



## REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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## DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include building construction of residential and non-residential buildings, provision of rental of construction machinery and engaging in agricultural activities of managing and harvesting of durians and other fruits.

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

### RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	<u>8,658,546</u>	<u>2,258,164</u>
Attributable to:		
Owners of the Company	<u>8,658,546</u>	<u>2,258,164</u>

### DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Second interim single-tier dividend of RM0.0068 per ordinary share for the financial year ended 31 December 2023, paid on 21 May 2024	1,212,581
First interim single-tier dividend of RM0.0031 per ordinary share for the financial year ended 31 December 2024, paid on 11 October 2024	<u>1,216,146</u>
	<u>2,428,727</u>

On 26 March 2025, the directors declared a second interim single-tier dividend for the financial year ended 31 December 2024 at RM0.0033 per ordinary share, amounting to RM1,395,918, based on the number of outstanding ordinary shares in issue as at 21 April 2025. The second interim single-tier dividend is payable to the members on 16 May 2025 and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

### RESERVES OR PROVISIONS

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

## DIRECTORS' REPORT CONT'D

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, 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 doubtful debts and had satisfied themselves that there were no known bad debts and no allowance for doubtful debts were necessary.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, 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 values as shown in the accounting records of the Group and of the Company had 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 of the Group and of the Company 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.

### CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### CHANGE OF CIRCUMSTANCES

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

## DIRECTORS' REPORT CONT'D

### ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### AUDITORS' REMUNERATION AND INDEMINITY

The auditors' remuneration of the Group and the Company during the financial year were RM142,600 and RM56,500 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) issued 17,832,000 new ordinary shares pursuant to the private placement at an issue price of RM0.4610 per ordinary share for working capital purposes;
- (ii) issued 196,152,700 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 1 bonus share for every 1 existing ordinary share held by the shareholders of the Company; and
- (iii) issued 30,700,000 new ordinary shares arising from the exercise of 30,700,000 Warrants A at the exercise price of RM0.26 per warrant in accordance with the Deed Poll dated 19 September 2024.

The new ordinary shares issued during the financial year ranked pari-passu in all respects with the existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

### WARRANTS

On 19 September 2024, the Company executed a deed poll pertaining to the creation and issuance of 196,152,700 of free warrants ("Warrants A").

The Company issued 196,152,700 Warrants A to the shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The details and salient terms of Warrants A are as follows:

- (i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.26, subject to adjustments in accordance with the provisions of the Deed Poll;
- (ii) The close of business on the warrants is three (3) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;

## DIRECTORS' REPORT CONT'D

### WARRANTS CONT'D

The details and salient terms of Warrants A are as follows: CONT'D

- (iii) The warrants may be exercised at any time during the tenure of the warrants of three (3) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants;
- (v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/or other forms of distribution and/or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and
- (vi) The Exercise Price and/or number of warrants may from time to time be adjusted by the Board in consultation with an adviser appointed by the Company or the auditors of the Company in the event of any alteration in the share capital of the Company at any time during the tenure of the warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

The Warrants A are quoted on the Ace Market of Bursa Malaysia Securities Berhad on 11 October 2024. The movements in the Warrants A of the Company during the financial year are as follows:

	Number of Warrants A		
	At 1.1.2024 Unit	Issued Unit	At 31.12.2024 Unit
Number of unexercised Warrants A	-	196,152,700	(30,700,000) 165,452,700

### OPTIONS GRANTED OVER UNISSUED SHARES

Other than as disclosed elsewhere in this report, no options were granted to any person to take up the unissued shares of the Company during the financial year.

### DIRECTORS

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

See Tin Hai\*  
 Yoong Woei Yeh\*\*  
 Tan Sui Huat  
 Mohd Jaffar Bin Awang (Ismail)  
 See Swee Ling\*\*\*  
 Ong Kheng Swee  
 Poh Boon Huwi  
 See Cul Wei

**DIRECTORS' REPORT** CONT'D**DIRECTORS** CONT'D

- \* Director of the Company and its subsidiaries, Haily Construction Sdn. Bhd., Haily Machinery Sdn. Bhd., Haily Capital Sdn. Bhd., Haily Development Sdn. Bhd. and Haily Engineering Sdn. Bhd.
- \*\* Director of the Company and its subsidiaries, Haily Construction Sdn. Bhd., Haily Capital Sdn. Bhd., Haily Development Sdn. Bhd and Haily Engineering Sdn. Bhd.
- \*\*\* Director of the Company and its subsidiary, Haily Construction Sdn. Bhd.

Other than as stated above, the name of the director of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report is:

Kik Siew Lee

**DIRECTORS' INTERESTS****Interests in the Company**

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

	Number of ordinary shares					
	At 1 January 2024	Bought	Bonus issue	Converted from warrants	Sold	At 31 December 2024
<b>Direct interests:</b>						
Yoong Woei Yeh	500,000	-	500,000	-	-	1,000,000
See Swee Ling	500,000	-	500,000	-	-	1,000,000
Mohd Jaffar Bin Awang (Ismail)	100,000	-	100,000	-	-	200,000
Ong Kheng Swee	100,000	-	100,000	-	-	200,000
Tan Sui Huat	100,000	-	100,000	-	-	200,000
Holding company						
<b>Haily Holdings Sdn. Bhd.</b>						
See Tin Hai	1,200,001	-	-	-	-	1,200,001
<b>Deemed interests:</b>						
See Tin Hai	130,440,700	-	130,440,700	30,700,000	(20,200,000)	271,381,400

## DIRECTORS' REPORT CONT'D

### DIRECTORS' INTERESTS CONT'D

#### Interests in the Company CONT'D

**Number of Warrants A issued pursuant to the  
Deed Poll dated 19 September 2024 exercisable at any time from  
8 October 2024 to 7 October 2027**

	At 1 January 2024	Issued	Exercised	Sold	At 31 December 2024
<b>Direct interests:</b>					
Yoong Woei Yeh	-	500,000	-	-	500,000
See Swee Ling	-	500,000	-	-	500,000
Mohd Jaffar Bin Awang (Ismail)	-	100,000	-	-	100,000
Ong Kheng Swee	-	100,000	-	-	100,000
Tan Sui Huat	-	100,000	-	-	100,000
<b>Deemed interests:</b>					
See Tin Hai	-	130,440,700	(30,700,000)	(20,000,000)	79,740,700

By virtue of his interests in Haily Holdings Sdn. Bhd., the holding company, and pursuant to Section 8 of the Companies Act 2016 in Malaysia, See Tin Hai is also deemed to have interest in the ordinary shares in the Company and its related corporations to the extent the holding company has interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares and Warrants A of the Company and its related corporations during the financial year.

### DIRECTORS' BENEFITS

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

The directors' benefits of the Company were as follows:

	Group RM	Company RM
<b>Directors of the Company</b>		
Executive directors		
- Directors' remuneration	2,207,000	-
- Directors' defined contribution plan	264,840	-
- Directors' other emoluments	4,432	-
- Benefits in kind	52,587	-
	<u>2,528,859</u>	<u>-</u>

**DIRECTORS' REPORT** CONT'D**DIRECTORS' BENEFITS** CONT'D

The directors' benefits of the Company were as follows:- CONT'D

	Group RM	Company RM
<b>Directors of the Company</b> CONT'D		
Non-executive director		
- Directors' fees	240,660	240,660
<b>Directors of the subsidiaries</b>		
Executive directors		
- Directors' remuneration	234,000	-
- Directors' defined contribution plan	28,080	-
- Directors' other emoluments	780	-
- Benefits in kind	9,900	-
	272,760	-
<b>Total director remuneration</b>		
- Director fees	240,660	240,660
- Directors' remuneration	2,441,000	-
- Directors' defined contribution plans	292,920	-
- Directors' other emoluments	5,212	-
- Benefits in kind	62,487	-
	3,042,279	240,660

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the 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.

**INDEMNITY TO DIRECTORS AND OFFICERS**

During the financial year, the total amount of indemnity insurance coverage for the directors and officers of the Company was RM10,000,000. The insurance premium paid by the Company and the directors of the Company were RM15,675 and RM875 respectively.



## DIRECTORS' REPORT CONT'D

### SUBSIDIARIES

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

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2024	2023	
		%	%	
Haily Construction Sdn. Bhd.	Malaysia	100	100	Building construction of residential and non-residential buildings
Haily Development Sdn. Bhd.	Malaysia	100	100	Dormant
Haily Capital Sdn. Bhd.	Malaysia	100	100	Engaged in argricultural activities of managing and harvesting of durians and other fruits
<b>Subsidiary of Haily Construction Sdn. Bhd.</b>				
Haily Machinery Sdn. Bhd.	Malaysia	100	100	Provision of rental of construction machinery

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

### INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATION

Other than as disclosed elsewhere in this report, the Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) On 3 May 2024, the Company announced the proposal to undertake a private placement of up to 17,832,000 new ordinary shares to third party investors. On 11 June 2024, the private placement was completed with the issuance of 17,832,000 new ordinary shares at an issue price of RM0.4610 each. Pursuant to the private placement, the number of ordinary shares in the Company was increased from 178,320,700 to 196,152,700 shares while the paid up share capital of the Company was increased by RM8,220,552 from RM61,254,988 to RM69,475,540.
- (ii) On 10 July 2024, the Board of Directors announced that the Company proposed to undertake the following:
  - Bonus issue of 196,152,700 new ordinary shares in the Company on the basis of one (1) bonus share for every one (1) existing ordinary share of the Company held by the shareholders, and
  - Free warrant issue of up to 196,152,700 free warrants in the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders.

The Company obtained the approval for the proposal from Bursa Malaysia Securities Berhad on 2 August 2024 and of the shareholders at the Company's extraordinary general meeting convened on 28 August 2024.

## DIRECTORS' REPORT CONT'D

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR CONT'D

- (iii) On 13 September 2024, the Company completed the bonus issue and consequently, the number of ordinary shares in the Company was increased by 196,152,700 to 392,305,400 shares.
- (iv) On 11 October 2024, the Company completed the free warrant issue with the issuance of 196,152,700 warrants which are exercisable at any time during the tenure of 3 years commencing on the date of issuance of the warrants at the exercise price of RM0.26 each.
- (v) On 10 December 2024, the number of ordinary shares in the Company was increased from 392,305,400 to 423,005,400 shares while the paid up share capital was also increased by RM7,982,000 from RM69,475,540 to RM77,457,540 via the exercise of 30,700,000 Warrants A at the exercise price of RM0.26 each.

### SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 6 February 2025, Haily Engineering Sdn. Bhd. has been incorporated with an initial issued capital of 2 ordinary shares issued at a price of RM1.00 per share. The intended principal activities of the company are provision of civil engineering services and infrastructure construction projects.

### HOLDING COMPANY

The directors regard Haily Holdings Sdn. Bhd., a company incorporated in Malaysia, as the holding company of the Company.

### AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**SEE TIN HAI**  
Director

.....  
**YOONG WOEI YEH**  
Director

Date: 26 March 2025

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2024

		← Group →		← Company →	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	9,527,060	6,822,099	-	-
Investment in subsidiaries	6	-	-	70,590,785	41,529,772
Other investments	7	3,995,632	3,994,875	-	-
Deferred tax assets	8	-	80,557	-	-
<b>Total non-current assets</b>		<b>13,522,692</b>	<b>10,897,531</b>	<b>70,590,785</b>	<b>41,529,772</b>
<b>Current assets</b>					
Current tax assets		2,534	2,534	2,534	2,534
Trade and other receivables	9	109,608,387	94,059,660	20,688	20,795,321
Contract assets	10	79,091,764	65,664,756	-	-
Cash and short-term deposits	11	30,197,803	15,407,816	8,666,429	1,138,691
<b>Total current assets</b>		<b>218,900,488</b>	<b>175,134,766</b>	<b>8,689,651</b>	<b>21,936,546</b>
<b>TOTAL ASSETS</b>		<b>232,423,180</b>	<b>186,032,297</b>	<b>79,280,436</b>	<b>63,466,318</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	12	77,457,540	61,254,988	77,457,540	61,254,988
Reorganisation reserve	14	(40,029,768)	(40,029,768)	-	-
Retained earnings		70,920,783	64,690,964	1,724,460	1,895,023
<b>TOTAL EQUITY</b>		<b>108,348,555</b>	<b>85,916,184</b>	<b>79,182,000</b>	<b>63,150,011</b>
<b>Non-current liabilities</b>					
Borrowings	15	3,508,730	2,184,995	-	-
Deferred tax liabilities	8	166,760	146,427	-	-
<b>Total non-current liabilities</b>		<b>3,675,490</b>	<b>2,331,422</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Borrowings	15	10,343,032	5,878,013	-	-
Tax liabilities		1,094,677	1,191,108	17,867	223,356
Trade and other payables	16	108,736,745	90,701,124	80,569	92,951
Contract liabilities	10	224,681	14,446	-	-
<b>Total current liabilities</b>		<b>120,399,135</b>	<b>97,784,691</b>	<b>98,436</b>	<b>316,307</b>
<b>TOTAL LIABILITIES</b>		<b>124,074,625</b>	<b>100,116,113</b>	<b>98,436</b>	<b>316,307</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>232,423,180</b>	<b>186,032,297</b>	<b>79,280,436</b>	<b>63,466,318</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		← Group →		← Company →	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	17	320,845,078	295,577,312	3,096,320	3,600,000
Cost of sales		(289,959,335)	(269,271,616)	-	-
<b>Gross profit</b>		<b>30,885,743</b>	<b>26,305,696</b>	<b>3,096,320</b>	<b>3,600,000</b>
Other income	18	688,259	1,052,805	-	-
Administrative expenses		(18,864,867)	(16,483,333)	(1,008,752)	(670,686)
<b>Operating profit</b>		<b>12,709,135</b>	<b>10,875,168</b>	<b>2,087,568</b>	<b>2,929,314</b>
Finance income	20	207,117	218,916	216,080	1,033,943
Finance costs	19	(645,986)	(717,124)	-	-
<b>Profit before tax</b>	<b>20</b>	<b>12,270,266</b>	<b>10,376,960</b>	<b>2,303,648</b>	<b>3,963,257</b>
Income tax expense	22	(3,611,720)	(3,025,100)	(45,484)	(231,298)
<b>Profit for the financial year, representing total comprehensive income for the financial year</b>		<b>8,658,546</b>	<b>7,351,860</b>	<b>2,258,164</b>	<b>3,731,959</b>
<b>Profit attributable to:</b>					
Owners of the Company		<b>8,658,546</b>	<b>7,351,860</b>	<b>2,258,164</b>	<b>3,731,959</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>8,658,546</b>	<b>7,351,860</b>	<b>2,258,164</b>	<b>3,731,959</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>					
- Basic and diluted	23	2.29	2.06		

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		← Attributable to owners of the Company →			
	Note	Share capital RM	Reorganisation reserve RM	Retained earnings RM	Total equity RM
<b>Group</b>					
<b>At 1 January 2024</b>		<b>61,254,988</b>	<b>(40,029,768)</b>	<b>64,690,964</b>	<b>85,916,184</b>
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	8,658,546	8,658,546
<b>Transactions with owners</b>					
Issuance of shares pursuant to:					
- private placement	12	8,220,552	-	-	8,220,552
- exercise of warrants	12	7,982,000	-	-	7,982,000
Dividends paid on shares	24	-	-	(2,428,727)	(2,428,727)
Total transactions with owners		16,202,552	-	(2,428,727)	13,773,825
<b>At 31 December 2024</b>		<b>77,457,540</b>	<b>(40,029,768)</b>	<b>70,920,783</b>	<b>108,348,555</b>
<b>At 1 January 2023</b>					
<b>At 1 January 2023</b>		<b>61,254,988</b>	<b>(40,029,768)</b>	<b>59,336,296</b>	<b>80,561,516</b>
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	7,351,860	7,351,860
<b>Transactions with owners</b>					
Dividends paid on shares	24	-	-	(1,997,192)	(1,997,192)
<b>At 31 December 2023</b>		<b>61,254,988</b>	<b>(40,029,768)</b>	<b>64,690,964</b>	<b>85,916,184</b>

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 CONT'D

	Note	← Attributable to owners of the Company →		
		Share capital RM	Retained earnings RM	Total equity RM
<b>Company</b>				
<b>At 1 January 2023</b>		<b>61,254,988</b>	<b>160,256</b>	<b>61,415,244</b>
<b>Total comprehensive income for the financial year</b>				
Profit for the financial year, representing total comprehensive income for the financial year		-	3,731,959	3,731,959
<b>Transactions with owners</b>				
Dividends paid on shares	<b>24</b>	-	(1,997,192)	(1,997,192)
<b>At 31 December 2023</b>		<b>61,254,988</b>	<b>1,895,023</b>	<b>63,150,011</b>
<b>Total comprehensive income for the financial year</b>				
Profit for the financial year, representing total comprehensive income for the financial year		-	2,258,164	2,258,164
<b>Transactions with owners</b>				
Issuance of shares pursuant to:				
- private placement	<b>12</b>	8,220,552	-	8,220,552
- exercise of warrants	<b>12</b>	7,982,000	-	7,982,000
Dividends paid on shares	<b>24</b>	-	(2,428,727)	(2,428,727)
<b>Total transactions with owners</b>		<b>16,202,552</b>	<b>(2,428,727)</b>	<b>13,773,825</b>
<b>At 31 December 2024</b>		<b>77,457,540</b>	<b>1,724,460</b>	<b>79,182,000</b>

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

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		← Group →		← Company →	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from operating activities</b>					
Profit before tax		12,270,266	10,376,960	2,303,648	3,963,257
Adjustments for:					
Depreciation of property, plant and equipment	5	3,059,686	2,809,608	-	-
Gain on disposal of property, plant and equipment	18	(107,000)	(589,871)	-	-
Fair value gain of other investments	18	(99,592)	-	-	-
Fair value loss of other investments	20	-	7,645	-	-
Interest income	20	(207,117)	(218,916)	(216,080)	(1,033,943)
Finance costs	19	645,986	717,124	-	-
<b>Operating profit before changes in working capital</b>		<b>15,562,229</b>	<b>13,102,550</b>	<b>2,087,568</b>	<b>2,929,314</b>
<u>Changes in working capital:</u>					
Trade and other receivables		(15,548,727)	(13,843,117)	15,235	(2,769)
Contract assets		(13,427,008)	(18,265,027)	-	-
Trade and other payables		18,035,621	20,091,357	(12,382)	(1,230)
Contract liabilities		210,235	(2,857,256)	-	-
<b>Net cash from/(used in) operations</b>		<b>4,832,350</b>	<b>(1,771,493)</b>	<b>2,090,421</b>	<b>2,925,315</b>
Income tax paid		(3,607,261)	(2,359,153)	(250,973)	(8,521)
Interest paid		(379,552)	(576,565)	-	-
<b>Net cash from/(used in) operating activities</b>		<b>845,537</b>	<b>(4,707,211)</b>	<b>1,839,448</b>	<b>2,916,794</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(a)	(2,270,516)	(1,948,048)	-	-
Proceeds from disposal of property, plant and equipment		109,500	597,000	-	-
Net changes in amount owing by subsidiaries		-	-	(8,301,615)	(4,089,855)
Change in other investments		98,835	(1,450,742)	-	-
Change in pledge deposits		(2,262,691)	(1,507,222)	-	-
Interest received		207,117	218,916	216,080	1,033,943
<b>Net cash used in investing activities</b>		<b>(4,117,755)</b>	<b>(4,090,096)</b>	<b>(8,085,535)</b>	<b>(3,055,912)</b>

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 CONT'D

		← Group →		← Company →	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
<b>Cash flows from financing activities</b>					
Proceeds from issuance of shares pursuant to:					
- private placement		8,220,552	-	8,220,552	-
- exercise of warrants		7,982,000	-	7,982,000	-
Payments of lease liabilities	(b)	(531,379)	(1,899,880)	-	-
Repayments of hire purchases	(b)	(556,494)	(491,775)	-	-
Drawdown of term loan	(b)	-	1,455,062	-	-
Repayment of tem loan	(b)	(344,508)	(114,836)	-	-
Drawdown of revolving credit	(b)	-	1,000,000	-	-
Dividends paid		(2,428,727)	(1,997,192)	(2,428,727)	(1,997,192)
<b>Net cash from/(used in) financing activities</b>		<b>12,341,444</b>	<b>(2,048,621)</b>	<b>13,773,825</b>	<b>(1,997,192)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		<b>9,069,226</b>	<b>(10,845,928)</b>	<b>7,527,738</b>	<b>(2,136,310)</b>
Cash and cash equivalents at the beginning of the financial year		9,008,504	19,854,432	1,138,691	3,275,001
<b>Cash and cash equivalents at the end of the financial year</b>	(d)	<b>18,077,730</b>	<b>9,008,504</b>	<b>8,666,429</b>	<b>1,138,691</b>

