



**VELOCITY CAPITAL  
PARTNER BERHAD**

(Formerly known as CSH Alliance Berhad)  
200001002113 (504718-U)

# Annual Report 2024

**GROWTH  
THROUGH  
INNOVATION**

VELOCITY CAPITAL PARTNER BERHAD (Formerly known as CSH Alliance Berhad) 200001002113 (504718-U)

ANNUAL REPORT 2024

**VELOCITY CAPITAL PARTNER BERHAD**

(Formerly known as CSH Alliance Berhad)  
200001002113 (504718-U)

9-3, Oval Damansara  
No. 685, Jalan Damansara  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Wilayah Persekutuan  
Tel No.: (+6011) 2050 1516

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Azman Bin Mat Ali

*Independent Non-Executive  
Chairman  
(Appointed w.e.f. 06.12.2023)*

### Dato' Chong Mun Ping

*Independent Non-Executive Director*

### Krishnan A/L Dorairaju

*Independent Non-Executive Director  
(Appointed w.e.f. 26.01.2024)*

### Dato' Kang Chez Chiang

*Independent Non-Executive Director  
(Appointed w.e.f. 02.02.2024)*

### Lim Peng Tong

*Executive Director  
(Re-designated on 22.12.2023)*

### Tan Yip Jiun

*Executive Director*

### See Toh Kean Yaw

*Executive Director  
(Appointed w.e.f. 22.12.2023)*

## AUDIT COMMITTEE

### Krishnan A/L Dorairaju

*Chairman*

### Dato' Chong Mun Ping

### Dato' Kang Chez Chiang

*Members*

## NOMINATION COMMITTEE

### Dato' Chong Mun Ping

*Chairperson*

### Krishnan A/L Doarairaju

### Dato' Kang Chez Chiang

*Members*

## REMUNERATION COMMITTEE

### Dato' Chong Mun Ping

*Chairperson*

### Krishnan A/L Doarairaju

### Dato' Kang Chez Chiang

*Members*

## RISK MANAGEMENT COMMITTEE

### Dato' Kang Chez Chiang

*Chairman*

### Dato' Chong Mun Ping

### Krishnan A/L Doarairaju

*Members*

## COMPANY SECRETARIES

### Chua Siew Chuan

*(MAICSA 0777689)  
(SSM PC No. 201908002648)*

### Yeow Sze Min

*(MAICSA 7065735)  
(SSM PC No. 201908003120)*

## REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel No. : (+603) 2084 9000  
Fax No. : (+603) 2094 9940  
Email : info@sshsb.com.my

## CORPORATE HEAD OFFICE

9-3, Oval Damansara  
No. 685, Jalan Damansara  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : (+6011) 2050 1516

## REGISTRAR

Mega Corporate Services Sdn. Bhd.  
Level 15-2, Bangunan Faber  
Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel No. : (+603) 2692 4271  
Fax No. : (+603) 2732 5388/  
(+603) 2732 5399  
Email : mega-sharereg@  
megacorp.com.my

## AUDITORS

ChengCo PLT (201806002622)  
LLP0017004-LCA & AF0886  
Chartered Accountants  
Lot 46-AG1, Persiaran MPAJ  
Jalan Pandan Utama  
Pandan Indah  
55100 Kuala Lumpur  
Tel No. : (+603) 7984 8988  
Fax No. : (+603) 7984 4402

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
United Overseas Bank (Malaysia)  
Berhad  
Public Bank Berhad

## STOCK EXCHANGE

Main Market of Bursa Malaysia  
Securities Berhad

## STOCK CODE

7165

## STOCK NAME

VELOCITY

## WEBSITE

<https://www.velocitymy.com>

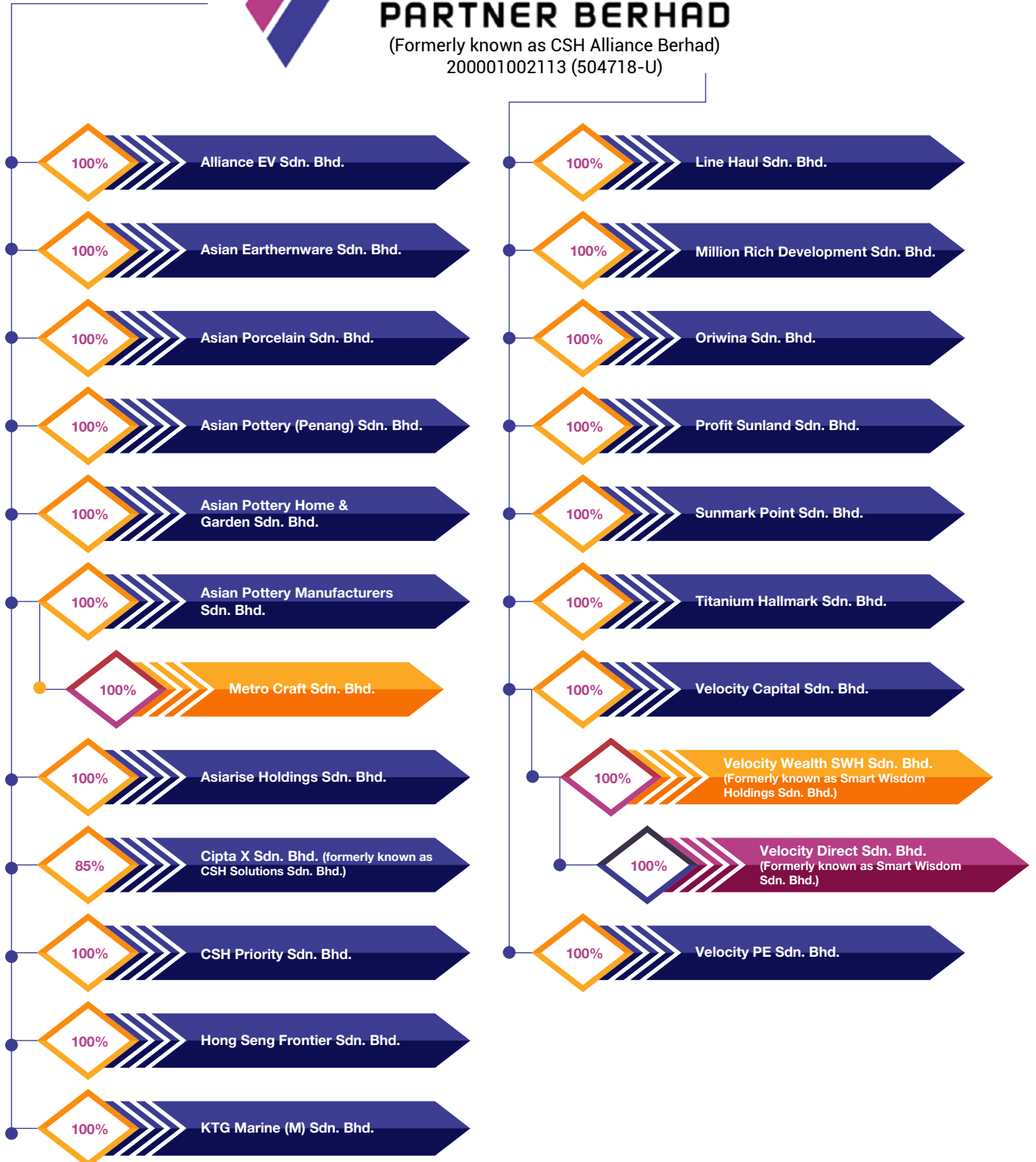
# CORPORATE STRUCTURE

As at 30 June 2024



## VELOCITY CAPITAL PARTNER BERHAD

(Formerly known as CSH Alliance Berhad)  
200001002113 (504718-U)



## 5-YEAR FINANCIAL HIGHLIGHTS

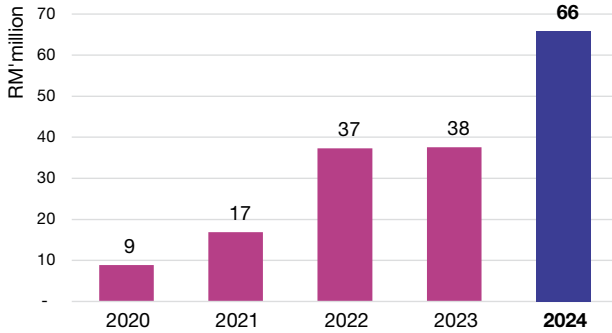
		2020	2021	2022	2023	2024
<b>RESULTS OF OPERATION</b>						
Revenue	RM'000	8,848	16,916	37,265	37,570	<b>65,805</b>
(Loss)/Profit Before Interest, Taxes, Depreciation and Amortisation	RM'000	(4,083)	(13,606)	(2,882)	(19,965)	<b>21,597</b>
(Loss)/Profit Before Taxation	RM'000	(4,957)	(16,364)	(7,085)	(26,548)	<b>10,955</b>
(Loss)/Profit After Taxation	RM'000	(5,024)	(16,637)	(8,040)	(27,457)	<b>9,847</b>
Net (Loss)/Profit Attributable To Equity Holders	RM'000	(5,024)	(16,637)	(8,040)	(26,630)	<b>9,847</b>
<b>FINANCIAL POSITION</b>						
Total Assets	RM'000	122,617	321,926	418,649	414,823	<b>427,495</b>
Total Borrowings	RM'000	73	2,735	185	10,952	<b>7,896</b>
Shareholders' Equity	RM'000	109,372	310,574	406,140	384,308	<b>394,156</b>
<b>FINANCIAL INDICATORS</b>						
Return On Equity	%	(4.6)	(5.4)	(2.0)	(6.9)	<b>2.5</b>
Return On Total Assets	%	(4.1)	(5.2)	(1.9)	(6.4)	<b>2.3</b>
Gearing Ratio	%	0.1	0.9	Negligible	2.8	<b>2.0</b>
Interest Cover	times	(683.0)	(234.3)	(112.7)	(61.4)	<b>28.2</b>
Basic (Loss)/Profit Per Share	sen	(2.18)	(4.42)	(0.81)	(1.93)	<b>0.75</b>
Net Assets Per Share	sen	47.44	82.50	40.73	27.82	<b>30.11</b>
Share Price As At The Financial Year End	sen	21.00	16.00	9.00	4.00	<b>5.00</b>



