RM48,000.00 for the period from 29 May 2024 until the date of the next Annual General Meeting of the Company to be held in 2025. **Ordinary Resolution 5**  
(Please refer to Explanatory Note 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 76(3) of the Constitution of the Company and, who being eligible, offer themselves for re-election:
  - (a) Mr Wong Choi Ong **Ordinary Resolution 6**
  - (b) Dato' Tan Yee Boon **Ordinary Resolution 7**  
(Please refer to Explanatory Note 3)
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**  
(Please refer to Explanatory Note 4)

## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution, with or without modifications:

6. **ORDINARY RESOLUTION  
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF  
THE COMPANIES ACT 2016**

**Ordinary Resolution 9**  
(Please refer to  
Explanatory Note 5)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, 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 issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

### BY ORDER OF THE BOARD

**TAN BEE HWEE (SSM PC NO. 202008001497) (MAICSA 7021024)**  
**KUAN HUI FANG (SSM PC NO. 202008001235) (MIA 16876)**  
Company Secretaries

Kuala Lumpur  
29 April 2024

### Notes:

#### 1. **IMPORTANT NOTICE**

The broadcast venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the Meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend the 3<sup>rd</sup> AGM in person at the broadcast venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 3<sup>rd</sup> AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.

**Please read these Notes carefully and follow the procedures in the Administrative Guide for this 3<sup>rd</sup> AGM in order to participate remotely via RPV.**

## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### Notes: (Cont'd)

2. For the purpose of determining who shall be entitled to participate in this 3<sup>rd</sup> AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 20 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 3<sup>rd</sup> AGM via RPV.
3. A member who is entitled to participate in this 3<sup>rd</sup> AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company entitled to attend, speak and vote at this 3<sup>rd</sup> AGM is entitled to appoint a proxy to attend, speak and vote in his stead. A member may appoint up to two (2) proxies to attend the 3<sup>rd</sup> AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Sections 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A member who has appointed a proxy or attorney or authorised representative to participate at this 3<sup>rd</sup> AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for this 3<sup>rd</sup> AGM.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 3<sup>rd</sup> AGM or adjourned 3<sup>rd</sup> AGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means  
  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide.
11. Please ensure ALL the particulars as required in the proxy form are complete, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **Sunday, 26 May 2024, at 10.00 a.m.**

## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### Notes: (Cont'd)

13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding this 3<sup>rd</sup> AGM or adjourned 3<sup>rd</sup> AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

### Explanatory Notes:

#### Ordinary Business

#### **1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2023**

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders for the Audited Financial Statements. Hence, this item on the Agenda **will not be put forward for voting**.

#### **2. Ordinary Resolutions 1 to 5 – Payment of Directors' fees and Benefits**

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The proposed Ordinary Resolutions 1 to 4, if passed, will give authority to the Company to pay the Directors' fees from 29 May 2024 until the next Annual General Meeting of the Company to be held in 2025 as and when their services are rendered.

The proposed Ordinary Resolution 5 is to facilitate payment of Directors' benefits for the period from 29 May 2024 until the date of the next Annual General Meeting of the Company to be held in 2025. Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees meetings.

## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### ***Explanatory Notes: (Cont'd)***

### ***Ordinary Business (Cont'd)***

#### **2. Ordinary Resolutions 1 to 5 – Payment of Directors' fees and Benefits (Cont'd)**

The proposed structure of the Directors' benefits for the period from 29 May 2024 until the next Annual General Meeting of the Company to be held in 2025 is as follows:

Type of Benefits	Amount
<b>Meeting Allowance</b>	RM1,000.00 per day
<b>Insurance Premium</b> Professional Indemnity	RM20,000.00

Payment of the Directors' benefits will be made by the Company to the respective Directors as and when incurred if the proposed Ordinary Resolution 5 is passed by the shareholders at the 3<sup>rd</sup> AGM.