- (a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Note	← Group →	
		2024 RM	2023 RM
Additions of property, plant and equipment	5	5,767,147	4,565,920
Financed by way of leases arrangements	5	(2,727,631)	(2,095,072)
Financed by way of hire purchase arrangements		(769,000)	(522,800)
Cash payments on purchase of property, plant and equipment		<u>2,270,516</u>	<u>1,948,048</u>



## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 CONT'D

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2024 RM	Drawdown RM	Repayments RM	Interest RM	Non-Cash Addition RM	31.12.2024 RM
<b>Group</b>						
Lease liabilities	968,252	-	(531,379)	136,228	2,727,631	3,300,732
Hire purchase	830,403	-	(556,494)	43,854	769,000	1,086,763
Term loan	1,373,955	-	(344,508)	86,352	-	1,115,799
Revolving credit	1,000,000	-	-	-	-	1,000,000
	<u>4,172,610</u>	<u>-</u>	<u>(1,432,381)</u>	<u>266,434</u>	<u>3,496,631</u>	<u>6,503,294</u>

	1.1.2023 RM	Drawdown RM	Repayments RM	Interest RM	Non-Cash Addition RM	31.12.2023 RM
<b>Group</b>						
Lease liabilities	704,782	-	(1,899,880)	68,278	2,095,072	968,252
Hire purchase	760,826	-	(491,775)	38,552	522,800	830,403
Term loan	-	1,455,062	(114,836)	33,729	-	1,373,955
Revolving credit	-	1,000,000	-	-	-	1,000,000
	<u>1,465,608</u>	<u>2,455,062</u>	<u>(2,506,491)</u>	<u>140,559</u>	<u>2,617,872</u>	<u>4,172,610</u>

(c) During the financial year, the Group had total cash outflows for leases of RM534,380 (2023: RM1,925,654).

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Note	← Group →		← Company →	
		2024 RM	2023 RM	2024 RM	2023 RM
Short-term deposits	11	4,771,605	2,508,914	-	-
Less: Pledged deposits		(4,771,605)	(2,508,914)	-	-
		-	-	-	-
Cash and bank balances	11	25,426,198	12,898,902	8,666,429	1,138,691
Bank overdrafts	15	(7,348,468)	(3,890,398)	-	-
		<u>18,077,730</u>	<u>9,008,504</u>	<u>8,666,429</u>	<u>1,138,691</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Haily Group Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 5.11 & 5.12, 5<sup>th</sup> floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80888 IIBD, Johor. The principal place of business of the Company is located at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor Darul Takzim.

The holding company of the Company is Haily Holdings Sdn. Bhd., a company incorporated in Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include building construction of residential and non-residential buildings, provision of rental of construction machinery and engaging in agricultural activities of managing and harvesting of durians and other fruits.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 March 2025.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

### 2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

#### Amendments to MFRSs

MFRS 7 Financial Instruments: Disclosures

MFRS 16 Leases

MFRS 101 Presentation of Financial Statements

MFRS 107 Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

#### ***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of a liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 2. BASIS OF PREPARATION CONT'D

#### 2.2 Adoption of amendments to MFRSs CONT'D

##### ***Amendments to MFRS 101 Presentation of Financial Statements*** CONT'D

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

The effect of applying the above amendments to MFRS on the Group's and the Company's financial statements are disclosed in Note 3.

#### 2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below:

##### ***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 2. BASIS OF PREPARATION CONT'D

#### 2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective CONT'D

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below: CONT'D

##### ***MFRS 18 Presentation and Disclosure in Financial Statements*** CONT'D

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

##### ***Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures***

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 2. BASIS OF PREPARATION CONT'D

#### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

#### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policies information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

#### 3.1 Basis of consolidation

##### (a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group. Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

#### 3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

#### 3.3 Financial instruments

##### Financial assets – subsequent measurement and gains and losses

##### Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

#### 3.3 Financial instruments CONT'D

##### Financial assets – subsequent measurement and gains and losses CONT'D

###### Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 3.4 Property, plant and equipment

Property, plant and equipment other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Motor vehicles	5
Plant and machinery	5 - 10
Furniture and fittings	10
Office equipment	5 - 10
Office renovation	10
Computers	5 - 10

#### 3.5 Leases

##### (a) Lessee accounting

The Group and the Company present right-of-use assets as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 15.

###### Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

#### 3.5 Leases CONT'D

##### (a) Lessee accounting CONT'D

###### Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the 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 useful life of the right-of-use asset or the end of the lease term.

###### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### 3.6 Revenue and other income

##### Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

##### (a) Construction contracts

The Group is a general construction contractor. It constructs properties under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction works performed based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

#### 3.6 Revenue and other income CONT'D

##### (a) Construction contracts CONT'D

Defects Liability Period is usually 12 months to 27 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

The Group recognises the revenue from Ad-Hoc project with small value at the point of time where the Group transfers the promised goods or services to the customers.

##### (b) Rendering of services

Revenue from hiring services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

##### (c) Interest income

Interest income is recognised using the effective interest method.

##### (d) Sales of fruits

Revenue from sale of fruits is recognised at a point in time when control of the fruits has been transferred to the customer, generally on the delivery of goods.

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting year. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

#### (a) Impairment of trade receivables and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONT'D

#### (a) Impairment of trade receivables and contract assets CONT'D

The information about the impairment losses on the Group's financial assets and contracts assets are disclosed in Note 25(b)(i).

#### (b) Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards completion satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 10.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 5. PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Office renovation RM	Computers RM	Right-of-use assets RM	Total RM
<b>Cost</b>								
At 1 January 2023	10,224,789	1,113,676	770,518	2,560,110	31,326	354,521	1,955,885	17,010,825
Additions	873,353	-	-	1,178,795	-	418,700	2,095,072	4,565,920
Disposals	(1,457,645)	(16,800)	-	-	-	-	-	(1,474,445)
Write-off	-	-	(107,133)	(114,896)	(31,326)	(24,949)	-	(278,304)
At 31 December 2023	9,640,497	1,096,876	663,385	3,624,009	-	748,272	4,050,957	19,823,996
Additions	1,802,769	47,000	30,490	1,068,689	-	90,568	2,727,631	5,767,147
Disposals	(332,743)	-	-	-	-	-	-	(332,743)
Write-off	(218,845)	-	-	-	-	-	-	(218,845)
Derecognition due to end of lease term	-	-	-	-	-	-	(1,940,858)	(1,940,858)
At 31 December 2024	10,891,678	1,143,876	693,875	4,692,698	-	838,840	4,837,730	23,098,697

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 5. PROPERTY, PLANT AND EQUIPMENT CONT'D

Group	Note	Motor vehicles RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Office renovation RM	Computers RM	Right-of-use assets RM	Total RM
<b>Accumulated depreciation</b>									
At 1 January 2023		8,083,478	794,387	391,593	1,129,108	31,326	212,893	1,295,124	11,937,909
Depreciation charge for the financial year	20	1,082,395	100,280	66,339	576,687	-	122,887	861,020	2,809,608
Disposals		(1,450,516)	(16,800)	-	-	-	-	-	(1,467,316)
Write-off		-	-	(107,133)	(114,896)	(31,326)	(24,949)	-	(278,304)
At 31 December 2023		7,715,357	877,867	350,799	1,590,899	-	310,831	2,156,144	13,001,897
Depreciation charge for the financial year	20	1,198,712	87,800	68,991	695,072	-	135,846	873,265	3,059,686
Disposals		(330,243)	-	-	-	-	-	-	(330,243)
Write-off		(218,845)	-	-	-	-	-	-	(218,845)
Derecognition due to end of lease term		-	-	-	-	-	-	(1,940,858)	(1,940,858)
At 31 December 2024		8,364,981	965,667	419,790	2,285,971	-	446,677	1,088,551	13,571,637
<b>Carrying amount</b>									
At 31 December 2023		1,925,140	219,009	312,586	2,033,110	-	437,441	1,894,813	6,822,099
At 31 December 2024		2,526,697	178,209	274,085	2,406,727	-	392,163	3,749,179	9,527,060

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 5. PROPERTY, PLANT AND EQUIPMENT CONT'D

#### (a) Assets under hire purchase

Net carrying amount of property, plant and equipment of the Group held under hire purchase agreement is as follows:

	2024 RM	2023 RM
<b>Group</b>		
Motor vehicles	1,618,612	1,241,482

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

Information about leases for which the Group is lessee is presented below:

	Office buildings RM	Office equipment RM	Shop building RM	Warehouse RM	Contract farming rights RM	Total RM
<b>Cost</b>						
At 1 January 2023	1,940,858	15,027	-	-	-	1,955,885
Additions	-	36,700	22,497	-	2,035,875	2,095,072
At 31 December 2023	1,940,858	51,727	22,497	-	2,035,875	4,050,957
Additions	2,369,568	-	-	358,063	-	2,727,631
Derecognition due to end of lease term	(1,940,858)	-	-	-	-	(1,940,858)
At 31 December 2024	2,369,568	51,727	22,497	358,063	2,035,875	4,837,730
<b>Accumulated depreciation</b>						
At 1 January 2023	1,286,859	8,265	-	-	-	1,295,124
Depreciation	436,001	10,345	7,499	-	407,175	861,020
At 31 December 2023	1,722,860	18,610	7,499	-	407,175	2,156,144
Depreciation	415,465	10,345	11,248	29,032	407,175	873,265
Derecognition due to end of lease term	(1,940,858)	-	-	-	-	(1,940,858)
At 31 December 2024	197,467	28,955	18,747	29,032	814,350	1,088,551
<b>Carrying amount</b>						
At 31 December 2023	217,998	33,117	14,998	-	1,628,700	1,894,813
At 31 December 2024	2,172,101	22,772	3,750	329,031	1,221,525	3,749,179

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 5. PROPERTY, PLANT AND EQUIPMENT CONT'D

#### (b) Right-of-use-assets CONT'D

##### Buildings and equipment

The Group leases buildings and equipments for its office space and operation. The leases are mainly for an initial lease term of two (2) to five (5) years (2023: two (2) to five (5) years).