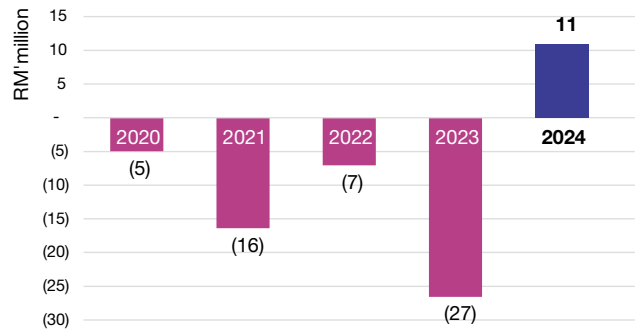


## 5-Year Financial Highlights (Cont'd)

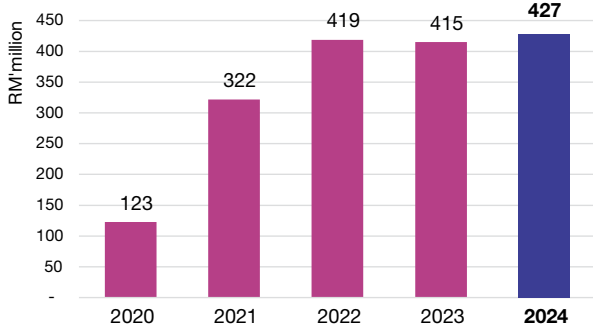
### REVENUE



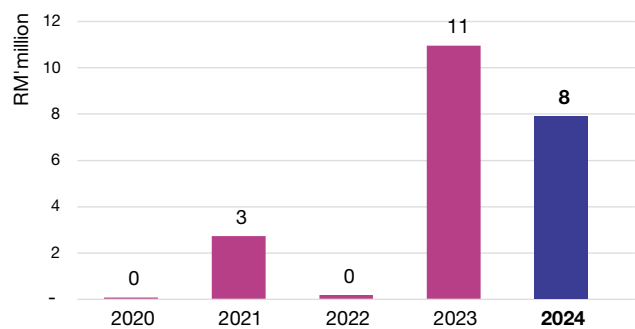
### LOSS BEFORE TAXATION



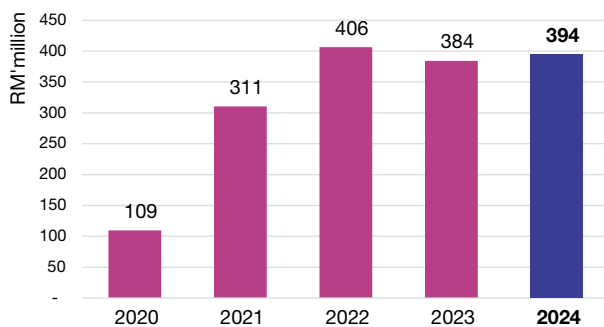
### TOTAL ASSETS



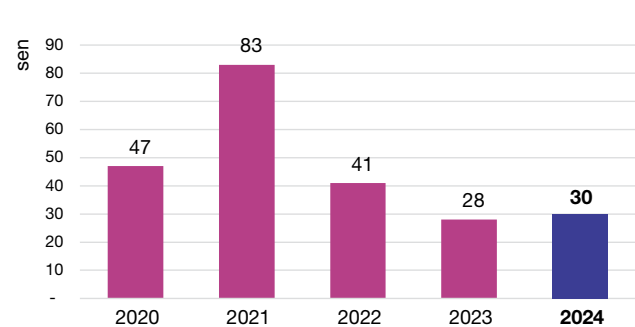
### TOTAL BORROWINGS



### SHAREHOLDERS' EQUITY



### NET ASSETS PER SHARE



# BOARD OF DIRECTORS' PROFILE

## AZMAN BIN MAT ALI

*Independent Non-Executive Chairman*

61



Age | Nationality | Gender

En. Azman Bin Mat Ali (“**En. Azman**”) was appointed to the Board on 6 December 2023 as an Independent Non-Executive Chairman.

En. Azman graduated with a Master of Business Administration earned at Drake University, Des Moines, Iowa, United States of America (“**USA**”) in 1988, and a Bachelor of Business Administration attained from Iowa University, Ames, Iowa, USA, in 1985.

He is an accomplished professional whose illustrious career unfolded within the esteemed Bank Negara Malaysia (“**BNM**”) (the Central Bank of Malaysia), spanning from 1988 to 2023, during which he held various senior positions and made substantial contributions to the financial sector.

En. Azman’s journey at BNM began in the Investment and Treasury Department, where he demonstrated his financial acumen as a Foreign Exchange Trader from 1988 to 1999, developing and executing foreign exchange strategies that consistently outperformed the bank’s multi-currency benchmark portfolio. Subsequently, from 1999 to 2002, he transitioned to the role of Bond Trader, where his expertise in interest rate strategies contributed to the bank’s impressive portfolio performance. His leadership also extended to the international stage when he served as the Chief of London Representative Office from 2006 to 2010, managing the bank’s multi-currency reserves portfolio to exceed benchmark expectations.

In 2016, En. Azman assumed the pivotal role of Director of Foreign Exchange Administration Department, where he was entrusted with the formulation and administration of foreign exchange policies, playing a vital role in managing capital flows and mitigating Malaysian entities’ exposure to foreign-denominated debts.

In 2023, he retired as the Director of Currency Management and Operations Department, a position where he had held since 2018. During his tenure in the Currency Management and Operations Department, he was tasked with overseeing critical initiatives such as the issuance of new series banknotes and coins in 2012, the development and operationalisation of the Automated Cash Centre in 2016, and the development and implementation of the Currency Act 2020.

En. Azman currently sits on the Board of MMAG Holdings Berhad as an Independent Non-Executive Director.

The training and number of Board of Directors’ Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 this Annual Report.

En. Azman does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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

**DATO' CHONG MUN PHING***Independent Non-Executive Director*

67



Age | Nationality | Gender

Chairperson of Nomination Committee  
 Chairperson of Remuneration Committee  
 Member of Audit Committee  
 Member of Risk Management Committee

Dato' Chong Mun Phing ("**Dato' Chong**") was appointed to the Board on 19 April 2023 as an Independent Non-Executive Director. She is the Chairperson of the Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") and a member of the Audit Committee ("**AC**") and Risk Management Committee.

Dato' Chong is an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom. She holds a Masters Degree in Business Administration from Charles Sturt University, Australia. She is also a Certified Financial Investigator (National Co-ordination Committee to Counter Money Laundering).

She made history by being the first female graduate to join the Royal Malaysia Police Force ("**RMP**") as a Cadet Assistant Superintendent of Police in 1982. She had a distinguished career, serving a total of almost thirty-six (36) years with the RMP in the three (3) main investigation departments; that is, the Criminal Investigation Department ("**CID**"), the Commercial Crime Investigation Department ("**CCID**"), and the Narcotics Crime Investigation Department.

Through the years she moved up in ranks and was the first female to be assigned to hold various important command posts in several states, including Head of Commercial Crime, Ipoh in 1983; Head of Anti Vice and Gaming, Pulau Pinang in 1989; Head of Intelligence/Interrogation, Narcotics, Pulau Pinang in 1993, Deputy Head of CID, Perak in 1996 and Head of CCID, Selangor in 2009.

Her working experiences in the Federal Headquarters in Bukit Aman include being the Assistant Director of National Central Bureau/Interpol Malaysia in 2002; Assistant Director of Financial Crime Investigation, CCID in 2006; Deputy Director of Strategic Planning, CCID in 2014; following that as Principal Assistant Director of Investigation (Syndicated Crimes), CCID in 2015; a position she held until her retirement in December 2017 with the rank of Senior Assistant Commissioner.

Dato' Chong was conferred the Darjah Indera Mahkota Pahang by the Sultan of Pahang in 2017 and the Darjah Kebesaran Setia Sultan Sharafuddin Idris Shah, Selangor in 2014.

Dato' Chong currently sits on the Board of Green Packet Berhad and Mpire Global Berhad as an Independent Non-Executive Director.

The training and number of Board of Directors' Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while her interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Dato' Chong does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



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

### KRISHNAN A/L DORAIRAJU

*Independent Non-Executive Director*

36



Age

Nationality

Gender

Chairman of Audit Committee  
Member of Risk Management Committee  
Member of Nomination Committee  
Member of Remuneration Committee

Mr. Krishnan A/L Dorairaju ("**Mr. Krishnan**") was appointed to the Board on 26 January 2024 as an Independent Non-Executive Director. On the same date, Mr. Krishnan was appointed as the Chairman of the Audit Committee and a member of Risk Management Committee, Nomination Committee and Remuneration Committee.

Mr. Krishnan obtained his Master in Business Administration from Cardiff Metropolitan University in 2015. He is also a licence tax agent approved by the Ministry of Finance and is a Member of Malaysia Institute of Accountants (MIA), Chartered Tax Institute by Malaysia (CTIM) and Associate of Chartered Certified Accountant (ACCA).

Mr. Krishnan has more than 14 years in the financial industry and a qualified Chartered Accountant, he is currently a Partner in a boutique professional firm that provides numerous services including corporate advisory, accounting, human resource management, secretarial, taxation, information technology and capital management. He is also an Executive Director in a fully licensed trust company that provides various trust services to high-net-worth individuals and large organisations both local and foreign.

Prior to venturing into the business arena, Mr. Krishnan has served in the Big Four as well as medium size accounting firms with experience encompassing various matters including M&A, restructuring, incentives, grants as well as regulatory compliance.

He is also an Independent Non-Executive Director of Revenue Group Berhad and Classita Holdings Berhad.

The training and number of Board of Directors' Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report. While his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Save as disclosed above, he does not have any family relationship with any other Director and/or major shareholder of the Company and does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor any sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial period.

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

**DATO' KANG CHEZ CHIANG***Independent Non-Executive Director*

66



Age | Nationality | Gender

Chairman of Risk Management Committee

Member of Audit Committee

Member of Nomination Committee

Member of Remuneration Committee

Dato' Kang Chez Chiang ("**Dato' Kang**") was appointed to the Board on 2 February 2024 as an Independent Non-Executive Director. On the same date, he was appointed as the Chairman of Risk Management Committee and a member of Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Kang holds a Diploma in Police Science from Universiti Kebangsaan Malaysia in 2001.

Dato' Kang is a retired Deputy Commissioner of Police of the Royal Malaysia Police ("**RMP**") where he had served the Police Force for 39 years and 6 months. He joined the RMP in 1979 under General Operation Force. He had also served in the Narcotics Crime Investigation Department ("**NCID**") as the Head of the Intelligence Unit and Head of NCID Kuala Lumpur Police Contingent, progressing to Bukit Aman Principal Assistant Director and Deputy Director of Intelligence and Operational section.

Dato' Kang's experience in intelligence investigation, human management and operational skills in the field NCID works has enabled him to act at an advisory level on drug matter to Police Directors.

Currently, Dato' Kang sits on the Board of Classita Holdings Berhad and Hong Seng Consolidated Berhad as an Independent Non-Executive Director.

The training and number of Board of Directors' Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Dato' Kang does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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

### LIM PENG TONG

*Executive Director*

66



Age | Nationality | Gender

Mr. Lim Peng Tong (“**Mr. Lim**”) was appointed to the Board on 18 January 2018 as an Independent Non-Executive Director and was redesignated as Executive Director on 22 December 2023. Following his redesignation from an Independent Non-Executive Director to Executive Director, he has concurrently relinquish his position as the Chairman of Audit Committee and Risk Management Committee as well as a member of Nomination Committee and Remuneration Committee with effect from 22 December 2023.