In the event the Directors' fees and benefits proposed are insufficient, approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

#### **3. Ordinary Resolutions 6 and 7 – Re-election of Directors who retire in accordance with Clause 76(3) of the Constitution of the Company**

Mr Wong Choi Ong and Dato' Tan Yee Boon are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 3<sup>rd</sup> AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of both Directors are set out on pages 8 and 9 of the Annual Report 2023. For the purpose of determining the eligibility of both Directors to stand for re-election at the 3<sup>rd</sup> AGM, the Board had through its Nomination Committee ("NC"), considered, assessed and deliberated on the suitability of the said Directors to be re-elected as Directors of the Company based on the assessment on fit and proper and the results of the board assessment and fit and proper assessment of the aforementioned Directors for the financial year ended 31 December 2023. Based on the recommendation of NC, the Board supports the re-election of the aforementioned Directors with the following justifications:

#### **Ordinary Resolution 6: Re-election of Mr Wong Choi Ong as Non-Independent Executive Director/Managing Director**

Mr Wong Choi Ong remains objective in expressing his views and managing the daily operations of the Group efficiently.

He has enormous experience in the construction of palm oil mills and facilities. Over the years, he has been instrumental in the growth and development of our Group. He has been contributing significantly in penetrating foreign markets including the expansion into Indonesia, Gabon and Liberia.

Mr Wong is responsible for driving the future direction of our Group, development of business strategies and business opportunities, marketing as well as building and maintaining business relationships with our customers.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Executive Director/Managing Director of the Company.



## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### **Explanatory Notes: (Cont'd)**

### **Ordinary Business (Cont'd)**

#### **3. Ordinary Resolutions 6 and 7 – Re-election of Directors who retire in accordance with Clause 76(3) of the Constitution of the Company (Cont'd)**

##### **Ordinary Resolution 7: Re-election of Dato' Tan Yee Boon as Independent Non-Executive Chairman**

Dato' Tan Yee Boon fulfils the requirements of independence set out in Guidance Note 9 of the ACE Market Listing Requirements of Bursa Securities ("AMLR"). He remains objective and independent in expressing his views and participating in Board deliberations and decision-making.

He has vast experience in the legal profession and is able to provide the Board with a diverse set of expertise and perspective.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

Based on the above, the Board collectively agreed that both Directors had met the criteria as prescribed by Rule 2.20A of the AMLR on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The Board was also satisfied with the fit and proper assessment completed by the retiring Directors.

#### **4. Ordinary Resolution 8 – Re-appointment of Auditors**

The Audit and Risk Management Committee ("ARMC") had at its meeting held on 5 April 2024 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2024. Crowe Malaysia PLT had notified the Company of their intention to seek re-appointment as auditors.

The Board has in turn reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the 3<sup>rd</sup> AGM.

### **Special Business**

#### **5. Ordinary Resolution 9 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**

The proposed Ordinary Resolution 9 is a renewal of the previous year's general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. The proposed Ordinary Resolution 9, if passed, would renew the mandate granted to the Directors at the 2<sup>nd</sup> AGM held on 26 May 2023 ("**2<sup>nd</sup> AGM**") and provide flexibility to the Directors to undertake fundraising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company had issued and allotted 34,000,000 ordinary shares pursuant to the mandate granted to the Directors at the 2<sup>nd</sup> AGM at the issue price of RM0.36 per ordinary share on 23 October 2023 pursuant to the private placement.



## NOTICE OF THIRD ANNUAL GENERAL MEETING (CONT'D)

### Special Business (Cont'd)

#### 5. Ordinary Resolution 9 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act (Cont'd)

The Company had raised gross proceeds of approximately RM12.24 million from the private placement and the utilisation of proceeds raised as at 5 April 2024 pursuant to the aforesaid mandate are as follows:

<b>Utilisation of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Amount utilised RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation upon listing</b>
<b>Repayment of bank borrowings</b>	3,000	3,000	–	Within 12 months
<b>Funding for the existing and new projects of the Group</b>	8,840	8,840	–	Within 12 months
<b>Estimated listing expenses</b>	400	400	–	Within 1 month
<b>Total</b>	12,240	12,240	–	

# STATEMENT ACCOMPANYING NOTICE OF 3<sup>RD</sup> ANNUAL GENERAL MEETING

(pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

## [Ordinary Resolutions 6 and 7]

The Directors who retire pursuant to Clause 76(3) of the Constitution of the Company and being eligible to offer themselves for re-election at the 3<sup>rd</sup> AGM are Mr Wong Choi Ong and Dato' Tan Yee Boon ("Retiring Directors").