##### Contract farming rights

On 1 January 2023, the Group had entered into two Contract Farming Lease Agreements ("CFLAs") with the lessors, for the lease of 2 parcels of agriculture lands for a lease period of 5 years commencing from 1 January 2023. During the financial year, the Group has paid a total of lease payment of Nil (2023: RM1,400,000) pursuant to the payment schedule of the CFLAs.

The Group recognises the contract farming rights as right-of-use assets as the lessor granted the lessee the right to control the use of the assets and granted an exclusive right to harvest, operate, and manage the trees planted thereon during the lease period.

The right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment lossess, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

### 6. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
<b>At cost</b>		
<b>Unquoted shares</b>		
At beginning of the financial year	41,529,772	41,529,772
Additions	29,061,013	-
At end of the financial year	<u>70,590,785</u>	<u>41,529,772</u>

Details of the subsidiaries are as follows:

Name of company	Principal place of business/country of incorporation	Ownership interest		Principal activities
		2024	2023	
		%	%	
Haily Construction Sdn. Bhd.	Malaysia	100	100	Building construction of residential and non-residential buildings
Haily Development Sdn. Bhd.	Malaysia	100	100	Dormant
Haily Capital Sdn. Bhd.	Malaysia	100	100	Engaged in agricultural activities of managing and harvesting of durians and other fruits

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 6. INVESTMENT IN SUBSIDIARIES CONT'D

Details of the subsidiaries are as follows: CONT'D

Name of company	Principal place of business/country of incorporation	Ownership interest		Principal activities
		2024	2023	
		%	%	
Subsidiary of Haily Construction Sdn. Bhd.				
Haily Machinery Sdn.Bhd.	Malaysia	100	100	Provision of rental of construction machinery

#### Subscription for additional interests in subsidiaries

##### Haily Construction Sdn. Bhd.

On 29 March 2024, the Company had subscribed an additional 465,209 ordinary shares at the price of RM41.25 each in the share capital of a subsidiary, Haily Construction Sdn. Bhd. by way of capitalising the amount owing by Haily Construction Sdn. Bhd. of RM19,189,871.25.

On 28 June 2024, the Company had subscribed an additional 188,812 ordinary shares at the price of RM42.98 each in the share capital of a subsidiary, Haily Construction Sdn. Bhd. by way of capitalising the amount owing by Haily Construction Sdn. Bhd. of RM8,115,139.76.

##### Haily Capital Sdn. Bhd.

On 29 March 2024, the Company had subscribed an additional 1,756,002 ordinary shares at the price of RM1 each in the share capital of a subsidiary, Haily Capital Sdn. Bhd. by way of capitalising the amount owing by Haily Capital Sdn. Bhd. of RM1,756,002.

### 7. OTHER INVESTMENTS

	Group	
	2024 RM	2023 RM
<b>Financial asset designated at FVPL</b>		
<b>At fair value:</b>		
Other investments	3,995,632	3,994,875

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 8. DEFERRED TAX ASSET/(LIABILITIES)

	As at 1 January 2024 RM	Recognised in profit or loss RM (Note 22)	As at 31 December 2024 RM
<b>Group</b>			
<b>Deferred tax asset:</b>			
Capital allowance	10,055	(10,055)	-
Tax losses	70,502	(70,502)	-
	<u>80,557</u>	<u>(80,557)</u>	<u>-</u>
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	<u>(146,427)</u>	<u>(20,333)</u>	<u>(166,760)</u>
<b>Presented after appropriate offsetting as follows:</b>			
Deferred tax asset	80,557	(80,557)	-
Deferred tax liabilities	<u>(146,427)</u>	<u>(20,333)</u>	<u>(166,760)</u>
	<u>(65,870)</u>	<u>(100,890)</u>	<u>(166,760)</u>
	As at 1 January 2023 RM	Recognised in profit or loss RM (Note 22)	As at 31 December 2023 RM
<b>Group</b>			
<b>Deferred tax asset:</b>			
Capital allowance	-	10,055	10,055
Tax losses	-	70,502	70,502
	<u>-</u>	<u>80,557</u>	<u>80,557</u>
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	<u>(129,776)</u>	<u>(16,651)</u>	<u>(146,427)</u>
<b>Presented after appropriate offsetting as follows:</b>			
Deferred tax asset	-	80,557	80,557
Deferred tax liabilities	<u>(129,776)</u>	<u>(16,651)</u>	<u>(146,427)</u>
	<u>(129,776)</u>	<u>63,906</u>	<u>(65,870)</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 8. DEFERRED TAX ASSET/(LIABILITIES) CONT'D

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024 RM	2023 RM
Unused tax losses	88,948	-
Deductible temporary difference	13,632	-
	<u>102,580</u>	<u>-</u>

The availability of unused tax losses for offsetting against future taxable profits of the Group is subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group 2024 RM
2034	<u>88,948</u>

### 9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade</b>					
Trade receivables		63,942,802	54,614,367	-	-
Retention sums		42,732,698	37,653,726	-	-
	(a)	<u>106,675,500</u>	<u>92,268,093</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Other receivables		117,502	425,138	-	-
Deposits		1,070,615	577,274	1,000	1,000
Prepayments		1,744,770	789,155	-	15,235
Amount owing by subsidiaries	(b)	<u>-</u>	<u>-</u>	<u>19,688</u>	<u>20,779,086</u>
		<u>2,932,887</u>	<u>1,791,567</u>	<u>20,688</u>	<u>20,795,321</u>
Total trade and other receivables		<u>109,608,387</u>	<u>94,059,660</u>	<u>20,688</u>	<u>20,795,321</u>



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 9. TRADE AND OTHER RECEIVABLES CONT'D

#### (a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 days to 90 days (2023: 30 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

The retention sum is receivable upon issuance of Certificate of Practical Completion and Certificate of Making Good Defects by the Architect. Other credit terms are assessed and approved on a case by case basis.

#### (b) Amounts owing by subsidiaries

Amounts owing by subsidiaries represent loans to subsidiaries which are unsecured, subject to interest ranging from 5.40% to 5.45% (2023: 4.97 to 5.49%) per annum.

The information about the credit exposures are disclosed in Note 25(b)(i).

### 10. CONTRACT ASSETS/(LIABILITIES)

	<div> <div>←</div> <div>Group</div> <div>→</div> </div>	
	2024	2023
	RM	RM
Contract assets relating to construction service contracts	79,091,764	65,664,756
Contract liabilities relating to construction service contracts	(224,681)	(14,446)

#### (a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 90 days and payments is expected within 90 days.

#### (b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 60 days.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

#### (c) Significant changes in contract balances

	← 2024 →		← 2023 →	
	Contract assets Increase/ (decrease) RM	Contract liabilities (Increase)/ decrease RM	Contract assets Increase/ (decrease) RM	Contract liabilities (Increase)/ decrease RM
<b>Group</b>				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	14,446	-	2,871,702
Increases due to consideration received/receivable from customers, but revenue not recognised	-	(224,681)	-	(14,446)
Increases due to revenue recognised for unbilled goods or services transferred to customers	79,091,764	-	65,664,756	-
Transfers from contract assets recognised at the beginning of the financial year to receivables	(65,664,756)	-	(47,399,729)	-

#### (d) Revenue recognised in relation to contract balances

	← Group →	
	2024 RM	2023 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	14,446	2,871,702

Revenue recognised that was included in the contract liabilities balances at the beginning of the financial year represented primarily revenue from construction contracts when percentage of completion increases.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 11. CASH AND SHORT-TERM DEPOSITS

	← Group →		← Company →	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	25,426,198	12,898,902	8,666,429	1,138,691
Short-term deposits	4,771,605	2,508,914	-	-
	<u>30,197,803</u>	<u>15,407,816</u>	<u>8,666,429</u>	<u>1,138,691</u>

The interest rate of the short-term deposits placed with a licensed bank as at reporting date range from 2.25% to 2.50% (2023: 2.10% to 3.00%) per annum. The short-term deposits have a maturity period ranging from 1 month to 12 months (2023: 1 month to 6 months).

Included in the deposits placed with a licensed bank of the Group, RM4,771,605 (2023: RM2,508,914) is pledged for banking facilities granted to the Group as disclosed in Note 15.

### 12. SHARE CAPITAL

	Note	2024 Unit	2023 Unit	2024 RM	2023 RM
<b>Issued and fully paid-up (no par value):</b>					
At beginning of the financial year		178,320,700	178,320,700	61,254,988	61,254,988
Issuance of shares pursuant to:					
- private placement	(a)	17,832,000	-	8,220,552	-
- bonus issue	(b)	196,152,700	-	-	-
- exercise of warrants	(c)	30,700,000	-	7,982,000	-
At the end of the financial year		<u>423,005,400</u>	<u>178,320,700</u>	<u>77,457,540</u>	<u>61,254,988</u>

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

During the financial year, the Company:

- (a) issued 17,832,000 new ordinary shares pursuant to the private placement at an issue price of RM0.4610 per ordinary share for working capital purposes;
- (b) issued 196,152,700 new ordinary shares pursuant to the bonus issue undertaken by the Company on the basis of 1 bonus share for every 1 existing ordinary share held by the shareholders of the Company; and
- (c) issued 30,700,000 new ordinary shares arising from the exercise of 30,700,000 Warrants A at the exercise price of RM0.26 per warrant in accordance with the Deed Poll dated 19 September 2024.

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 13. WARRANTS

On 19 September 2024, the Company executed a deed poll pertaining to the creation and issuance of 196,152,700 of free warrants ("Warrants A").

The Company issued 196,152,700 Warrants A to the shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The Warrants A are quoted on the Ace Market of Bursa Malaysia Securities Berhad on 11 October 2024.