Mr. Lim is an established banker with extensive experience in the financial and banking industry. He has served a long career path of thirty-eight (38) years with Malayan Banking Berhad, with his last position as Regional Head of Business Banking covering the Northern Region of Penang/Kedah/Perlis. He rose from the ranks starting as a clerk in 1979 and had held supervisory and leadership roles in various capacities ranging from operations and credit management during his long and successful banking career. As Regional Head of Business Banking, he was responsible for the strategic planning to grow the commercial businesses, especially in commercial and corporate lending activities involving marketing, credit processes, business development, relationship management, and most importantly, ensuring asset quality for the Bank. Mr. Lim has also served in various states in the country, from Melaka, Johor, Kuala Lumpur to the northern region of Penang, Kedah, and Perlis, which gave him an advantage of a wide network and connection to many of the businessmen in the region.

Mr. Lim graduated as a Diploma holder in Banking and Financial Services in 1997 with Institute Bank-Bank Malaysia (“**IBBM**”) while pursuing his career in the banking industry. Mr. Lim is a certified credit practitioner and has held the Certified Credit Professional qualification since 2002. He is an Associate member with IBBM, now known as the Asian Institute of Chartered Bankers.

The training and number of Board of Directors' Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Mr. Lim does not hold any directorship in other public companies and listed issuers in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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

**TAN YIP JIUN***Executive Director***33**

Age | Nationality | Gender

Mr. Tan Yip Jiun (“**Mr. YJ**”) was appointed to the Board on 16 March 2021 as an Executive Director.

Upon completing his studies at the Bukit Jalil Sports School and SMK Gunung Rapat, Mr. YJ started his career in the logistic sector as an Operation Officer based in Klang under ChipSeng Heng Enterprise Sdn. Bhd. (“**ChipSeng Heng**”) since year 2015. He was involved in the operation management aspect of ChipSeng Heng, which handled third-party logistics services and a total of twenty (20) units of cargo and tanker lorries, the daily delivery fulfilment based on customer requirement, and the overall fleet management.

Within a year, he was promoted to the Operation Cum Safety Officer, whereby he was responsible for implementing safety management and ensuring all workers complied with the safety rules in the working area, the monthly incoming vessel by providing custom clearance services, stock transfer from the vessel to yard, weighbridge monitoring, stockpile management, daily monitoring on loading progress and delivery to ensure the raw material in customer plant never below safety level and the monthly delivery forecast by communicating closely with receiving party.

In 2018, Mr. YJ was transferred to the headquarters (“**HQ**”) of ChipSeng Heng, which was based in Ipoh as their General Manager (“**GM**”). He was tasked to oversee all departments, including operation, fleet, workshop, safety, accounts, and human resources for the HQ and branch with a total of one hundred and eighty (180) units of fleets and two hundred and twenty (220) manpower. During his tenure as the GM, he provided marketing and sales strategies, improved ChipSeng Heng’s internal management to be more systematic, implemented ISO 39001 Road Traffic Safety Management, changed the internal structure, and implemented recruitment targeting at the younger generation.

Currently, he is the Executive Director of ChipSeng Heng and is working to strengthen ChipSeng Heng’s position by minimising cost by providing vehicle training to drivers for better understanding on taking care of their fleet, implementing driver management system (merit and demerit), restructuring workshop inventories control by having a proper racking and bar code system, implementing lorry maintenance system to reduce downtime, maximise revenue by re-routing trucks operation, increase return goods volume, encourage operation officers always perform at their best by implementing key performance indicator, provide expansion strategy and financial planning for Managing Director to make a clearer decision for the ChipSeng Heng’s growth strategies.

Besides that, he also serves as a Director in several companies involved in the transportation, raw materials for construction, and information technology sectors. As the Director of these companies, he plays an instrumental role in the business development and overall business direction.

The training and number of Board of Directors’ Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Mr. YJ does not hold any directorship in other public companies and listed issuers in Malaysia. He does not have any family relationship with any Director and/or major shareholder of the Company and does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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

### SEE TOH KEAN YAW

*Executive Director*

51



Age | Nationality | Gender

Mr. See Toh Kean Yaw ("**Mr. See Toh**") was appointed to the Board on 22 December 2023 as an Executive Director.

Mr. See Toh is a Chartered Accountant of the Malaysian Institute of Accountants since June 2001 and a fellow member of the Association of Chartered Certified Accountants, United Kingdom since May 2004. He holds a Masters Degree in Business Administration from University of Portsmouth, United Kingdom. He spent the early years of his career with BDO Binder Public Accountants, where he specialised in auditing, taxation and consultancy. In 1999, he left the auditing profession and joined Ire-Tex Group as an Accountant, responsible for the financial management, corporate finance and accounting functions. He was eventually promoted to Group Accountant, Financial Controller and Chief Financial Officer before being appointed as Executive Director of Ire-Tex Corporation Berhad ("**Ire-Tex**") (Stock code: 7183) after Ire-Tex's successful initial public offering ("**IPO**") on the Bursa Malaysia Stock Exchange in 2004.

Over the past fifteen (15) years in Ire-Tex, he was responsible in the formulation and implementation of the Ire-Tex Group's corporate strategies as well as overseeing the corporate finance, investment management, merger and acquisition aspects of the Group. From 2010 to 2014, he served as an Independent and Non-Executive Director and an audit committee member of Eka Noodles Berhad (Stock code: 7182), a company listed on Bursa Malaysia Securities Berhad.

As a founding partner of Kairous Capital Group since year 2015, he has acquired more than nine (9) years of experience in private equity and venture capital field including fundraising, deal sourcing, investment portfolio monitoring and value creation. So far, he has concluded several technology and non-technology investments into several companies based in China and Southeast Asia and also successfully assisted portfolio companies exiting via IPO onto the Shanghai Stock Exchange and Hong Kong Stock Exchange.

Mr. See Toh also serves as an Executive Director of Harvest Miracle Capital Berhad ("**HMCB**"), a company engaged in a business that is similar to the Company's moneylending business, which is conducted through the Company's wholly-owned subsidiary, Velocity Capital Sdn. Bhd. ("**VCSB**"). As HMCB competes directly with the Company, this presents a potential conflict of interest. He will abstain from all Board deliberations and voting on matters relating to or involving VCSB.

The training and number of Board of Directors' Meetings attended for the financial year ended 30 June 2024 are set out on pages 41 and 42 of this Annual Report while his interest in the shares and warrants of the Company, if any, are listed on pages 149 and 151 of this Annual Report.

Mr. See Toh does not have any family relationship with any Director and/or major shareholder of the Company. Save as disclosed, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), as well as any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# KEY SENIOR MANAGEMENT PERSONNEL'S PROFILE

The key senior management personnel are as follows:-

1. **Lim Peng Tong**  
Executive Director
2. **Tan Yip Jiun**  
Executive Director
3. **See Toh Kean Yaw**  
Executive Director

The profiles of the key senior management personnel are outlined in their respective profile on pages 10, 11, and 12.



# MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURES



## INTRODUCTION

Velocity Capital Partner Berhad (“**Velocity**” or “**the Company**”), formerly known as CSH Alliance Berhad, and its subsidiaries (“**the Group**”) are principally engaged in transportation and logistics, financial services business, retail, trading, manufacturing, exporting and marketing pottery, porcelain products, ceramics wares and ornaments, property construction, property investment as well as property development.

Financial 2024 is a year which marked a successful transformative journey for the Group whereby the Group has recorded a significant improvement from a net loss of RM27.46 million in last financial year to RM9.85 million profit in the current financial year 2024. This main contributors to the operational improvement are from the sectors of financial services and transportation and logistics. This is in line with the Company’s strategic move to have more dedicated focus on financial services and transportations and logistics.

## BUSINESS AND OPERATIONS OVERVIEW

Malaysia’s financial services sector is witnessing notable growth, driven by technological advancements, increased financial literacy, and a burgeoning middle class. This evolving landscape presents Velocity with opportunities to enhance its digital offerings and innovative products while prioritizing customer experience.

Velocity’s moneylending business is poised for growth by extending its moneylending services to an underserved market, particularly customers overlooked by banks or licensed financial institutions. The acquisition of licensed moneylenders under the Moneylenders Act 1951, along with a valid moneylending license issued by the Ministry of Housing and Local Government (“**KPKT**”) highlights the Group’s commitment to capitalizing on this growth potential.

The acquisition of Velocity Wealth SWH Sdn. Bhd. (Formerly known as Smart Wisdom Holdings Sdn. Bhd.) together with its wholly owned subsidiary, Velocity Direct Sdn. Bhd. (Formerly known as Smart Wisdom Sdn. Bhd.) (“**VDSB**”) which owns a moneylending license issued under the Moneylenders Act 1951 from KPKT signified the further strengthening of Velocity’s financial services division. On 26 July 2024, VDSB has obtained the approval from the Malaysian Cooperative Commission for the issuance of 'Kod Potongan Gaji Biro Perkhidmatan Angkasa' (“**Kod BPA**”), a payroll deduction code that facilitates the repayments for financing of consumer credit, personal credit, and credit to officers or staff of the Government, statutory bodies, private companies, and entrepreneurs. With the Kod BPA, the entity will be able to offer its credit financing services to a wider consumer base particularly the Malaysian civil servant population in addition to its existing moneylending services.

The upcoming acquisition of Oasis Capital Investment Bank Ltd (“**OCIB**”), a Labuan-based investment company will also bring the financial services sector to another milestone by expanding the offshore investment banking capabilities, enabling us to offer a comprehensive suite of services in asset and wealth management, and specialized financial advisory targeted particularly at emerging markets. This strategic expansion not only diversifies our revenue streams but also reinforces our position in innovative financial solutions on a global scale.

## Management Discussion And Analysis Disclosures (Cont'd)

### BUSINESS AND OPERATIONS OVERVIEW (CONT'D)

Transportation and logistics continued to show commendable results in 2024 despite facing various operational challenges. While the Group currently does not have any active construction or property development projects, it remains open to exploring future opportunities in this sector. These opportunities may include forming joint ventures with established partners, or bidding on high-potential projects that align with the Group's long-term strategic goals. In addition, the Group is focused on optimizing its asset base by liquidating remaining property inventory. This decision reflects a deliberate shift away from property development, aligning with the Group's broader strategic focus on financial services and logistics, where it sees more sustainable growth and higher returns.

In the context of the highly competitive electric vehicle (“EV”) market, the Group has also undertaken a strategic reassessment of its involvement in this sector. With substantial capital investment requirements and intense competition from both established players and new entrants, the Group has chosen not to renew its expired Memorandum of Understanding (“MOU”) for EV-related ventures. This decision underscores the Group's commitment to prudent resource allocation, ensuring that investments are channeled into sectors where the potential for profitability and sustainable growth is greater. The shift away from the EV market allows the Group to focus on strengthening its core businesses, where it has established competitive advantages and clearer pathways to success.