The profile of the Retiring Directors who are standing for re-election as per Agenda item 4 of the Notice of 3<sup>rd</sup> AGM are as follows:

### A. WONG CHOI ONG

(Non-Independent Executive Director/Managing Director)

<b>Nationality</b>	:	Malaysian
<b>Age</b>	:	60
<b>Gender</b>	:	Male
<b>Date of Appointment</b>	:	21 August 2020
<b>Length of Tenure (as at 31 December 2023)</b>	:	3 years 4 months

#### QUALIFICATION

Mr Wong attended Sekolah Menengah Batu Anam in Segamat, Johor from 1978 to 1981.

#### DIRECTORSHIP/RELEVANT APPOINTMENTS (Other than Ecoscience International Berhad)

NIL

#### RELEVANT EXPERIENCE

Mr Wong Choi Ong was appointed as a Non-Independent Executive Director of the Company on 21 August 2020 and assumed his current position as our Managing Director on 20 August 2021.

He brings with him approximately 40 years of working experience, of which approximately 30 years were in the construction of palm oil mills and facilities. He started his career with Ladang Dunlop Estate rubber plantation, where he was a general worker between 1983 and 1984. He subsequently established Wee Lip Welding Works in 1985 in partnership with his friend. Wee Lip Welding Works was involved in the manufacturing of welded metal doors and windows, and he left the partnership in 1990. Subsequently, he joined Pembina Progressive Jaya which was involved in the fabrication of storage tanks and palm oil refinery plant fabrication and erection, in 1991 as a partner and he left the partnership in 1993.

In 1994, he worked as an in-house contractor for Mascot Engineering & Construction Sdn. Bhd. where he was involved in the fabrication and installation of palm oil equipment until 2002. In early 2003, he started to carry out sub-contract work for the fabrication and installation of palm oil equipment for MSHK Engineering Sdn. Bhd. and at the same time he incorporated Lajumax Sdn. Bhd. in May 2003 where he is one of the co-founders to carry out business as a fabrication and installation sub-contractor. Lajumax Sdn. Bhd. was subsequently dissolved in November 2008 as Mr Wong wanted to focus on growing the business of Ecoscience Manufacturing & Engineering Sdn. Bhd. ("EMESB").

In November 2003, he established EMESB together with Tia Tuan Sim, our Operational and Technical Director. Over the years, he has been instrumental in the growth and development of our Group. He has contributed significantly in penetrating foreign markets including the expansion into Indonesia, Gabon and Liberia. He is responsible for driving the future direction of our Group, development of business strategies and business opportunities, marketing as well as building and maintaining business relationships with our customers.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Non-Independent Executive Director/Managing Director of the Company.

Mr Wong Choi Ong holds 167,045,000 ordinary shares of the Company by virtue of his direct shareholdings as well as his indirect shareholdings in Rajawali Wang Sdn. Bhd. through Caiwan Capital Sdn. Bhd. and Visionary Support Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his daughter, Wong Pei Li's shareholdings in the Company.

## STATEMENT ACCOMPANYING NOTICE OF 3<sup>RD</sup> ANNUAL GENERAL MEETING (CONT'D)

### RELEVANT EXPERIENCE (CONT'D)

Meanwhile, Mr Wong Choi Ong also holds 83,522,500 warrants of the Company by virtue of his direct warrant holdings as well as his indirect shareholdings in Rajawali Wang Sdn. Bhd. through Caiwan Capital Sdn. Bhd. and Visionary Support Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and indirect interest held through his daughter, Wong Pei Li's warrant holdings in the Company.

He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with the exercise of his judgement in the Company. He acts in the best interest of the Company.

He has not been convicted of any offence within the past five (5) years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

The Board hereby supports and recommends the re-election of Mr Wong Choi Ong as the Non-Independent Executive Director/Managing Director of the Company for the shareholders' approval.