The movement in the Group's and the Company's number of Warrants A during the financial year are as follows:

	At 1.1.2024	Number of Warrants A		At 31.12.2024
	Unit	Issued Unit	Exercised Unit	Unit
<b>Number of unexercised Warrants A</b>	-	196,152,700	(30,700,000)	165,452,700

The details and salient terms of Warrants A are as follows:

- (i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.26, subject to adjustments in accordance with the provisions of the Deed Poll;
- (ii) The close of business on the warrants is three (3) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;
- (iii) The warrants may be exercised at any time during the tenure of the warrants of three (3) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants;
- (v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/or other forms of distribution and/or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and
- (vi) The Exercise Price and/or number of warrants may from time to time be adjusted by the Board in consultation with an adviser appointed by the Company or the auditors of the Company in the event of any alteration in the share capital of the Company at any time during the tenure of the warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

### 14. REORGANISATION RESERVE

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 15. BORROWINGS

		← Group →	
	Note	2024 RM	2023 RM
<b>Non-current:</b>			
Lease liabilities	(a)	2,104,312	660,975
Hire purchase payables	(b)	565,287	408,221
Term loan	(c)	839,131	1,115,799
		<u>3,508,730</u>	<u>2,184,995</u>
<b>Current:</b>			
Lease liabilities	(a)	1,196,420	307,277
Hire purchase payables	(b)	521,476	422,182
Term loan	(c)	276,668	258,156
Revolving credit	(d)	1,000,000	1,000,000
Bank overdraft	(e)	7,348,468	3,890,398
		<u>10,343,032</u>	<u>5,878,013</u>
<b>Total borrowings:</b>			
Lease liabilities	(a)	3,300,732	968,252
Hire purchase payables	(b)	1,086,763	830,403
Term loan	(c)	1,115,799	1,373,955
Revolving credit	(d)	1,000,000	1,000,000
Bank overdraft	(e)	7,348,468	3,890,398
		<u>13,851,762</u>	<u>8,063,008</u>

**(a) Lease liabilities**

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	← Group →	
	2024 RM	2023 RM
Minimum lease payments:		
- Not later than one year	1,375,450	263,880
- Later than one year and not later than five years	2,413,780	780,730
	<u>3,789,230</u>	<u>1,044,610</u>
Less: Future finance charges	(488,498)	(76,358)
Present value of minimum lease payments	<u>3,300,732</u>	<u>968,252</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 15. BORROWINGS CONT'D

#### (a) Lease liabilities CONT'D

	Group	
	2024	2023
	RM	RM
Present value of minimum lease payments:		
- Not later than one year	1,196,420	307,277
- Later than one year and not later than five years	2,104,312	660,975
	3,300,732	968,252
Less: Amount due within twelve months	(1,196,420)	(307,277)
Amount due after twelve months	2,104,312	660,975

#### (b) Hire purchase payables

Hire purchase payables of the Group of RM1,086,763 (2023: RM830,403) bears interest ranging from 1.98% to 3.68% (2023: 1.88% to 3.77%) per annum and are secured by the Group's motor vehicles under hire purchase agreements as disclosed in Note 5 (a).

#### (c) Term loan

Term loan of the Group of RM1,115,799 (2023: RM1,373,955) bears interest rate at 6.85% (2023: 6.85%) per annum and is repayable by monthly installments of RM28,709 over 5 years commencing from the day of first drawdown and is secured and supported by corporate guarantee of the Company.

#### (d) Revolving credit

The revolving credit of the Group are secured by way of:

- (i) Corporate guarantee by the Company
- (ii) Guarantee by the other investments as disclosed in Note 7

#### (e) Bank overdraft

Bank overdraft bears at interest rates ranging 0.25% to 1% (2023: 0.25% to 1%) per annum over the Islamic Financing Rate and is secured and supported as follows:

- (i) Corporate guarantee by the Company
- (ii) Guarantee by the other investments as disclosed in Note 7

### 16. TRADE AND OTHER PAYABLES

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
<b>Trade</b>					
Trade payables	(a)	80,085,443	67,205,221	-	-
Retention sums	(a)	23,551,652	19,248,634	-	-
Trade accruals		1,495,562	1,699,179	-	-
		105,132,657	88,153,034	-	-

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 16. TRADE AND OTHER PAYABLES CONT'D

Note	← Group →		← Company →	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-trade</b>				
Other payables	1,003,149	719,306	140	140
Accruals	2,600,939	1,828,784	80,429	92,811
	<u>3,604,088</u>	<u>2,548,090</u>	<u>80,569</u>	<u>92,951</u>
Total trade and other payables	<u>108,736,745</u>	<u>90,701,124</u>	<u>80,569</u>	<u>92,951</u>

## (a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 days to 90 days (2023: 30 days to 90 days) terms. The retention sum which is payable upon expiry of defect liability period or issuance of certificate making defects is expected to be settled.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 25(b)(ii).

## 17. REVENUE

	← Group →		← Company →	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from contract customers:</b>				
<b>Over time:</b>				
Construction contracts	319,147,686	294,053,302	-	-
<b>At a point in time:</b>				
Sales of fruits	1,415,655	1,036,186	-	-
<b>Revenue from other source:</b>				
<b>At a point in time:</b>				
Construction contracts	281,737	487,824	-	-
Dividend income	-	-	3,096,320	3,600,000
	<u>320,845,078</u>	<u>295,577,312</u>	<u>3,096,320</u>	<u>3,600,000</u>

## (a) Transaction price allocated to the remaining performance obligations

	2025 RM	2026 RM	Total RM
<b>Group</b>			
<b>At 31 December 2024</b>			
Revenue expected to be recognised on:			
- Construction contracts	<u>495,172,505</u>	<u>101,486,076</u>	<u>596,658,581</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 17. REVENUE CONT'D

#### (a) Transaction price allocated to the remaining performance obligations CONT'D

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

### 18. OTHER INCOME

	← Group →		← Company →	
	2024	2023	2024	2023
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	107,000	589,871	-	-
Fair value gain on other investment	99,592	-	-	-
Miscellaneous	481,667	462,934	-	-
	<u>688,259</u>	<u>1,052,805</u>	<u>-</u>	<u>-</u>

### 19. FINANCE COSTS

	← Group →	
	2024	2023
	RM	RM
Interest expense on:		
- Lease liabilities	136,228	68,278
- Hire purchase	43,854	38,552
- Term loan	86,352	33,729
- Revolving credit	64,498	46,190
- Bank overdraft	268,368	504,710
- Short-term loans	46,686	25,665
	<u>645,986</u>	<u>717,124</u>



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 20. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charge/(credited) in arriving at profit before tax:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration					
- Baker Tilly Monteiro Heng PLT		142,600	123,500	56,500	48,500
Other services					
- Baker Tilly Monteiro Heng PLT		3,000	2,500	3,000	-
- Member firms of Baker Tilly International		26,900	24,500	2,000	2,000
Depreciation of property, plant and equipment	5	3,059,686	2,809,608	-	-
Finance Income		(207,117)	(218,916)	(216,080)	(1,033,943)
Fair value loss on other investments		-	7,645	-	-
Employee benefits expense	21	20,646,497	16,532,839	269,010	244,590
Expenses relating to short-term and low value lease:					
- Site copier		3,000	1,950	-	-
- Site hostel		-	5,824	-	-
- Office		-	6,600	-	-
- Hostel		-	11,400	-	-

### 21. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances and bonuses	18,803,637	14,981,673	240,660	239,790
Defined contribution plan	1,417,007	1,120,688	-	-
Other staff related expenses	425,853	430,478	28,350	4,800
	<u>20,646,497</u>	<u>16,532,839</u>	<u>269,010</u>	<u>244,590</u>
Included in employee benefits are:				
- Directors' fees	240,660	239,790	240,660	239,790
- Directors' remuneration	2,441,000	2,268,000	-	-
- Directors' defined contribution plan	292,920	257,760	-	-
- Directors' other emoluments and benefits in kind	67,699	66,767	-	-
	<u>3,042,279</u>	<u>2,832,317</u>	<u>240,660</u>	<u>239,790</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	← Group →		← Company →	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Statements of comprehensive income</b>				
<b>Current income tax:</b>				
- Current income tax charge	3,527,331	3,028,241	46,267	230,796
- Adjustment in respect of prior years	(16,501)	60,765	(783)	502
	<u>3,510,830</u>	<u>3,089,006</u>	<u>45,484</u>	<u>231,298</u>
<b>Deferred tax: (Note 8)</b>				
- Origination/(Reversal) of temporary differences	89,527	(60,965)	-	-
- Adjustment in respect of prior years	11,363	(2,941)	-	-
	<u>100,890</u>	<u>(63,906)</u>	<u>-</u>	<u>-</u>
 Income tax expense recognised in profit or loss	 <u>3,611,720</u>	 <u>3,025,100</u>	 <u>45,484</u>	 <u>231,298</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 22. INCOME TAX EXPENSE CONT'D

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	← Group →		← Company →	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before tax	12,270,266	10,376,960	2,303,648	3,963,257
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	2,944,864	2,490,470	552,876	951,182
Adjustments:				
- Income not subject to tax	(28,942)	(121,312)	(743,117)	(864,000)
- Non-deductible expenses	676,317	598,118	236,508	143,614
- Deferred tax not recognised on tax losses and temporary differences	24,619	-	-	-
- Adjustment in respect of income tax of prior year	(16,501)	60,765	(783)	502
- Adjustment in respect of deferred tax of prior year	11,363	(2,941)	-	-
Income tax expense	3,611,720	3,025,100	45,484	231,298

### 23. EARNINGS PER SHARE

#### Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 23. EARNINGS PER SHARE CONT'D

The basic and diluted earnings per ordinary shares are computed as follow:

	2024	2023 (Restated)
Profit attributable to ordinary equity holders of the Company (RM)	8,658,546	7,351,860
Weighted average number of ordinary shares for basic and diluted earnings per share (unit)	378,754,821	356,641,400
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (sen)	2.29	2.06

Diluted earnings per share are not presented as the warrants are anti-dilutive where the average market price during the financial year does not exceed the exercise price of the warrants.

The weighted average number of ordinary shares in issue and earnings per share for the previous financial year ended 31 December 2023 have been adjusted to reflect the bonus issue which was completed on 13 September 2024. Further details are disclosed in Note 29.