### FINANCIAL RESULTS AND FINANCIAL CONDITION REVIEWS

The Group achieved an impressive growth of 75.1% in revenue of RM65.80 million in the financial year ended 30 June 2024 (“FYE2024”), as compared to RM37.57 million in the previous financial year ended 30 June 2023 (“FYE2023”). The increase was mainly contributed by the transportation and logistics segment which generated RM39.94 million in revenue from haulage and hub-to-hub delivery services. Additionally, the financial services segment generated RM8.03 million in revenue, benefiting from a higher interest income received from loan borrowers as a licensed moneylender.

Overall, the Group's profit before taxation (“PBT”) rose to RM10.95 million, marking a 141.2% increase from FYE2023. This improvement was fueled by strong performances across financial services, transportation and logistics, and other segments, mainly attributable to the other income from the Company.

The substantial enhancement in the PBT for the FYE2024 was primarily attributed to the ‘Other’ segment. Aligning with the Company's strategic objectives, the Company divested an investment, leading to a favorable reversal of an impairment loss amounting to RM8.25 million. Additionally, due to the recoverability of other receivables, an impairment loss of RM2.87 million was reversed in the current financial year.

The transportation and logistics segment demonstrated remarkable progress in FYE2024. Revenue surged by an impressive 117.8%, climbing from RM18.34 million in FYE2023 to RM39.94 million in FYE2024, thereby constituting 60.7% of the Group's total revenue. Furthermore, the segment transitioned from a loss before taxation (“LBT”) of RM7.22 million in FYE2023 to achieving a PBT of RM2.68 million in FYE2024. This significant turnaround is primarily due to the project revenue from strategic investments in technological enhancements within the logistics segment and improved operational cost efficiency.

Next, the financial services segment contributed revenue of RM8.03 million, representing an increase of 5.4% as compared to RM7.62 million in FYE2023 due to higher interest income received from loan borrowers as licensed moneylenders in FYE2024. Despite the modest revenue increase, the segment saw a substantial improvement in its PBT, rising sharply to RM3.20 million in FYE2024 from RM0.003 million in FYE2023, primarily due to the impairment losses on financing receivables recorded in the previous financial year.

This year, the Group's ceramic segment generated RM8.47 million in revenue, reflecting a 19.7% decline compared to FYE2023. This decrease was primarily due to a continued downtrend in overseas orders. However, there was a notable improvement in the LBT, which decreased from RM1.88 million in FYE2023 to RM1.11 million in FYE 2024, attributed to enhanced operational cost efficiency.

The construction and property segment experienced a significant revenue increase of RM2.10 million, a stark contrast to the absence of revenue in FYE2023. This growth was primarily driven by the sales of completed properties, with ongoing efforts to clear the remaining inventory.

## Management Discussion And Analysis Disclosures (Cont'd)

### FINANCIAL RESULTS AND FINANCIAL CONDITION REVIEWS (CONT'D)

The Group maintained a healthy financial position with the Group's liquid financial assets comprising short-term deposits and cash and bank balances of RM38.05 million in FYE2024. The shareholders' equity has been improved from RM384.31 million in FYE2023 to RM394.16 million in FYE2024.

The Group continues to exercise prudent financial management amidst evolving market conditions, remaining poised to pursue strategic initiatives and capitalize on opportunities for sustainable growth.

### REVIEW OF OPERATING ACTIVITIES

The Group's business strategy continues to focus on expanding its financial services segment, primarily through its moneylending arm, Velocity Capital Sdn. Bhd. This expansion is a key driver of the Group's growth, as the demand for flexible and innovative financial solutions increases. The strategic integration of OCIB, which is in the process of being fully onboarded into the Group, and VDSB, further underscores the Group's commitment to strengthening its financial services portfolio.

With respect to the ordinary operational profit, financial services segment has marked its achievement by becoming one of the main contributors to the Group's profit in FYE2024. The growth of loan based from RM162 million in last FYE2023 to RM225 million in FYE2024, approximately of 38% increase had further demonstrated the commitment and expansion of the moneylending business.

On 26 July 2024, VDSB successfully attained Kod BPA from Suruhanjaya Koperasi Malaysia had further marked a significant milestone for the Group in the ability to provide streamlined credit facilities to Malaysia's vast civil servant workforce.

With the above initiatives and strategic development in the financial services, it significantly broadens the Group's potential market reach and solidifies our competitive edge in the personal and business financing sectors.

The Group continue to expand its transportation and logistics business by focusing on technological enhancement in order to achieve more efficient and cost-effective services as well as maintaining competitiveness in meeting the market demands. The Middle Mile Logistics services segment with the freight-sharing services business model and Pallet Network Concept continue to be our focus in the transportation and logistics segment.

In regard to the partnership between Alliance EV Sdn. Bhd., a wholly owned subsidiary of the Company, and BYD Malaysia Sdn. Bhd., the two companies initially entered into a MOU on 21 March 2022. The MOU was focused on the distribution of fully electric commercial vehicles in Malaysia and the provision of 4S services, which include sales, service, spare parts, and body and paint services.

However, the MOU expired on 20 March 2024, and after a thorough review of the project's viability and market conditions, both parties have mutually agreed to place the project on hold and will not renew the MOU at this time. This decision reflects a careful reassessment of the competitive landscape in the EV market, which requires substantial capital investment and faces intense competition. As a result, the Group has chosen to prioritize its resources on core sectors where it holds a stronger competitive advantage and sees clearer paths to profitability.

Moving on to the ceramic business, the Group continues to explore new marketing strategies and partnership with other industry players in order to remain competitive in meeting customers' demand and minimize the rising cost challenges in the industry.

There was no ongoing construction and property development projects under the Construction and property segment. The Group continues to strive the effort to sell the completed properties in hand and source for any viable options such as a joint venture arrangement for the commercial development of the land or disposal of the lands together with the concept masterplan.

In conclusion, despite the economic and foreign exchange volatility, the Group maintained its revenue following the recalibration and rationalization strategies implemented by the management to venture into the financial services business and transportation and logistics business and while disposing of non-core assets and non-profit making assets to minimize its business and financial risks.

## Management Discussion And Analysis Disclosures (Cont'd)

### RISK MANAGEMENT

Our group operates across various industries, primarily focusing on financial services and transportation and logistics. Effective risk management is integral to our group's success. By identifying and mitigating the key risks in the industries we are in, we can ensure the continued growth and stability of our operations.

Below are some key risks associated with the key industries and the strategies we employ to mitigate them:

#### Moneylending Industry Risks

- **Credit Risk:** Risk of borrowers defaulting on their loans. Our mitigation strategies include thorough credit assessments, request for collateral, diversifying the loan portfolio, and setting appropriate interest rates.
- **Regulatory Compliance:** Navigating the complex web of regulations and legal frameworks. We ensure compliance by staying updated with regulatory changes, obtaining necessary licenses, and implementing robust compliance programs.
- **Fraud Risk:** The risk of fraudulent activities. We combat this by employing stringent Know Your Business (KYB) verification procedures.

#### Transportation and Logistics Industry Risks

- **Operational Disruptions:** Risks such as labor shortages, delays, and cargo damage. We address these by maintaining a flexible workforce, having contingency plans, and ensuring proper insurance coverage.
- **Economic Risks:** Risks arising from economic slowdowns or geopolitical conflicts. We manage these risks by diversifying our client base and markets, and staying agile in our operations.
- **Regulatory Compliance:** Ensuring compliance with transportation and logistics regulations. We achieve this by staying informed about regulatory changes, maintaining proper documentation, and adhering to industry standards.

#### Manufacturing Industry Risks

- **Supply Chain Disruptions:** The risk of delays or interruptions in the supply chain. We mitigate this by maintaining multiple suppliers and keeping inventory buffers.
- **Quality Control:** Ensuring consistent product quality. We implement rigorous quality control processes, conduct regular audits, and invest in employee training.
- **Environmental and Safety Risks:** Compliance with environmental regulations and ensuring workplace safety. We stay updated with regulatory changes, implement safety protocols, and invest in sustainable practices.

Lastly, the Group's businesses may also be affected by risks on the occurrence of force majeure events or circumstances that are beyond the control of our Group, for instance, natural disasters, lockdowns, closure of international borders, economic risks (such as an economic downturn, slower global and domestic growth and inflation), ongoing trade and geopolitical tensions, commodity-related crisis, adverse developments in political and government policies in Malaysia and foreign markets, acts of war or terrorism, riots, expropriations and changes in political leadership.

## Management Discussion And Analysis Disclosures (Cont'd)

### MOVING FORWARD

As we move into the next year, our strategy will focus on strengthening our core business segments—financial services and transportation and logistics—while maintaining a cautious approach to our manufacturing and property development activities. This measured approach ensures that we can maximize growth opportunities in our key sectors while remaining agile in response to evolving market conditions.

Financial services will continue to be a cornerstone of our portfolio. We will leverage our established strengths in moneylending by enhancing our credit risk assessment models, ensuring more accurate risk management, and expanding our loan portfolio to serve a broader range of customer segments. Diversifying our offerings will allow us to capture untapped market opportunities, particularly within underserved communities, further solidifying our position as a trusted financial services provider.

In the transportation and logistics sector, our focus will be on optimizing operational efficiency and improving customer satisfaction. By integrating cutting-edge technology and data analytics into our logistics operations, we will streamline the supply chain, enhance visibility, and make real-time, data-driven decisions that reduce costs and improve delivery times. These innovations will enable us to provide more reliable and faster services, ensuring we remain competitive in a rapidly changing logistics landscape.

In alignment with Malaysia's focus on environmental, social, and governance (“ESG”) principles, we are committed to integrating ESG considerations into our core operations. This means advancing sustainable practices in our financial services, ensuring ethical lending, and promoting financial inclusion. In transportation and logistics, we will prioritize reducing carbon emissions and enhancing energy efficiency. Our approach to manufacturing will emphasize eco-friendly processes and waste reduction. By embedding ESG principles into our strategy, we aim to contribute positively to Malaysia's sustainable development goals.

### DIVIDEND

No dividends have been paid by the Company for the current financial year. Payment of any future dividends is subject to the Company's level of cash, indebtedness, retained earnings, capital expenditure, and such other matters, as the Board may deem relevant from time to time.

### ACKNOWLEDGEMENT

The Board wishes to extend our heartfelt gratitude to our valued customers, business associates, partners, bankers, and employees for their hard work, dedication, and relentlessness in supporting the Group through its achievements and challenges.

We look forward to working with all our shareholders to strengthen our organization and rebuild our strategies for Velocity in 2025 and beyond.

*For and on behalf of the Board and the Management of Velocity*



# SUSTAINABILITY STATEMENT



## 1. ABOUT THIS STATEMENT

The Velocity Capital Partner Berhad (“**Velocity**” or “**the Group**”) Annual Sustainability Statement (“**Statement**”) presents our key sustainability efforts and performance for the financial year 2024 (“**FYE 2024**”). It outlines the steps we have taken to integrate sustainability into our operations, ensuring that our initiatives positively impact both stakeholders and the environment. The Statement also captures our progress, achievements, and challenges across Environmental, Social, and Governance (“**ESG**”) areas as we advance on our sustainability journey.

The Board is pleased to present this Statement for FYE 2024, showcasing our on-going commitment to building a more sustainable and resilient future for all stakeholders.