### B. DATO' TAN YEE BOON

(Independent Non-Executive Chairman)

<b>Nationality</b>	:	Malaysian
<b>Age</b>	:	49
<b>Gender</b>	:	Male
<b>Date of Appointment</b>	:	2 August 2021
<b>Length of Tenure (as at 31 December 2023)</b>	:	2 year 5 months

### QUALIFICATION

Dato' Tan Yee Boon obtained his Bachelor of Laws from the University of Glamorgan (now known as the University of South Wales), United Kingdom, in 1997. He subsequently obtained the Certificate of Legal Practice from the Legal Profession Qualifying Board of Malaysia in 1998.

### DIRECTORSHIP/RELEVANT APPOINTMENTS (Other than Ecoscience International Berhad)

- Protasco Berhad
- Propel Global Berhad
- Feytech Holdings Berhad

### RELEVANT EXPERIENCE

Dato' Tan Yee Boon was appointed as an Independent Non-Executive Chairman of the Company on 2 August 2021.

In 1998, he began his career with Cheang & Ariff as a Chambering Student and was admitted as an advocate and solicitor of the High Court in 1999. In the same year, he joined Ranjit Ooi & Robert Low as a Legal Assistant. He subsequently joined Khaw & Partners as a Legal Assistant in 2000, and was made a Partner of the firm in 2011. In 2013, he left the firm and started his own legal practice, David Lai & Tan, where he is currently the Partner of the firm.

He has vast experience in the legal profession and is able to provide the Board with a diverse set of expertise and perspective.

He has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

Dato' Tan Yee Boon holds 200,000 ordinary shares and 100,000 warrants of the Company. He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with the exercise of his judgement in the Company. He acts in the best interest of the Company.

He has not been convicted of any offence within the past five (5) years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

The Board hereby supports and recommends the re-election of Dato' Tan Yee Boon as the Independent Non-Executive Chairman of the Company for the shareholders' approval.

# ADMINISTRATIVE GUIDE

<b>Date</b>	:	Tuesday, 28 May 2024
<b>Time</b>	:	10.00 a.m.
<b>Broadcast Venue</b>	:	Discover Room, Level M3, VE Hotel & Residences, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
<b>Online Meeting Platform</b>	:	TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>

Dear Shareholders of Ecoscience International Berhad (“**Ecoscience**” or “**the Company**”)

## 3<sup>rd</sup> AGM

The 3<sup>rd</sup> AGM of the Company will be conducted virtually in accordance with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers’ issued by the Securities Commission Malaysia which was revised on 7 April 2022. In this respect, the Company will continue to leverage technology to ensure that the 3<sup>rd</sup> AGM supports meaningful engagement between the Board of Directors, Management and Shareholders of the Company.

Please find the below requirements for the 3<sup>rd</sup> AGM:

- The 3<sup>rd</sup> AGM will be conducted virtually **through live streaming and online remote voting** using Remote Participation and Voting (“**RPV**”) facilities via **TIIH Online** website at <https://tiih.online> from the Broadcast Venue.
- The Broadcast Venue is the main venue in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016 and Clause 52(3) of the Constitution of the Company. As such, shareholder(s), proxy(ies), authorised representative(s) or attorney(s) are **NOT ALLOWED** to be physically present at the Broadcast Venue.
- We **strongly encourage** you to attend the 3<sup>rd</sup> AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 3<sup>rd</sup> AGM.

## REMOTE PARTICIPATION AND VOTING FACILITIES (“**RPV**”)

- The RPV facilities are available at **TIIH Online** website at <https://tiih.online>.
- Shareholders are to attend, speak (in the form of real-time submission of typed texts) and vote (collectively, “participate”) remotely at the 3<sup>rd</sup> AGM using RPV facilities from Tricor Investor & Issuing House Services Sdn. Bhd.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