### 24. DIVIDENDS

	Company	
	2024 RM	2023 RM
<b>Recognised during the financial year:</b>		
Dividends on ordinary shares:		
- Second interim single-tier dividend for the financial year ended 31 December 2023: RM0.0068 per ordinary share, paid on 21 May 2024	1,212,581	-
- First interim single-tier dividend for the financial year ended 31 December 2024: RM0.0031 per ordinary share, paid on 11 October 2024	1,216,146	-
- Second interim single-tier dividend for the financial year ended 31 December 2022: RM0.0056 per ordinary share, paid on 17 April 2023	-	998,596
- First interim single-tier dividend for the financial year ended 31 December 2023: RM0.0056 per ordinary share, paid on 16 October 2023	-	998,596
	2,428,727	1,997,192

On 26 March 2025, the directors declared a second interim single-tier dividend for the financial year ended 31 December 2024 at RM0.0033 per ordinary share, amounting to RM1,395,918, based on the number of outstanding ordinary shares in issue as at 21 April 2025. The second interim single-tier dividend is payable to the members on 16 May 2025 and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 25. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

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

- (i) Amortised cost
- (ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM	Amortised cost RM	FVPL RM
<b>At 31 December 2024</b>			
<b>Financial assets</b>			
<b>Group</b>			
Other investments	3,995,632	-	3,995,632
Trade and other receivables, less prepayments	107,863,617	107,863,617	-
Cash and short-term deposits	30,197,803	30,197,803	-
	<u>142,057,052</u>	<u>138,061,420</u>	<u>3,995,632</u>
<b>Company</b>			
Trade and other receivables, less prepayments	20,688	20,688	-
Cash and short-term deposits	8,666,429	8,666,429	-
	<u>8,687,117</u>	<u>8,687,117</u>	<u>-</u>
<b>Financial liabilities</b>			
<b>Group</b>			
Borrowings excluded lease liabilities	(10,551,030)	(10,551,030)	-
Trade and other payables	(108,736,745)	(108,736,745)	-
	<u>(119,287,775)</u>	<u>(119,287,775)</u>	<u>-</u>
<b>Company</b>			
Trade and other payables	<u>(80,569)</u>	<u>(80,569)</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 25. FINANCIAL INSTRUMENTS CONT'D

### (a) Categories of financial instruments CONT'D

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

	Carrying amount RM	Amortised cost RM	FVPL RM
<b>At 31 December 2023</b>			
<b>Financial assets</b>			
<b>Group</b>			
Other investments	3,994,875	-	3,994,875
Trade and other receivables, less prepayments	93,270,505	93,270,505	-
Cash and short-term deposits	15,407,816	15,407,816	-
	<u>112,673,196</u>	<u>108,678,321</u>	<u>3,994,875</u>
<b>Company</b>			
Trade and other receivables, less prepayments	20,780,086	20,780,086	-
Cash and short-term deposits	1,138,691	1,138,691	-
	<u>21,918,777</u>	<u>21,918,777</u>	<u>-</u>
<b>Financial liabilities</b>			
<b>Group</b>			
Borrowings excluded lease liabilities	(7,094,756)	(7,094,756)	-
Trade and other payables	(90,701,124)	(90,701,124)	-
	<u>(97,795,880)</u>	<u>(97,795,880)</u>	<u>-</u>
<b>Company</b>			
Trade and other payables	<u>(92,951)</u>	<u>(92,951)</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Company's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on their obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

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

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

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management CONT'D

##### (i) Credit risk CONT'D

##### Trade receivables and contract assets

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

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

##### Credit risk concentration profile

At the end of the reporting period, the Group has a significant concentration of credit risk in the form of ten (10) (2023: seven (7)) trade receivables, representing approximately 98.5% (2023: 96.6%) of the Group's total trade receivables.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The Group and the Company use a provision matrix to measure expected credit losses for trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations. The Group and the Company believe that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management CONT'D

##### (i) Credit risk CONT'D

#### Trade receivables and contract assets CONT'D

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

	Contract assets RM	Retention sums RM	Trade receivables					Total RM
			1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	> 120 days past due RM	
			Current RM					
<b>Group</b>								
<b>At 31 December 2024</b>								
Gross carrying amount	79,091,764	42,732,698	43,844,825	2,758,423	6,359	2,824,218	1,399,856	63,942,802
Impairment losses	-	-	-	-	-	-	-	-
Net balance	79,091,764	42,732,698	43,844,825	2,758,423	6,359	2,824,218	1,399,856	63,942,802
<b>At 31 December 2023</b>								
Gross carrying amount	65,664,756	37,653,726	19,991,333	4,845,468	4,771,899	661,685	12,777,971	54,614,367
Impairment losses	-	-	-	-	-	-	-	-
Net balance	65,664,756	37,653,726	19,991,333	4,845,468	4,771,899	661,685	12,777,971	54,614,367

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management CONT'D

##### (i) Credit risk CONT'D

##### Other receivables and other financial assets

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

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

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

Intercompany loans between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

##### Financial guarantees contract

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an on-going basis. The maximum exposure to credit risks amounts to RM9,464,267 (2023: RM6,264,353) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 25(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary secured borrowings.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management CONT'D

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investments and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 25. FINANCIAL INSTRUMENTS CONT'D

## (b) Financial risk management CONT'D

## (ii) Liquidity risk CONT'D

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturities at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows		
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
Group				
At 31 December 2024				
Trade and other payables	108,736,745	108,736,745	-	108,736,745
Lease liabilities	3,300,732	1,375,450	2,413,780	3,789,230
Hire purchase payables	1,086,763	562,118	586,521	1,148,639
Term loan	1,115,799	344,508	918,696	1,263,204
Revolving credit	1,000,000	1,000,000	-	1,000,000
Bank overdraft	7,348,468	7,348,468	-	7,348,468
	<b>122,588,507</b>	<b>119,367,289</b>	<b>3,918,997</b>	<b>123,286,286</b>
At 31 December 2023				
Trade and other payables	90,701,124	90,701,124	-	90,701,124
Lease liabilities	968,252	263,880	780,730	1,044,610
Hire purchase payables	830,403	452,545	423,853	876,398
Term loan	1,373,955	344,508	1,263,204	1,607,712
Revolving credit	1,000,000	1,000,000	-	1,000,000
Bank overdraft	3,890,398	3,890,398	-	3,890,398
	<b>98,764,132</b>	<b>96,652,455</b>	<b>2,467,787</b>	<b>99,120,242</b>
Company				
At 31 December 2024				
Trade and other payables	80,569	80,569	-	80,569
Financial guarantee	-	9,464,267	-	9,464,267
At 31 December 2023				
Trade and other payables	92,951	92,951	-	92,951
Financial guarantee	-	6,264,353	-	6,264,353

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 25. FINANCIAL INSTRUMENTS CONT'D

#### (b) Financial risk management CONT'D

##### (iii) Interest rate risk

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

##### Sensitivity analysis of interest rate risk

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

	Carrying amount RM	Change in basis points	Effect on equity and profit for the financial year RM
<b>Group</b>			
<b>31 December 2024</b>			
Term Loan	1,115,799	+50	(4,240)
		-50	4,240
<b>31 December 2023</b>			
Term Loan	1,373,955	+50	(5,221)
		-50	5,221

#### (c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year (2023: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value of financial instruments carried at fair value			
	Fair value			
	Level 1	Level 2	Level 3	Total
Carrying amount RM	RM	RM	RM	RM
<b>Group</b>				
<b>31 December 2024</b>				
<b>Financial asset</b>				
<b>Non-current</b>				
Other investments	3,995,632	-	-	3,995,632

(c) **Fair value measurement** CONT'D

		Fair value of financial instruments carried at fair value			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM
<b>Group</b>					
<b>31 December 2023</b>					
<b>Financial asset</b>					
<b>Non-current</b>					
Other investments	3,994,875	3,994,875	-	-	3,994,875

		Fair value of financial instruments not carried at fair value			
	Carrying amount	Fair value			
	RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>					
<b>31 December 2024</b>					
<b>Financial liabilities</b>					
Hire purchase payables	1,086,763	-	-	1,089,027	1,089,027
<b>31 December 2023</b>					
<b>Financial liabilities</b>					
Hire purchase payables	830,403	-	-	830,403	830,403

The fair value of hire purchase payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

**(a) Identity of related parties**

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## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 26. RELATED PARTIES CONT'D

#### (a) Identity of related parties CONT'D

Related parties of the Group and the Company include:

- (i) Company's holding company;
- (ii) Subsidiaries; and
- (iii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities or indirectly.

#### (b) Significant related parties transactions

Significant related parties transactions other than disclosed elsewhere in the financial statements are as follows:

	← Group →		← Company →	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Rental paid</b>				
- Company's holding company	480,000	480,000	-	-
<b>Dividend income</b>				
- Subsidiary	-	-	3,096,320	3,600,000
<b>Interest income</b>				
- Subsidiary	-	-	178,729	999,855

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 9.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 25(b)(i).

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

	← Group →		← Company →	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances and bonuses	3,209,160	2,986,590	240,660	239,790
Defined contribution plans	356,220	315,216	-	-
Other staff related expenses	7,646	7,278	-	-
Benefits in kind	67,787	74,962	-	-
	3,640,813	3,384,046	240,660	239,790

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 27. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity.

The gearing ratio as at 31 December 2024 and 31 December 2023 are as follows:

	Note	Group	
		2024 RM	2023 RM
Borrowings/Total debts	15	13,851,762	8,063,008
Total equity		108,348,555	85,916,184
Gearing ratio (times)		0.13	0.09

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

The Group is required to comply with externally imposed capital requirements on leverage ratio in respect of its bank borrowings. The Group has complied with those capital requirements.

### 28. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Product and services
Building construction	Building construction of residential and non-residential buildings
Others	Civil engineering construction works, rental of construction machinery and engaged in agricultural activities of managing and harvesting of durian and other fruits.

Inter-segment pricing is determined on negotiated basis.



## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 28. SEGMENT INFORMATION CONT'D

#### Segment profit

Segment performance is used to measure performance as Group's CEO believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

#### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Group's CEO.

#### Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's CEO, hence no disclosures are made on segment liabilities.