## Sustainability Statement (Cont'd)

### 1. ABOUT THIS STATEMENT (CONT'D)

#### 1.1 REPORTING SCOPE AND BOUNDARY

Velocity is a listed entity on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) with its core businesses in the transportation and logistics, financial services and ceramics sectors. The operations are within Malaysia and the headquarters is located in Kuala Lumpur, Malaysia.

This Statement outlines the sustainability efforts and performances of the holding company and the following four major subsidiaries which are involved in the core businesses:

- Velocity Capital Sdn. Bhd.
- Line Haul Sdn. Bhd.
- Asian Pottery (Penang) Sdn. Bhd.
- Oriwina Sdn. Bhd.

The remaining subsidiaries of the Group have been excluded from the scope of our sustainability reporting in view of their limited revenue and profit contributions to the Group or their current dormant status. However, we intend to incorporate them into our sustainability reporting as they continue to grow and evolve, eventually becoming more substantial contributors to our Group.

This Statement includes comparative historical data wherever applicable and/or available. Relevant targets and key performance indicators have been established, tracked and disclosed to the best of our ability within this Statement. The Board of Directors have reviewed and approved this Statement.

#### 1.2 REPORTING GUIDELINES AND REFERENCE

This Statement has been prepared in accordance to the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia and its Sustainability Reporting Guide Third Edition.

#### 1.3 ASSURANCE

The Group has undertaken independent auditing and assurance for financial data presented in this statement where the figures can be cross referenced to the Financial Statements in the Annual Report 2024.

This Statement has not been subjected to an assurance process. The Group plans to undertake an assurance exercise of sustainability-related data and/or Sustainability Statement for year ending 2025.

#### 1.4 REPORTING PERIOD AND FREQUENCY

The Group reports the sustainability initiatives and performances annually. This Statement covers the reporting period of 1 July 2023 to 30 June 2024.

#### 1.5 FORWARD-LOOKING STATEMENTS

The Group has included forward-looking statements such as targets or goals that were set in regard to future performances, which are based on presently available information and current operating environment conditions. However, readers should be advised not to place undue reliance on such statements as our business is subject to risks and uncertainties that are beyond our control. Actual results may differ.

## Sustainability Statement (Cont'd)

### 1. ABOUT THIS STATEMENT (CONT'D)

#### 1.6 FEEDBACK

The Group welcomes feedback, suggestions and comments from its valued stakeholders for improvements in sustainability practices, performances and reporting.

Kindly submit your enquiries or feedback to:

Velocity Capital Partner Berhad  
9-3, Oval Damansara  
No. 685, Jalan Damansara  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. +6011 2050 1516  
Email corporate@velocitymy.com

### 2.0 OUR BUSINESS

The Group's core businesses are in the areas with its core businesses in the transportation and logistics, financial services and ceramics sectors as follows:

#### Transportation and Logistics Services

Line Haul Sdn. Bhd. ("**Line Haul**") specializes in Middle Mile Logistics, transporting goods from distribution centres to fulfilment facilities across Malaysia. With over 28 hubs and a fleet of 19-tonne and 39-tonne bonded trucks, Line Haul's Pallet Network Concept ("**model**") streamlines the palletized collection and delivery process.

This model consolidates pallets from multiple suppliers at a hub, optimizing deliveries by increasing vehicle fill rates, reducing the number of vehicles needed, and lowering costs. Importantly, this approach enhances sustainability by cutting carbon emissions and minimizing environmental impact through shared loads, fewer trips, and improved operational efficiency.

To further strengthen our service offerings, we are building an alliance of renowned small to medium-sized hauliers and logistics players. This collaboration will expand our pallet delivery services, ensuring a comprehensive and efficient solution for our customers.

#### Financial Services

Velocity Capital Sdn. Bhd. ("**Velocity Capital**") is a licensed money lender under the Moneylenders Act 1951, with a valid money lending license issued by the Ministry of Housing and Local Government ("**KPKT**"). As a growing provider of flexible financing schemes, Velocity Capital offers moneylending and hire purchase services tailored for individuals and businesses facing challenges in accessing traditional banking services.

To further expand its loan portfolio, Velocity Capital plans to extend its services to investment holding companies, small and medium enterprises, and start-up entrepreneurs across various industries. This initiative focuses on segments that are typically underserved by licensed financial institutions and co-operatives. Financing options are available for various purposes, including personal financing, working capital, investment, business start-up and expansion, and project financing, mostly backed by secured collateral from customers.

With the rising demand for financing from non-bank financial service providers, Velocity Capital is well-positioned to support individuals and businesses seeking flexible financial solutions for personal and business growth.

## Sustainability Statement (Cont'd)

### 2.0 OUR BUSINESS (CONT'D)

#### Ceramics Business

Asian Pottery (Penang) Sdn. Bhd. and Oriwina Sdn. Bhd. are subsidiaries engaged in the retail, trading, manufacturing, marketing and exporting of pottery, porcelain products, and ceramic wares and ornaments. As one of Malaysia's oldest leading manufacturers and exporters of ceramic garden ware and household pottery items, they operate several manufacturing plants across the country, along with a central ceramic trading house based in Penang.

The Group primarily markets its wide range of ceramic products globally, with a strong focus on the American market. Recently, Asian Pottery has initiated plans to expand its product selection to include the manufacturing of ceramic hand moulds, also known as ceramic glove hand formers. These hand formers play a crucial role in the glove manufacturing process, further diversifying the Group's offerings and enhancing its position in the ceramics industry.

### 2.1 OUR APPROACH TOWARDS SUSTAINABILITY

At Velocity, sound governance is fundamental to driving the Group's sustainability strategy. We have integrated sustainability into our overall corporate governance framework, making it a key consideration in all strategic planning and decision-making processes.

With the recent introduction of new enhanced disclosure requirements by Bursa Malaysia, addressing sustainability has become increasingly vital. Our governance structure ensures that the sustainability agenda receives adequate oversight from the Board. This progressive approach allows us to gradually integrate economic, environmental, and social risks and opportunities—collectively referred to as 'sustainability matters'—into our strategic decision-making.

By leveraging ESG data, the Board can carefully consider sustainability concerns, aligning them with our long-term objectives. We believe that the path to improvement is a continuous journey, and we are dedicated to fostering a more sustainable future.

### 2.2 GOVERNANCE STRUCTURE

Velocity's governance structure ensures sustainability is embedded in its operations. The Board provides oversight and strategic direction, the ESG Committee develops and monitors sustainability strategies, and the Working Group implements initiatives using ESG data to assess effectiveness.

<b>Board of Directors</b>	The Board is responsible for overseeing the Group's sustainability objectives, ensuring that our business model aligns with these goals. The Board stays informed about the latest sustainability developments through regular training sessions.
<b>ESG Committee</b>	The ESG Committee develops and manages sustainability strategies, priorities, and targets. They oversee progress reporting, addressing challenges as they arise to implement corrective actions related to sustainability matters.
<b>ESG Working Group</b>	The Working Group is tasked with executing the sustainability strategies and plans. They gather and utilize ESG data to guide their efforts, assess progress, and measure the effectiveness of their actions in achieving sustainability goals.

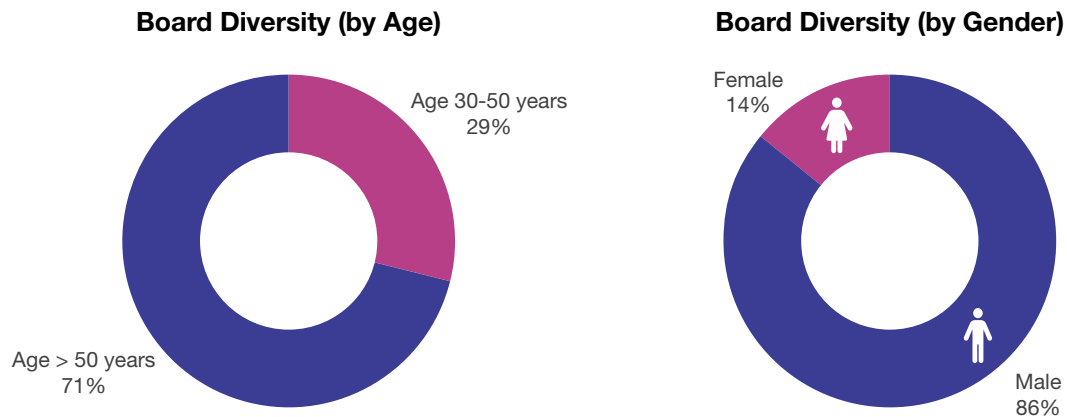
## Sustainability Statement (Cont'd)

### 2.3 BOARD DIVERSITY AND SUSTAINABILITY

The Board is currently exploring enhancements to its performance evaluation by integrating relevant criteria focused on key sustainability-related areas. This initiative will be assessed for its potential impact on other policies, including the Remuneration Policy.

Velocity prioritizes diversity within its Board by selecting individuals from a range of professional backgrounds, experiences, and competencies. This enriches perspectives and insights, leading to improved decision-making. All Board appointments will be based on merit, including factors such as experience, qualifications, character, time commitment, integrity, and the potential contributions of each candidate.

While Velocity currently has one female member among its seven Board members, the Board is recognisant of the Malaysian Government’s policy to achieve at least 30% female representation. The Board also includes two members in the 30-50 age group and five members over 50 years old. Velocity is committed to striving toward this diversity goal in future Board appointments.



### 2.4 ETHICAL BUSINESS CONDUCT

Velocity has implemented an Anti-Bribery and Anti-Corruption (“**ABAC**”) Policy as part of its Anti-Bribery Management System (“**ABMS**”), designed to comply with Section 17A Subsection 5 of the Malaysian Anti-Corruption Commission (“**MACC**”) Act 2009.

The Group is committed to conducting all business activities with honesty, integrity, and ethical standards. Adopting a zero-tolerance stance towards bribery and corruption, Velocity ensures professionalism and fairness in all dealings, supported by an effective ABMS to address such practices.

Oversight of the ABAC Policy is provided by the Board. The policy and the Code of Business Ethics and Conduct are accessible on the Group’s corporate website at [www.velocitymy.com](http://www.velocitymy.com).

There have been no confirmed incidents of corruption during the reporting year.

## Sustainability Statement (Cont'd)

### 2.5 OUR STAKEHOLDERS

In FYE 2024, the Group continues its commitment to engaging a diverse array of stakeholders through various communication platforms and channels, as in the previous financial year.

Engaging stakeholders helps the Group identify material sustainability topics by understanding how these individuals and groups can influence our business model in terms of capital, brand reputation, and value creation. The outcomes of these stakeholder engagement initiatives can lead to stronger economies, an improved product range that enhances living conditions, and increased opportunities.

At Velocity, stakeholders are defined as individuals or groups that either impact or are impacted by the Group's business activities. As the Group looks to the future, stakeholder engagement remains crucial for understanding the needs and expectations of those we serve.