## ADMINISTRATIVE GUIDE (CONT'D)

### PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 3<sup>rd</sup> AGM using the RPV facilities:

	Procedure	Action
<b>BEFORE THE DAY OF 3<sup>rd</sup> AGM</b>		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services" and select <b>"Create Account by Individual Holder"</b>. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user of TIIH Online, you are not required to register again. You will receive an e-mail to notify you that remote participation is available for registration at TIIH Online.</li> </ul>
(b)	Submit your request to attend 3 <sup>rd</sup> AGM remotely	<ul style="list-style-type: none"> <li>Registration is open from Monday, 29 April 2024 until the day of the 3<sup>rd</sup> AGM on Tuesday, 28 May 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 3<sup>rd</sup> AGM to ascertain their eligibility to participate in the 3<sup>rd</sup> AGM using the RPV.</li> <li>Login with your user ID (i.e. e-mail address) and password and select the corporate event: <b>"(REGISTRATION) ECOSCIENCE 3<sup>rd</sup> AGM"</b></li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select "Register for Remote Participation and Voting".</li> <li>Review your registration and proceed to register.</li> <li>System will send an <b>e-mail to notify</b> that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the Record of Depositors as at <b>20 May 2024</b>, the system will send you an <b>e-mail after 26 May 2024 to approve or reject</b> your registration for remote participation. <i>(Note: Please allow sufficient time for approval of new users of TIIH Online and registration for the RPV facilities).</i></li> </ul>
<b>ON THE DAY OF THE 3<sup>rd</sup> AGM (28 MAY 2024)</b>		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> <li>Login with your user ID (i.e. e-mail address) and password for remote participation at the 3<sup>rd</sup> AGM at any time from <b>9.00 a.m.</b> i.e. 1 hour before the commencement of the meeting at <b>10.00 a.m.</b> on <b>Tuesday, 28 May 2024</b>.</li> </ul>
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: <b>"(LIVE STREAM MEETING) ECOSCIENCE 3<sup>rd</sup> AGM"</b> to engage in the proceedings of the AGM remotely.</li> <li>If you have any questions for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 3<sup>rd</sup> AGM. If there is a time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>

## ADMINISTRATIVE GUIDE (CONT'D)

### PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES (CONT'D)

	Procedure	Action
<b>ON THE DAY OF THE 3<sup>rd</sup> AGM (28 MAY 2024)</b>		
(e)	Online Remote Voting	<ul style="list-style-type: none"> <li>Voting session commences <b>from 10.00 a.m. on Tuesday, 28 May 2024</b> until a time when the Chairman announces the completion of the voting session of the 3<sup>rd</sup> AGM.</li> <li>Select the corporate event: <b>"(REMOTE VOTING) ECOSCIENCE 3<sup>rd</sup> AGM"</b> or if you are on the live stream meeting page, you can select the <b>"GO TO REMOTE VOTING PAGE"</b> button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> <li>You may choose to download a document (of your votes) for the record.</li> </ul>
(f)	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the 3<sup>rd</sup> AGM, the live streaming will end.</li> </ul>

#### Note to users of the RPV facilities:

- Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to **TIIH Online** on the day of the meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com) for assistance.

### NO BREAKFAST / LUNCH PACK, DOOR GIFT OR FOOD VOUCHER

There will be **no distribution** of breakfast / lunch packs, door gifts or food vouchers during the 3<sup>rd</sup> AGM since the meeting is being conducted on a virtual basis.

### ENTITLEMENT TO PARTICIPATE IN THE 3<sup>RD</sup> AGM

Only a depositor whose name appears on the Record of Depositors as at **20 May 2024** (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 3<sup>rd</sup> AGM or appoint proxies to attend and/or vote on his/her behalf.

## ADMINISTRATIVE GUIDE (CONT'D)

### ANNUAL REPORT 2023

- The Company's Annual Report 2023 is available at the Company's website at [www.ecosciencegroup.com](http://www.ecosciencegroup.com) and Bursa Malaysia Securities Berhad ("**Bursa Securities**")'s website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company's announcements.
- You may request for a printed copy of the Annual Report 2023 at <https://tiih.online> by selecting "**Request for Annual Report / Circular**" under the "**Investor Services**".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

### RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of the 3<sup>rd</sup> AGM is strictly prohibited.

### COMMUNICATION GUIDE

Shareholders are reminded to monitor the Company's website and announcements for any changes relating to the AGM arrangements.