	Building construction RM	Others RM	Adjustment and eliminations RM	Total RM
<b>2024</b>				
<b>Revenue:</b>				
Revenue from external customers	315,983,562	4,861,516	-	320,845,078
Inter-segment revenue	-	6,336,392	(6,336,392)	-
	<u>315,983,562</u>	<u>11,197,908</u>	<u>(6,336,392)</u>	<u>320,845,078</u>
<b>Results:</b>				
<i>Included in the measure of segment profit are:</i>				
Gain on disposal of property, plant and equipment	97,750	-	9,250	107,000
Interest income	160,292	46,825	-	207,117
Fair value gain of other investment	99,592	-	-	99,592
Depreciation of property, plant and equipment	(2,466,216)	(599,020)	5,550	(3,059,686)
Employee benefits expense	(18,913,565)	(1,732,932)	-	(20,646,497)
Interest expenses	(770,044)	(69,134)	193,192	(645,986)
Expenses relating to short-term and low value leases	(3,000)	-	-	(3,000)
<b>Segment profit</b>	<u>14,108,777</u>	<u>3,043,009</u>	<u>(4,881,520)</u>	<u>12,270,266</u>
Income tax expenses	(3,313,291)	(298,429)	-	(3,611,720)
Profit for the financial year	<u>10,795,486</u>	<u>2,744,580</u>	<u>(4,881,520)</u>	<u>8,658,546</u>
<b>Assets:</b>				
Additions to non-current assets	5,761,947	5,200	-	5,767,147
Segment assets	<u>221,331,256</u>	<u>84,078,902</u>	<u>(72,986,978)</u>	<u>232,423,180</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 28. SEGMENT INFORMATION CONT'D

	Building construction RM	Others RM	Adjustment and eliminations RM	Total RM
<b>2023</b>				
<b>Revenue:</b>				
Revenue from external customers	294,017,888	1,559,424	-	295,577,312
Inter-segment revenue	-	6,448,791	(6,448,791)	-
	<u>294,017,888</u>	<u>8,008,215</u>	<u>(6,448,791)</u>	<u>295,577,312</u>
<b>Results:</b>				
<i>Included in the measure of segment profit are:</i>				
Gain on disposal of property, plant and equipment	589,871	-	-	589,871
Interest income	167,874	51,042	-	218,916
Fair value loss of other investments	(7,645)	-	-	(7,645)
Depreciation of property, plant and equipment	(2,188,381)	(628,627)	7,400	(2,809,608)
Employee benefits expense	(14,885,723)	(1,647,116)	-	(16,532,839)
Interest expenses	(1,663,159)	(138,073)	1,084,108	(717,124)
Expenses relating to short-term and low value leases	(25,774)	-	-	(25,774)
<b>Segment profit</b>	<u>9,781,439</u>	<u>4,188,121</u>	<u>(3,592,600)</u>	<u>10,376,960</u>
Income tax expenses	(2,730,002)	(295,098)	-	(3,025,100)
Profit for the financial year	<u>7,051,437</u>	<u>3,893,023</u>	<u>(3,592,600)</u>	<u>7,351,860</u>
<b>Assets:</b>				
Additions to non-current assets	2,261,797	2,304,123	-	4,565,920
Segment assets	<u>182,434,949</u>	<u>69,550,825</u>	<u>(65,953,477)</u>	<u>186,032,297</u>

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities are as follows:

- (a) Inter-segment revenues are eliminated on consolidation;
- (b) Inter-segment income and expenses are eliminated on consolidation; and
- (c) Inter-segment balances are eliminated on consolidation

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 28. SEGMENT INFORMATION CONT'D

#### Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

#### Information about major customers

For construction segment, the revenue from the major customers was as follows:

	Group	
	2024	2023
	RM	RM
Customer I	82,208,103	60,366,553
Customer II	74,748,638	58,683,882
Customer III	38,194,702	49,576,914
Customer IV	33,429,419	46,308,788
Customer V	22,171,609	20,788,575
Customer VI	18,638,436	20,030,897
	<u>269,390,907</u>	<u>255,755,609</u>

### 29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) On 3 May 2024, the Company announced the proposal to undertake a private placement of up to 17,832,000 new ordinary shares to third party investors. On 11 June 2024, the private placement was completed with the issuance of 17,832,000 new ordinary shares at an issue price of RM0.4610 each. Pursuant to the private placement, the number of ordinary shares in the Company was increased from 178,320,700 to 196,152,700 shares while the paid up share capital of the Company was increased by RM8,220,552 from RM61,254,988 to RM69,475,540.
- (ii) On 10 July 2024, the Board of Directors announced that the Company proposed to undertake the following:
  - Bonus issue of 196,152,700 new ordinary shares in the Company on the basis of one (1) bonus share for every one (1) existing ordinary share of the Company held by the shareholders, and
  - Free warrant issue of up to 196,152,700 free warrants in the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders.

The Company obtained the approval for the proposal from Bursa Malaysia Securities Berhad on 2 August 2024 and of the shareholders at the Company's extraordinary general meeting convened on 28 August 2024.

- (iii) On 13 September 2024, the Company completed the bonus issue and consequently, the number of ordinary shares in the Company was increased by 196,152,700 to 392,305,400 shares.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR CONT'D

- (iv) On 11 October 2024, the Company completed the free warrant issue with the issuance of 196,152,700 warrants which are exercisable at any time during the tenure of 3 years commencing on the date of issuance of the warrants at the exercise price of RM0.26 each.
- (v) On 10 December 2024, the number of ordinary shares in the Company was increased from 392,305,400 to 423,005,400 shares while the paid up share capital was also increased by RM7,982,000 from RM69,475,540 to RM77,457,540 via the exercise of 30,700,000 Warrants A at the exercise price of RM0.26 each.

### 30. SIGNIFICANT EVENT SUBSEQUENT TO THE END THE FINANCIAL YEAR

On 6 February 2025, Haily Engineering Sdn. Bhd. has been incorporated with an initial issued capital of 2 ordinary shares issued at a price of RM1.00 per share. The intended principal activities of the company are provision of civil engineering services and infrastructure construction projects.

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

We, **SEE TIN HAI** and **YOONG WOEI YEH**, being two of the directors of Haily Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**SEE TIN HAI**  
Director

.....  
**YOONG WOEI YEH**  
Director

Date: 26 March 2025

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

I, **LONG CHEOW SIONG**, being the officer primarily responsible for the financial management of Haily Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....  
**LONG CHEOW SIONG**  
**(MIA Membership No: 10464)**

Subscribed and solemnly declared by the abovenamed at Johor Bahru in the state of Johor on 26 March 2025.

Before me,

.....  
Commissioner for Oaths

**LAU LAY SUNG**  
**NO. J246**  
**JOHOR BAHRU**

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Haily Group Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 99 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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.

### Group

#### Revenue recognition for construction activities (Note 17 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction cost incurred for works performed to date bear to the estimated total costs for each project (input method).

We focus on this area because significant Group's judgement is required, in particular with regards to determining the progress towards complete satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA) CONT'D**

### **Key Audit Matters** CONT'D

#### **Group** CONT'D

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#### **Revenue recognition for construction activities (Note 17 to the financial statements)** CONT'D

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##### **Our response:**

Our audit procedures on a sample of major projects included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of performance obligation;
- comparing Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project manager; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

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#### **Trade receivables and contract assets (Notes 9 and 10 to the financial statements)**

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The Group has significant trade receivables and contract assets as at 31 December 2024. We focus on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

##### **Our response:**

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- understanding of significant credit exposures through analysis of ageing reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with past due balances; and
- testing the reasonableness of expected credit losses provided as at the end of the reporting period.

#### **Company**

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

### **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.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA) CONT'D

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

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 the 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 and the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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 of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA) CONT'D**

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

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### **Other Matters**

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

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

Kuala Lumpur

Date: 26 March 2025

Ng Boon Hiang  
No. 02916/03/2026 J  
Chartered Accountant

## ANALYSIS OF SHAREHOLDINGS

### AS AT 21 MARCH 2025

#### SHARE CAPITAL

Issued Share Capital	:	RM78,132,420-00 comprised of 423,005,400 ordinary shares fully paid
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share

#### DISTRIBUTION OF SHAREHOLDERS

No. of shareholders	Size of shareholdings	No. of shares held	%
8	Less than 100 shares	260	0.00
128	100 to 1,000 shares	56,940	0.01
643	1,001 to 10,000 shares	3,806,600	0.90
861	10,001 to 100,000 shares	30,477,000	7.21
216	100,001 to less than 5% of issued shares	117,523,200	27.78
2	5% and above of issued shares	271,141,400	64.10
<b>1,858</b>	<b>TOTAL</b>	<b>423,005,400</b>	<b>100.00</b>

#### LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares held	%
1	HAILY HOLDINGS SDN BHD	200,641,400	47.43
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAILY HOLDINGS SDN BHD	70,500,000	16.67
3	WONG CHEE SEAN @ WONG SEAN	12,600,000	2.98
4	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PENG TONG	6,506,000	1.54
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YICK SING (3010161)	6,000,000	1.42
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG AH MOI (8060540)	4,010,000	0.95
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	3,424,000	0.81
8	NG KIM LENG	2,700,000	0.64
9	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT	2,200,000	0.52
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SING HUAT	2,020,000	0.48
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CECILIA SIM SHEN SHEN	2,000,000	0.47
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YORK MING (7006972)	1,913,000	0.45
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO TIEN DING	1,692,000	0.40
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SEH BEE (E-KPG)	1,686,000	0.40
15	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	1,680,000	0.40
16	YON MARKETING SDN BHD	1,639,900	0.39
17	YONG FONG KIEN	1,638,600	0.39

**ANALYSIS OF SHAREHOLDINGS** CONT'D

AS AT 21 MARCH 2025

**LIST OF 30 LARGEST SHAREHOLDERS** CONT'D

No.	Name of shareholders	No. of shares held	%
18	KHO YIK	1,416,000	0.33
19	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH JEE MING	1,359,200	0.32
20	LIOW JING HONG	1,350,000	0.32
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOO YONG BOON	1,342,000	0.32
22	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHUN SEAN	1,321,900	0.31
23	LIM TECK LOONG	1,203,300	0.28
24	TAN CHOON WEI	1,200,000	0.28
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE HAO (E-JBU)	1,171,000	0.28
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YIP WAI MUN (E-PPG)	1,140,000	0.27
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YAW CHOONG	1,000,000	0.24
28	SEE SWEE LING	1,000,000	0.24
29	YOONG WOEI YEH	1,000,000	0.24
30	WONG SIEW POH	951,300	0.22

**SUBSTANTIAL SHAREHOLDERS**

(As per Register of Substantial Shareholders)

No.	Name of Shareholders	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1	HAILY HOLDINGS SDN BHD	271,141,400	64.10	-	-
2	SEE TIN HAI	-	-	271,381,400 <sup>(a)(b)</sup>	64.16
3	KIK SIEW LEE	-	-	271,141,400	64.10

**DIRECTORS' SHAREHOLDINGS**

(As per Register of Directors' Shareholdings)

No.	Name of Directors	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1	HAJI MOHD JAFFAR BIN AWANG (ISMAIL)	200,000	0.05	-	-
2	SEE TIN HAI	-	-	271,381,400 <sup>(a)(b)</sup>	64.16
3	YOONG WOEI YEH	1,000,000	0.24	-	-
4	SEE SWEE LING	1,000,000	0.24	-	-
5	SEE CUL WEI	-	-	-	-
6	ONG KHENG SWEE	200,000	0.05	-	-
7	TAN SUI HUAT	200,000	0.05	-	-
8	POH BOON HUWI	-	-	-	-

**Notes:**

(a) Deemed interest by virtue of his interest in Haily Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

(b) Deemed interest by virtue of his daughters, See Yee Wei's and See Yee Han's interests in Haily pursuant to Section 59(11)(c) of the Act.