No	Stakeholder	Engagement Channels	Needs and Expectations	Relevant Material Topics	Outcomes / Value created
1	Investors or shareholders	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Annual Reports</li> <li>Media release</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Credibility</li> <li>Profitability</li> <li>Products to meet changing demands</li> <li>Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>Market presence</li> <li>Financial performance</li> <li>Ethical Business Conduct</li> </ul>	Regular engagement and meetings to deliver credible information
2	Employees	<ul style="list-style-type: none"> <li>Internal communications</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Fair employment practices</li> <li>Training and development</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Health and Safety</li> </ul>	A safe workplace and enhanced skilled employees
3	Customers	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Mobile and email communications</li> <li>Conformance audits</li> <li>Satisfaction surveys</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Fair pricing</li> <li>Timely delivery</li> <li>Compliance with specifications</li> <li>Quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Product Responsibility and Quality</li> <li>Health and Safety</li> </ul>	Enhanced customer satisfaction
4	Suppliers	<ul style="list-style-type: none"> <li>Mobile and email communications</li> <li>Site visits</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Honour agreements</li> <li>Fair price</li> </ul>	<ul style="list-style-type: none"> <li>Ethical Business Conduct</li> </ul>	Reliable delivery of goods and services
5	Authorities	<ul style="list-style-type: none"> <li>Mobile and email communications</li> <li>Site visits and inspections</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Support Government policies</li> <li>Responsive communications and actions</li> </ul>	<ul style="list-style-type: none"> <li>Ethical Business Conduct</li> <li>Health and Safety</li> <li>Legal Compliance</li> </ul>	Demonstration of continued compliance with requirements

## Sustainability Statement (Cont'd)

### 2.5 OUR STAKEHOLDERS (CONT'D)

No	Stakeholder	Engagement Channels	Needs and Expectations	Relevant Material Topics	Outcomes / Value created
6	Financial institutions	<ul style="list-style-type: none"> <li>Mobile and email communications</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Manage risks to ensure financial soundness</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Sustainability performance</li> </ul>	Financial soundness and corporate sustainability
7	Media	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Annual Report</li> <li>Media release</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Timely and transparent information</li> <li>Credibility and consistency</li> <li>Engaging content</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Sustainability performance</li> <li>Ethical Business Conduct</li> </ul>	Informed stakeholders and increased media coverage

### 2.6 OUR MATERIAL TOPICS

Velocity conducted a comprehensive materiality assessment during this reporting period, employing a four-step process further explained in the table below. This approach supports the assessment to effectively identifies and prioritizes key sustainability topics that are most impactful to the Group and its stakeholders.

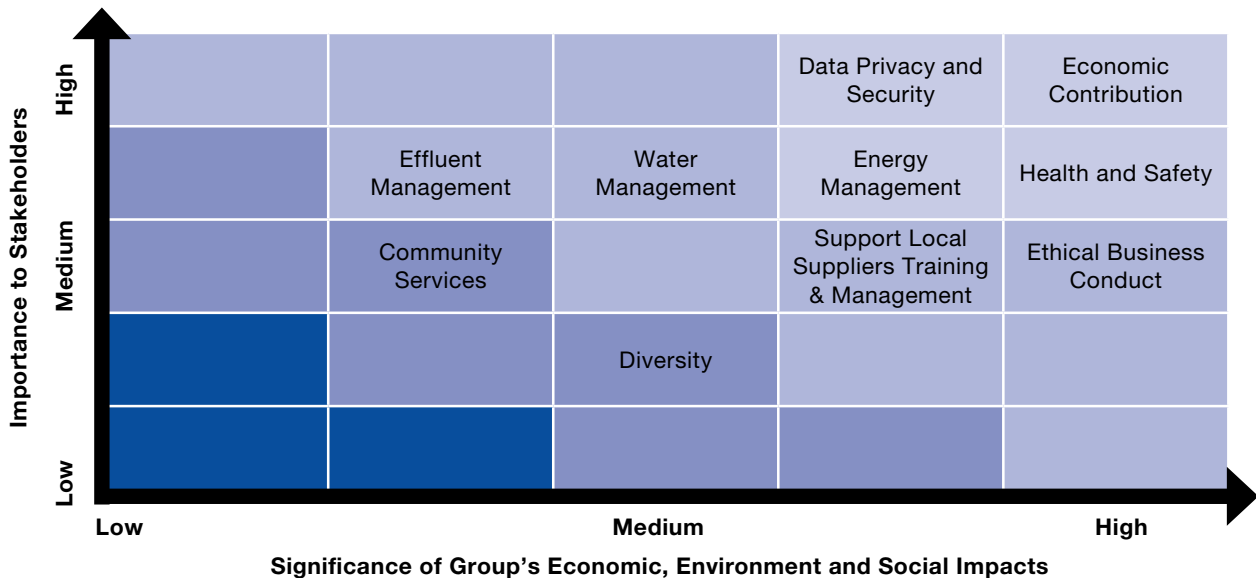
<b>Identification of Material Matters</b>	The Group has been publishing its Sustainability Statement in compliance with Bursa Malaysia’s MMLR. In 2022, the sustainability reporting requirements were enhanced to improve disclosures. The first step in the materiality assessment process involves understanding the Group’s unique operating context.
<b>List of Material Matters</b>	A list of preliminary sustainability matters spanning economic, environmental, and social aspects for the Group has been identified. Key stakeholders were selected to gain insights into their needs and expectations regarding sustainability-related impacts.
<b>Stakeholders’ Engagement</b>	The Group applied the materiality concept and engaged internal and external stakeholders to prioritize topics within available resources. Key stakeholders participated in a survey to rank and evaluate material topics based on their perceived interest and importance to the Group.
<b>Materiality Matrix</b>	The results from the survey were tabulated using best practices and statistical analysis, incorporating weightage for key stakeholders. These findings were plotted on a Sustainability Materiality Matrix, highlighting the prioritization of topics.



## Sustainability Statement (Cont'd)

### 2.7 PRIORITISED MATERIALITY TOPICS

The materiality assessment revealed that out of the 11 sustainability matters identified, the top four sustainability matters for the Group and our stakeholders are economic contribution, health and safety, energy management and data privacy and security. This information is presented in the Materiality Matrix below.



### 3.0 OUR MATERIAL MATTERS

#### 3.1 ECONOMIC CONTRIBUTION

Through its business model, the Group has generated substantial economic value, benefiting its stakeholders by contributing to employee wages, benefits, and taxes, while also reinvesting in operations to drive future growth.

Indirectly, the Group stimulates local economies by supporting job creation within its supply chain and collaborating with local businesses. These efforts contribute to socioeconomic development, enhancing opportunities and improving livelihoods in areas where the Group operates.

Economic Contributions	FYE 2024 (in RM' million)	FYE 2023 (in RM' million)
Revenue	65,805	37,570
Suppliers spending and other costs of sales	48,994	31,696
Salaries, wages and other administrative costs	19,142	12,629
Government income taxes	1,108	909
Equity	396,994	386,878

The finance services sector has provided aggregated loans amounting to RM225,073,973 reported as financing receivables as of 30 June 2024, a significant increase from RM162,289,403 in previous years, directly contributing to the economic growth and development of the business landscape.

#### 3.1.1 Supporting Local Suppliers

Velocity supports sustainable supply chains by prioritizing local businesses, aligning with its strategy to enhance operational efficiency and productivity. By focusing on suppliers from Malaysia as a priority, Velocity reinforces its commitment to fostering local economic growth and building long-term, mutually beneficial relationships with local vendors. This approach contributes to the Group's broader goal of supporting sustainable development and strengthening ties within the local business ecosystem.

The local supplier spending for FYE 2024 was 100%.

## Sustainability Statement (Cont'd)

### 3.0 OUR MATERIAL MATTERS (CONT'D)

#### 3.2 ENVIRONMENT PERFORMANCE

Velocity recognizes the importance of environmental management as a material priority, particularly within its manufacturing operations. The Group's environmental impact largely originates from the production of ceramics and related products, which involve substantial energy and water use. Velocity remains committed to enhancing resource efficiency in these areas, with a focus on reducing its environmental footprint while preserving production quality. By managing energy and water consumption responsibly, the Group is actively supporting sustainable practices and mitigating potential environmental impacts associated with its manufacturing processes.

In FYE 2024, Velocity did not receive any substantiated penalties or complaints related to environmental matters.

##### 3.2.1 Energy consumption

The Group's energy consumption is primarily influenced by its manufacturing processes in the ceramic sector. These processes prioritize modern gasification methods over traditional coal-firing techniques. This shift to gas for firing kilns to harden the ceramics products not only enhances quality assurance but also reduces harmful pollutants. Electricity consumption is used for certain processes and the Group's operations as a whole. This approach enables a more controlled energy consumption as compared to conventional methods and supports the Group's broader strategy of resource efficiency and mitigating our environmental footprint. The Group continues to explore ways for improvements and reduction in the energy consumption intensity.

Total Energy Consumption	Unit	FYE 2024	Energy Consumption Intensity*
Purchased Electricity	KwH	369,388	0.01 KwH per RM
Purchased Gas	KwH	9,103,008	0.14 KwH per RM
Revenue	RM	65,804,696	

##### 3.2.2 Water, Effluent and Air Emissions

The Group sources its water primarily from municipal supplies, which are essential for various operational needs.

Most of the water consumption arises from the ceramics business, where water is critical in manufacturing processes, including mixing, forming, and cooling. This usage significantly enhances the quality and consistency of the final products, highlighting the importance of effective water management in ceramics production. Additionally, water is utilized for general purposes, such as facility maintenance.

Recognizing the finite and essential nature of water resources, the Group is committed to responsible water management practices. To improve the quality of effluent before discharge, we are exploring innovative treatment strategies to ensure compliance with environmental standards. Furthermore, we are actively investigating recycling opportunities to minimize water consumption across our operations.

Total Water Consumption	Unit	FYE 2024	Energy Consumption Intensity*
Purchased water	cubic meter	6,264,031	0.1 cubic meter per RM
Revenue	RM	65,804,696	

In addition to managing sewage in accordance with local regulatory standards, the Group ensures that there are no air emissions of pollutants or particulates from its production processes. Our manufacturing operations are designed to prevent the release of harmful emissions, highlighting our commitment to environmental responsibility and community health.