### PROXY

- The 3<sup>rd</sup> AGM will be conducted virtually, if you are unable to attend the meeting via RPV facilities on 28 May 2024, you may appoint the Chairman of the meeting as proxy and indicate the voting instructions in the Proxy Form.
- You may also submit the Proxy Form electronically via **TIIH Online** website at <https://tiih.online> no later than **Sunday, 26 May 2024 at 10.00 a.m.** Please do read and follow the procedures to submit the Proxy Form electronically below.
- You may submit your Proxy Form to the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") by fax at 03-2783 9222 or e-mail to [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com). However, please ensure that the **Original Proxy Form** is deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or, alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 3<sup>rd</sup> AGM or any adjournment thereof, otherwise, the Proxy Form shall not be treated as valid. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

## ADMINISTRATIVE GUIDE (CONT'D)

### ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via **TIIH Online** website are summarised below:

	Procedure	Action
<b>Steps for Individual Shareholders</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services” by selecting <b>“Create Account by Individual Holder”</b>. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user of TIIH Online, you are not required to register again.</li> </ul>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.</li> <li>Select the corporate event: <b>“ECOSCIENCE 3<sup>rd</sup> AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your votes.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print the proxy form for your record.</li> </ul>
<b>Steps for Corporation or Institutional Shareholders</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under <b>“ENQUIRY”</b> section below if you need clarifications on the user registration.</p>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate exercise name: <b>“ECOSCIENCE 3<sup>rd</sup> AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Proceed to download the file format for <b>“SUBMISSION OF PROXY FORM”</b> in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select <b>“Submit”</b> to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>



## ADMINISTRATIVE GUIDE (CONT'D)

### POLL VOTING

- The voting at the 3<sup>rd</sup> AGM will be conducted by poll in accordance with Rule 8.31A of Bursa Securities' ACE Market Listing Requirements. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting and Scrutineers Solutions Sdn. Bhd. as Scrutineers to verify the poll results.
- Shareholders can proceed to vote on the resolutions at any time from the commencement of the 3<sup>rd</sup> AGM at 10.00 a.m. but before the end of the voting session which will be announced by the Chairman of the Meeting. Kindly refer to "Procedures to Remote Participation and Voting via RPV Facilities" provided for guidance on how to vote remotely via **TIIH Online**.
- Upon completion of the voting session for the 3<sup>rd</sup> AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

### RESULTS OF THE VOTING

The poll vote results of the resolutions proposed at the 3<sup>rd</sup> AGM will be announced at the 3<sup>rd</sup> AGM and subsequently via an announcement to Bursa Securities, which is available at <http://www.bursamalaysia.com>.

### PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

The Board recognises that the 3<sup>rd</sup> AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 3<sup>rd</sup> AGM, shareholders may in advance, before the 3<sup>rd</sup> AGM, submit questions to the Board of Directors via TIIH Online website at <https://tiih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than Sunday, 26 May 2024 at 10.00 a.m. The Board of Directors will endeavor to address the questions received at the 3<sup>rd</sup> AGM.

### ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

#### Tricor Investor & Issuing House Services Sdn. Bhd.

General/Fax No	:	+603 - 2783 9299 / +603 - 2783 9222
Email	:	<a href="mailto:is.enquiry@my.tricorglobal.com">is.enquiry@my.tricorglobal.com</a>
En. Syafiqul Hafidz Bin Abdul Kadir	:	+603 - 2783 9024 / <a href="mailto:syafiqul.hafidz@my.tricorglobal.com">syafiqul.hafidz@my.tricorglobal.com</a>
En. Hayman Daniel Muadzim Bin. Abd Khalid	:	+603 - 2783 9145 / <a href="mailto:hayman.daniel@my.tricorglobal.com">hayman.daniel@my.tricorglobal.com</a>

**ECOSCIENCE INTERNATIONAL BERHAD**

Registration No.: 202001024633 (1380953-M)

(Incorporated in Malaysia under the Companies Act 2016)

CDS Account No.