## ANALYSIS OF WARRANT HOLDINGS

### AS AT 21 MARCH 2025

No. of Warrant A (2024/2027)	:	196,152,700
Exercise Price	:	RM0.26
No. of Warrants exercised	:	30,700,000
No. of Warrants unexercised	:	165,452,700
Expiry Date	:	7 October 2027

### DISTRIBUTION OF WARRANT HOLDERS

No. of warrant holders	Size of warrant holdings	No. of warrants held	%
36	Less than 100 warrants	1,577	0.00
218	100 to 1,000 warrants	129,423	0.08
621	1,001 to 10,000 warrants	3,378,600	2.04
388	10,001 to 100,000 warrants	14,050,650	8.49
82	100,001 to less than 5% of issued warrants	41,532,950	25.10
3	5% and above of issued warrants	106,359,500	64.29
<b>1,348</b>	<b>TOTAL</b>	<b>165,452,700</b>	<b>100.00</b>

### LIST OF 30 LARGEST WARRANT HOLDERS

No.	Name of warrant holders	No. of warrants held	%
1	HAILY HOLDINGS SDN BHD	79,620,700	48.12
2	WONG CHEE SEAN @ WONG SEAN	15,540,000	9.39
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOO YONG BOON	11,198,800	6.77
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	4,905,300	2.96
5	TIN HONG PAK	2,114,400	1.28
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO PING	1,995,000	1.21
7	KHO YIK	1,940,000	1.17
8	NG KIM LENG	1,350,000	0.82
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO TIEN DING	1,250,800	0.76
10	CHONG KAI SAM	1,100,000	0.66
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO MUI LEE @ KHO MEI LEE	1,085,000	0.66
12	MUHD NUR IRFAN BIN SHAMSUDIN	1,021,400	0.62
13	TEO MENG HOW	1,002,700	0.61
14	YONG FONG KIEN	969,300	0.59
15	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW JING RUI	905,000	0.55
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	840,000	0.51

## ANALYSIS OF WARRANT HOLDINGS CONT'D

AS AT 21 MARCH 2025

### LIST OF 30 LARGEST WARRANT HOLDERS CONT'D

No.	Name of warrant holders	No. of warrants held	%
17	NG WOUI YING	705,000	0.43
18	KHO PING	700,000	0.42
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SING HUAT	700,000	0.42
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MEOW KAI WEN	700,000	0.42
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH JEE MING	679,600	0.41
22	CHONG SIAT CHOON	645,000	0.39
23	LIM TECK LOONG	601,650	0.36
24	LIM GEK SHAN	600,000	0.36
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GEK SHAN	600,000	0.36
26	TAN CHOON WEI	600,000	0.36
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE HAO (E-JBU)	585,500	0.35
28	OH ENG LEONG	550,000	0.33
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD MELANIE KHO KYAI-ER	520,000	0.31
30	TONG LEE CHIN	503,000	0.30

### DIRECTORS' WARRANT HOLDINGS

(As per Register of Directors' Warrant holdings)

No.	Name of Directors	No. of warrants held			
		Direct Interest	%	Deemed Interest	%
1	HAJI MOHD JAFFAR BIN AWANG (ISMAIL)	100,000	0.06	-	-
2	SEE TIN HAI	-	-	79,740,700 <sup>(a)(b)</sup>	48.20
3	YOONG WOEI YEH	500,000	0.30	-	-
4	SEE SWEE LING	500,000	0.30	-	-
5	SEE CUL WEI	-	-	-	-
6	ONG KHENG SWEE	100,000	0.06	-	-
7	TAN SUI HUAT	100,000	0.06	-	-
8	POH BOON HUWI	-	-	-	-

#### Notes:

(a) Deemed interest by virtue of his interest in Haily Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

(b) Deemed interest by virtue of his daughters, See Yee Wei's and See Yee Han's interests in Haily pursuant to Section 59(11)(c) of the Act.

## NOTICE OF FIFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifth Annual General Meeting (“**5<sup>th</sup> AGM**”) of **HAILY GROUP BERHAD** (“**Haily**” or “**Company**”) will be held at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor on Wednesday, 28 May 2025 at 9.30 a.m. for the following purposes: -

### AGENDA

#### AS ORDINARY BUSINESS:

- |   |  |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.                       | (Please refer to Explanatory Note 1)                                 |
| 2. To re-elect Haji Mohd Jaffar Bin Awang (Ismail), a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution.   | <b>ORDINARY RESOLUTION 1</b>   |
| 3. To re-elect Ms See Swee Ling, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution.  | <b>ORDINARY RESOLUTION 2</b>   |
| 4. To re-elect Ms See Cul Wei, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution.  | <b>ORDINARY RESOLUTION 3</b>   |
| 5. To approve the payment of Directors' Fees of RM252,660 for the financial year ending 31 December 2025, payable quarterly in arrears.   | <b>ORDINARY RESOLUTION 4</b><br>(Please refer to Explanatory Note 2) |
| 6. To re-appoint Baker Tilly Monteiro Heng PLT, as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. | <b>ORDINARY RESOLUTION 5</b>   |

#### AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution: -

- |   |  |
|---|--|
| 7. <b>AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b>  | <b>ORDINARY RESOLUTION 6</b><br>(Please refer to Explanatory Note 3) |
| <p>“THAT subject always to the Companies Act 2016, the ACE Market Listing Requirements (“<b>ACE LR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued 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 AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting (“<b>AGM</b>”) of the Company (“<b>General Mandate</b>”).”</p> |  |



## NOTICE OF FIFTH ANNUAL GENERAL MEETING CONT'D

### AS SPECIAL BUSINESS: CONT'D

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

### BY ORDER OF THE BOARD

IRENE JUAY YEE LUAN (MAICSA 7057249)  
SSM Practicing Certificate No. 202008001193

HEW JING SIAN (MAICSA 7065968)  
SSM Practicing Certificate No. 202008001325  
Company Secretaries

Date: 29 April 2025

### NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the member's shareholding to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited with the Share Registrar of the Company 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, at the drop-in box provided 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 for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument with the Share Registrar via **TIIH Online** at <https://tiih.online> not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.



## NOTICE OF FIFTH ANNUAL GENERAL MEETING CONT'D

### NOTES: CONT'D

8. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on **21 May 2025**, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

### EXPLANATORY NOTES:

#### Ordinary Business: -

1. **Item 1 of the Agenda**  
**Audited Financial Statements for the financial year ended 31 December 2024**

This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. **Ordinary Resolution 4**  
**Directors' Fees for the financial year ending 31 December 2025**

The proposed Ordinary Resolution 4, if passed, will facilitate the payment of Directors' fees for the financial year ending 31 December 2025, payable quarterly in arrears to the Independent Non-Executive Directors as members of the Board and Board Committees.

#### Special Business: -

3. **Ordinary Resolution 6**  
**Authority to Issue Shares Pursuant to Sections 75 And 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6 is a renewal of the General Mandate pursuant to Sections 75 and 76 of the Companies Act 2016 obtained from the shareholders of the Company at the Fourth Annual General Meeting ("4<sup>th</sup> AGM") held on 28 May 2024 and if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate, if passed will enable the Directors to take swift action in case of a need to issue and allot new shares and provide flexibility to the Company to raise additional funds expeditiously and efficiently to meet its funding requirements including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditures, investment project(s), and/or acquisition(s) or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, the Company had placed out 17,832,000 new ordinary shares pursuant to the General Mandate obtained at the 4<sup>th</sup> AGM of the Company.

## NOTICE OF FIFTH ANNUAL GENERAL MEETING CONT'D

### EXPLANATORY NOTES: CONT'D

#### Voting by Poll

Pursuant to Rule 8.31A of the ACE LR of Bursa Securities, all resolutions set out in this Notice are to be voted by poll.

## FORM OF PROXY

No. of Shares held	
CDS Account No. (For Nominees Account Only)	

I/We, \_\_\_\_\_, (NRIC / Company Registration No. \_\_\_\_\_)  
 of (full address) \_\_\_\_\_,  
 (email address) \_\_\_\_\_ and (contact no.) \_\_\_\_\_ a member/members of  
 HAILY GROUP BERHAD hereby appoint:

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be Represented (Refer to Note 3)
Address	Email Address	Contact No.

\* and/or failing him/her

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be Represented (Refer to Note 3)
Address	Email Address	Contact No.

\*or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the 5<sup>th</sup> Annual General Meeting of the Company to be held at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor on Wednesday, 28 May 2025 at 9.30 a.m. and at every adjournment thereof to vote as indicated below in respect of the following Resolutions: -

\* Delete where applicable.

ORDINARY BUSINESS		For	Against
Ordinary Resolution 1	Re-election of Haji Mohd Jaffar Bin Awang (Ismail)		
Ordinary Resolution 2	Re-election of Ms See Swee Ling		
Ordinary Resolution 3	Re-election of Ms See Cul Wei		
Ordinary Resolution 4	Approval of Directors' Fees		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

.....  
 Signature / Common Seal of Member(s)

**NOTES:**

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
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3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
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6. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited with the Share Registrar of the Company 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, at the drop-in box provided 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 for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
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9. In respect of deposited securities, only members whose names appear on the Record of Depositors on **21 May 2025** shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

**Voting by Poll**

Pursuant to Rule 8.31A of the ACE LR of Bursa Securities, all resolutions set out in this Notice are to be voted by poll.

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**STAMP**

**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  
Malaysia

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Kontraktor Pembinaan

**Haily Group Berhad** 202001006412 (1362732-T)  
**Haily Construction Sdn. Bhd.** 20201014873 (1362732-T)

No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor



**HAILY GROUP BERHAD**

202001006412 (1362732-T)

No. 3339, Jalan Pekeliling Tanjung 27

Kawasan Perindustrian Indahpura

81000 Kulai, Johor

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