## Sustainability Statement (Cont'd)

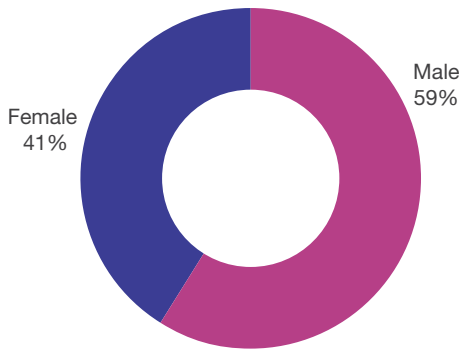
### 3.0 OUR MATERIAL MATTERS (CONT'D)

#### 3.3 SOCIAL PERFORMANCE

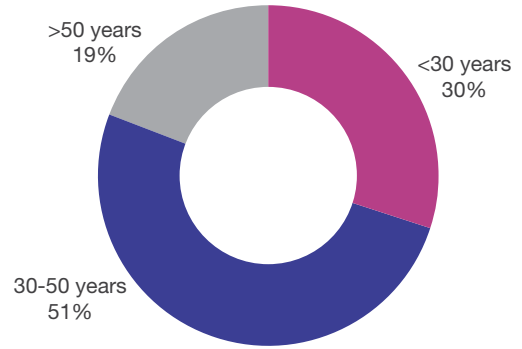
##### 3.3.1 DIVERSITY

Velocity continues to focus in increasing diversity within its workforce, where possible. Currently, male employees represent approximately 59% of the total employees, due to the suitability of their skill sets in the manufacturing and logistics sectors. Additionally, 81% of Velocity's employees are under the age of 50, reflecting a young and trainable workforce that aligns with the needs of the business.

**Employee Diversity (by Gender)**

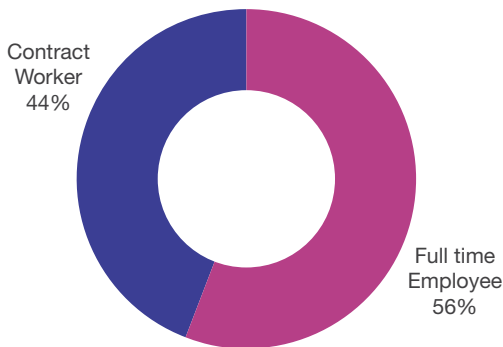


**Employee Diversity (by Age)**

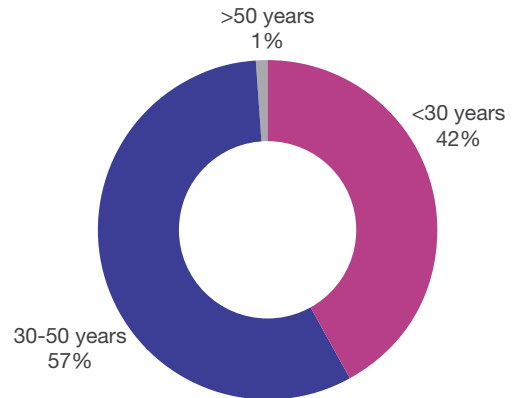


At the end of the reporting year, the Group had 135 full-time employees and 108 contract workers, primarily vehicle drivers in the logistics services sector. A significant 57% of the contract workers are in the 30-50 age group, with the remainder mostly under 30 years, reflecting the physical demands of the logistics sector.

**Workforce (Employee and Contract Worker Mix)**



**Contract Worker Diversity (by Age)**



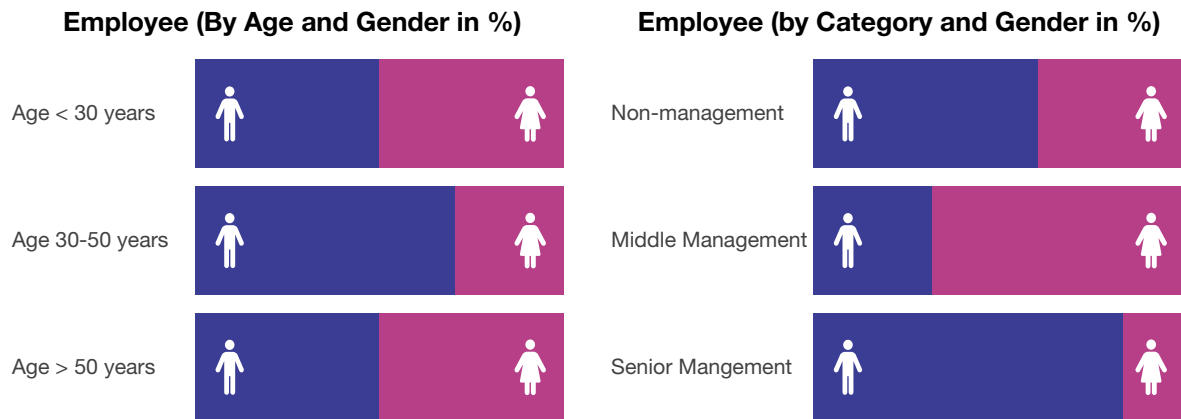
While the overall headcount remains stable, the Group is focusing on enhancing the middle management team to foster a more diverse leadership structure. Given the nature of work in the ceramics manufacturing and logistics, there are limited opportunities for automation. Instead, Velocity is committed to improving efficiency through better training and development of its workforce, ensuring they are equipped with the necessary skills to excel in their roles.

## Sustainability Statement (Cont'd)

### 3.0 OUR MATERIAL MATTERS (CONT'D)

#### 3.3 SOCIAL PERFORMANCE (CONT'D)

##### 3.3.1 DIVERSITY (CONT'D)



##### 3.3.2 TRAINING AND DEVELOPMENT

The Group continues to invest in recruitment, training, and development, emphasizing both technical skills and soft skills among employees. A significant focus is placed on health and safety measures, including hazard identification and operational safety protocols in the manufacturing and logistics business, to reduce the risk of accidents and minimize production and delivery downtime.

Hours of training by employee category	Number of hours
Senior Management	30
Middle Management	241
Others	14
<b>Total</b>	<b>285</b>

There were no substantiated complaints regarding human rights violations during this period.

##### 3.3.3 HEALTH AND SAFETY

The Group recognizes that health and safety are paramount for all employees, particularly within the ceramics and logistics sectors, where working conditions can be challenging. We are proud to report zero fatalities within our workforce during this reporting period.

Maintaining rigorous safety protocols is critical to our operations. Over the past year, we achieved a zero Lost Time Incident Rate, which demonstrates our commitment to safeguarding the well-being of our team members. We prioritize providing a safe and secure work environment.

Our strategy includes regular health and safety training, ensuring that all employees are equipped to identify hazards and respond effectively. We continually assess our practices to enhance workplace safety, fostering a culture where health and safety are integral to our operational success.

Work-related Incidence	Number of employees
Fatalities	0
Injuries Requiring Hospitalization (Major)	0
Injuries Not Requiring Hospitalization (Minor)	0

## Sustainability Statement (Cont'd)

### 3.0 OUR MATERIAL MATTERS (CONT'D)

#### 3.4 DATA PRIVACY AND SECURITY

During FYE 2024, the Group maintained a focused commitment to data privacy, reporting zero substantiated complaints concerning breaches of customer privacy. This achievement reflects our efforts in safeguarding sensitive information and maintaining the trust of our clients.

In the finance services sector, where data security is crucial, we implement a comprehensive management approach to ensure compliance with regulatory requirements and best practices. Our data privacy framework encompasses clear policies and procedures designed to protect personal and financial information effectively.

We emphasize the importance of data privacy through ongoing communication and awareness efforts, encouraging employees to address privacy concerns with care. Transparency in our data handling practices is a priority, ensuring that customers are informed about how their information is collected, used, and shared.

As we strive to enhance our data privacy measures, we remain dedicated to adapting to evolving regulations and emerging threats, reinforcing our commitment to maintaining the highest standards of customer privacy and security.

### 4.0 SUSTAINABILITY PERFORMANCE DATA

The table below contains reference from Bursa Securities's Sustainability Reporting Guide 3rd Edition

	Key Performance Indicators	Ref	Unit	FYE 2024
<b>1</b>	<b>Anti-corruption</b>			
	Percentage of employees who have received training on anti-corruption by employee category	C1(a)		
	Senior Management		Percentage	22
	Middle Management		Percentage	13
	Others		Percentage	11
	Percentage of operations assessed for corruption-related risks	C1(b)	Percentage	100
	Confirmed incidents of corruption and action taken	C1(c)	Number	0
<b>2</b>	<b>Community / Society</b>			
	Total amount invested in the community where the target beneficiaries are external to the listed issuer	C2(a)	Amount (RM)	1,485
	Total number of beneficiaries of the investment in communities	C2(b)	Number	1,000
<b>3</b>	<b>Diversity</b>			
	Percentage of employees by gender and age group, for each employee category	C3(a)		
	<b>Age group by Employee Category</b>			
	Senior Management under 30		Percentage	1
	Middle Management between 30-50		Percentage	4
	Others above 50		Percentage	1
	Senior Management under 30		Percentage	3
	Middle Management between 30-50		Percentage	9
	Others above 50		Percentage	6
	Senior Management under 30		Percentage	27
	Middle Management between 30-50		Percentage	37
	Others above 50		Percentage	12

## Sustainability Statement (Cont'd)

## 4.0 SUSTAINABILITY PERFORMANCE DATA (CONT'D)

	Key Performance Indicators	Ref	Unit	FYE 2024
<b>3</b>	<b>Diversity (Cont'd)</b>			
	<b>Gender by Employee Category</b>			
	Senior Management Male		Percentage	3
	Senior Management Female		Percentage	0
	Middle Management Male		Percentage	3
	Middle Management Female		Percentage	6
	Others Male		Percentage	24
	Others Female		Percentage	14
	Percentage of directors by gender and age group	C3(b)		
	<b>Gender</b>			
	Male		Percentage	86
	Female		Percentage	14
	<b>Age Group</b>			
	Under 30		Percentage	0
	Between 30-50		Percentage	29
	Above 50		Percentage	71
<b>4</b>	<b>Energy management</b>			
	Total energy consumption	C4(a)	MWh	369
<b>5</b>	<b>Health and Safety</b>			
	Number of work-related fatalities	C5(a)	Number	0
	Lost time incident rate ('LTIR')	C5(b)	Rate	0
	Number of employees trained on health and safety standards	C5(c)	Number	112
<b>6</b>	<b>Labour practices and standards</b>			
	Total hours of training by employee category	C6(a)		
	Senior Management		Hours	30
	Middle Management		Hours	241
	Others		Hours	14
	Percentage of employees that are contractors or temporary staff	C6(b)	Percentage	80
	Total number of employee turnover by employee category	C6(c)		
	Senior Management		Number	1
	Middle Management		Number	4
	Others		Number	23
	Number of substantiated complaints concerning human rights violations	C6(d)		0
<b>7</b>	<b>Supply chain management</b>			
	Proportion of spending on local suppliers	C7(a)	Percentage	100
<b>8</b>	<b>Data Privacy and Security</b>			
	Number of substantiated complaints concerning breachers of customer privacy and losses of customer data	C8(a)	Number	0
<b>9</b>	<b>Water</b>			
	Total volume of water used	C9(a)	Megaliters	6,264



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) (“**Velocity**” or “**the Company**”) values the importance of maintaining high standards of corporate governance within the Company to protect shareholders’ value while at the same time preserving the interests of the Company’s other stakeholders. The Board understands the importance of achieving the desired financial performance while maintaining its sustainability.

The Board is committed to its policy of managing the affairs of the Company with transparency, accountability and integrity by ensuring that a sound framework of best corporate governance practices is in place and thus discharging its responsibility towards protecting and enhancing long-term shareholders’ value and investors’ interest.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The objective of this Statement is to provide an overview of the application of the corporate governance practices of the Company and its subsidiaries (“**the Group**”) during the financial year ended 30 June 2024 (“**FYE 2024**”) as guided by the Malaysian Code on Corporate Governance (“**MCCG**” or “**Code**”).