No. of shares held

**PROXY FORM**

\*I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
(Full name in block, NRIC / Passport No. / Company No.)

of \_\_\_\_\_  
being member(s) of **ECOSCIENCE INTERNATIONAL BERHAD**, hereby appoint:

Full Name (in Block as per NRIC / Passport No.)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\*and/or

Full Name (in Block as per NRIC / Passport No.)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as \*my/our proxy/proxies to vote for \*me/us and on my/our behalf at the Third Annual General Meeting ("**3<sup>rd</sup> AGM**") of the Company which will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities via TIIH Online website at <https://tiih.online> from the broadcast venue at Discover Room, Level M3, VE Hotel & Residences, Bangsar South City, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on **Tuesday, 28 May 2024 at 10.00 a.m.**, or any adjournment thereof, to vote as indicated below:

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.			
	<b>Ordinary Business</b>	<b>Ordinary Resolution ("OR")</b>	<b>For</b>	<b>Against</b>
2.	Approval of payment of the following Directors' fees for the period from 29 May 2024 until the date of the next Annual General Meeting of the Company to be held in 2025: (a) RM5,500.00 per month for Dato' Tan Yee Boon (b) RM3,300.00 per month for Mr Law Sang Thiam (c) RM3,300.00 per month for Ms Ang Chye Kian (d) RM3,300.00 per month for Ms Andrea Huong Jia Mei	OR 1 OR 2 OR 3 OR 4		
3.	Approval of payment of Directors' benefits up to an amount of RM 48,000.00 for the period from 29 May 2024 until the date of the next Annual General Meeting of the Company to be held in 2025	OR 5		
4.	Re-election of Mr Wong Choi Ong as Director	OR 6		
5.	Re-election of Dato' Tan Yee Boon as Director	OR 7		
6.	Re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and authorising the Directors to fix their remuneration.	OR 8		
<b>Special Business</b>				
7.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	OR 9		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature / Common Seal  
\* Delete whichever not applicable



**Notes:**

**1. IMPORTANT NOTICE**

The broadcast venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the Meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend the 3<sup>rd</sup> AGM in person at the broadcast venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 3<sup>rd</sup> AGM using the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.

**Please read these Notes carefully and follow the procedures in the Administrative Guide for this 3<sup>rd</sup> AGM in order to participate remotely via RPV.**

2. For the purpose of determining who shall be entitled to participate in this 3<sup>rd</sup> AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 20 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this 3<sup>rd</sup> AGM via RPV.
3. A member who is entitled to participate in this 3<sup>rd</sup> AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company entitled to attend, speak and vote at this 3<sup>rd</sup> AGM is entitled to appoint a proxy to attend, speak and vote in his stead. A member may appoint up to two (2) proxies to attend the 3<sup>rd</sup> AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Sections 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A member who has appointed a proxy or attorney or authorised representative to participate at this 3<sup>rd</sup> AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for this 3<sup>rd</sup> AGM.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this 3<sup>rd</sup> AGM or adjourned 3<sup>rd</sup> AGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide.
11. Please ensure ALL the particulars as required in the proxy form are complete, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **Sunday, 26 May 2024, at 10.00 a.m.**
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding this 3<sup>rd</sup> AGM or adjourned 3<sup>rd</sup> AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX  
STAMP

**ECOSCIENCE INTERNATIONAL BERHAD**  
202001024633 (1380953-M)

c/o Tricor Investor & Issuing House Services Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8 Jalan Kerinchi  
59200 Kuala Lumpur  
W.P. Kuala Lumpur

2nd Fold Here



Fold This Flap For Sealing



**ECOSCIENCE INTERNATIONAL BERHAD**

REGISTRATION NO.202001024633 (1380953-M)

PLO 555, Jalan Keluli 8,  
Pasir Gudang Industrial Estate,  
81700 Pasir Gudang,  
Johor, Malaysia

Tel: +607 255 3126

Email: [admin@ecoscience.com.my](mailto:admin@ecoscience.com.my)

**[www.ecosciencegroup.com](http://www.ecosciencegroup.com)**