The comprehensive Corporate Governance Report can be accessed on the Company’s website at <https://www.velocitymy.com>.

The Board is pleased to provide the following Statement, which outlines the main corporate governance practices that have been in place throughout the financial year under review.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### (1) Clear Functions of the Board and Management

The Board has been entrusted by the shareholders in guiding the business activities of the Group through achieving an optimum balance of sound and sustainable business operation and embracing good corporate governance practices. The Board has been steadfast in upholding the responsibilities in establishing strategic direction, corporate goals and monitoring the achievement of these objectives.

The Board has maintained matters that include the review of financial statements, risk management, acquisitions and disposals, investments in joint ventures, property transactions, capital expenditure and board appointments for its approval while delegating responsibilities to other Board Committees within their Terms of Reference (“**TOR**”). The Board receives reports at its meetings from the Chairman of the respective Board Committees.

#### (2) Roles and Responsibilities of the Board

The Board is collectively responsible for the proper conduct of the Company’s business and assumes the responsibility of effective stewardship and control of the Group. In discharging its fiduciary duties and leadership functions, the Board has, amongst others, undertaken the following as guided by the Board Charter:-

- together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by the Management;

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### (2) Roles and Responsibilities of the Board (Cont'd)

- consider Management's recommendations on key issues including acquisitions, disposals and restructuring, funding, and significant capital expenditure;
- monitor the progress of the Company's strategies, plans and policies;
- oversee the conduct of the Company's business to evaluate whether the business is being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- identify and understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the Company's financial and non-financial reporting.

Further to the above, the Board is committed in enhancing the Group's sustainability governance and considering reviewing and refining the Company's sustainability strategies, priorities and targets to identify, manage and address the Company's sustainability risks and opportunities.

##### (3) Separation of Position of the Chairman and Chief Executive Officer ("CEO")/Managing Director ("MD")

En. Azman Bin Mat Ali ("**En. Azman**" or "**the Chairman**") was appointed as the Independent Non-Executive Chairman of the Company on 6 December 2023. His extensive experience in the financial sector aligns seamlessly with the Group's strategic focus on financial services. En. Azman's expertise will be instrumental in discharging his responsibilities as the Chairman of the Group, guiding the Group towards achieving its strategic vision and leading the Board's collective oversight of management.

The Chairman does not hold membership in any Board Committees of the Company to ensure there is check and balance as well as objective review by the Board. However, he was invited to attend and participate in all the committees' meetings during the FYE 2024 to provide valuable perspective to the Board Committees' discussion.

While the Management is not spearheaded by a CEO/MD, the business and day-to-day management and operations of the Group and the implementation of the Board's decisions are carried out collectively by the Executive Directors ("**EDs**").

Nevertheless, the Board is mindful of the separation between position of the Chairman and CEO/MD, and the Board Charter has specified a clear separation of powers and responsibilities between the Chairman of the Board and the CEO/MD to ensure that an equilibrium of power, authority and accountability is maintained.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### (4) Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, who are responsible for supporting and advising the Board and the relevant Board Committees to ensure their effective functioning in accordance with their TOR and best practices, as well as managing the corporate governance framework of the Company. Also, the Company Secretaries ensure that the deliberations at Board and Board Committee meetings are minuted in an adequate and timely manner.

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and possess practising certificate issued by the Companies Commission of Malaysia. They are both qualified Company Secretaries pursuant to Section 235(2) of the Companies Act 2016.

##### (5) Access to Information and Advice

All the Directors were given due notices of proposed Board and Board Committee meetings held during the FYE 2024. The Directors may participate in Board and Board Committee meetings either physically in person or virtually via online conferencing facility. Meeting materials are furnished to the members of the Board and Board Committees within a reasonable time before the meetings, while minutes of the meetings are circulated to all members of the Board and Board Committees for the Board and respective Board Committee's confirmation in a timely manner.

The Board has unrestricted access to the advice and services of the Company Secretaries, External Auditors and Internal Auditors, who are suitably qualified and competent to support the Board in carrying out its roles and responsibilities. The Board may seek independent advice from the Company Secretaries if required.

Moreover, the Board may also obtain independent professional advice at the Company's expense in furtherance of their duties. Consultants and experts would be invited to brief the Board on their areas of expertise or their reports whenever necessary.

##### (6) Board Charter

The Company has adopted a Board Charter which sets out the roles and responsibilities, functions, composition, operations and processes of the Board and ensures that all Board members acting on behalf of the Company are aware of their duties and responsibilities.

In addition, the Company has adopted TOR for each Board Committee which outlined the objectives, functions, composition, duties and responsibilities of the respective Board Committees.

The Board Charter and TOR of the respective Board Committees would be reviewed periodically to ensure that the practices of the Board are in line with the latest laws and/or regulations and that the practices of the Board remain relevant to the Company and the business environment within which the Group operates.

The Board Charter and TOR of the respective Board Committees, which are available on the Company's website at <https://www.velocitymy.com>, also serve as an avenue to communicate the Company's approach to important governance practices to the Company's stakeholders.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### (7) Code of Business Ethics and Conduct

To reflect the Board's commitment to the highest standards of ethical business conduct, the Board has formalised a Code of Business Ethics and Conduct, which summarises the standard of business ethics and conduct that the Board, the Management, employees and other stakeholders must observe.

The Code of Business Ethics and Conduct has been published on the Company's corporate website at <https://www.velocitymy.com>.

##### (8) Whistleblowing Policy

The Board recognises that whistleblowing can serve as an important tool in preventing misconduct at the early stage and has established a Whistleblowing Policy that sets out avenues for individuals to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

The Whistleblowing Policy may be accessed by the public via the Company's corporate website at <https://www.velocitymy.com>.

##### (9) Anti-Bribery and Anti-Corruption ("ABAC") Policy

The Group adopts a zero-tolerance approach against all forms of bribery and corruption. The Board has established an ABAC Policy to prevent, detect and address bribery and corruption by establishing a culture of integrity, transparency and compliance.

The ABAC Policy may be accessed by the public via the Company's corporate website at <https://www.velocitymy.com>.

##### (10) Sustainability

The Group's sustainability efforts were overseen by the Board, with the Risk Management Committee ("RMC") responsible for managing and driving sustainability initiatives across the business. The RMC reports key sustainability matters to the Board, while Management implements sustainability strategies and monitors the Group's sustainability performance.

The significance of sustainability matters was assessed through informal stakeholder engagements conducted by Heads of Departments/Divisions and EDs. Each division's management was tasked with identifying and managing economic, environmental, and social risks and opportunities.

Recognising the importance of engaging with both internal and external stakeholders, the Board actively seeks regular interactions with parties that have an impact on or are influenced by the Group's operations. By engaging with stakeholders, the Board aims valuable insights into their needs and expectations, which informs the formulation of sustainability targets and priorities.

The Board stays informed of sustainability issues through updates, discussions, and training programs. Additionally, the performance evaluation of the Board includes assessing their effectiveness in addressing the Company's sustainability risks and opportunities.

The detailed information of the Company's sustainability practices is disclosed in the Sustainability Statement on pages 19 to 31 of this Annual Report.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition

##### (1) Board Composition and Balance

The Board currently comprises seven (7) Directors made up of three (3) EDs, three (3) Independent Non-Executive Directors and one (1) Independent Non-Executive Chairman (collectively referred to as “**Independent Directors**”). More than half of the Board comprises Independent Directors, the Board views the number of its Independent Directors as adequate to provide the necessary check and balance to the Board’s decision-making process.

The diverse professional experience and background coupled with the mix of professional and technical knowledge among the Directors have contributed to the collective wisdom of the Board and added value to the Company. The Directors’ profiles are presented on pages 6 to 12 of this Annual Report.

Considering the nature of the Group’s existing businesses and the current scale of the Group’s operations, the Board is of the view that the current size and composition of the Board is adequate. However, the Board will consider suitable candidates in the future to enhance the composition of the Board if necessary.

##### (2) Re-election of Directors

Pursuant to the Company’s Constitution, any Director appointed during the year shall retire and may seek re-election by the shareholders at the Annual General Meeting (“**AGM**”) immediately after their appointment. The Company’s Constitution also requires one-third (1/3) of the Directors to retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election at least once in every three (3) years.

The Directors who are subject to re-election at the forthcoming Twenty-Fourth (“**24<sup>th</sup>**”) AGM had been assessed by the Nomination Committee (“**NC**”), whereupon their recommendation had been considered by the Board for recommendation to the shareholders for approval at the forthcoming 24<sup>th</sup> AGM.

The Directors who are seeking re-election at the forthcoming 24<sup>th</sup> AGM of the Company are as set forth in the Notice of the 24<sup>th</sup> AGM contained in this Annual Report.

##### (3) Tenure of Independent Directors

During FYE 2024, all Independent Directors, namely En. Azman, Dato’ Chong Mun Phing, Dato’ Kang Chez Chiang and Mr. Krishnan A/L Dorairaju, have served the Board for less than nine (9) years which is within the limits of the tenure as stated in the Board Charter.

The Board Charter of the Company limits the tenure of an Independent Director to not exceeding a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on the Board as an Independent Director, provided the Board shall first justify and obtain shareholders’ approval via a two (2)-tier voting process as guided by the MCCG for his or her retention, failing which, he or she may still serve on the Board, but as a Non-Independent Director.

Furthermore, the Board has undertaken to assess its Independent Directors annually as recommended by the MCCG. In this regard, the NC has undertaken proper policies and procedures to assess the independence of the Independent Directors on the Board by taking into account the individual Director’s ability to exercise independent and impartial judgement at all times and their contribution to the effective functioning of the Board.

The Independent Directors must ensure that they are independent of management and free from any business relationship which could materially interfere with their independent judgement. Their role is to provide an independent view, advice and judgement to ensure a balanced and unbiased decision-making process as well as to safeguard the interest of public shareholders. To this end, the Independent Directors are expected to advise the Chairman or the Board immediately if they believe that they may no longer be independent.

All the Independent Directors have fulfilled the criteria prescribed under the MMLR of Bursa Securities, and the Board is of the opinion that the current composition of Independent Directors on the Board adequately represents the interest of the minority shareholders in the Company.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (4) Appointment of Directors

The Group gives equal opportunity to all employees. In making the recommendation to the Board, the NC will consider the required mix of skills, experience, character, integrity, competence, time commitment and diversity of the potential candidate, where appropriate and, may not be limited to gender, age, ethnicity and culture background. On the other hand, the Remuneration Committee (“**RC**”) is responsible for determining the appropriate remuneration packages for these appointments.

The Board views that the workplace and Board diversity are important to facilitate the decision-making process by harnessing different insights and perspectives.

Upon appointment, the newly appointed Director shall be briefed on the terms of his/her appointment, his/her duties and obligations, and on the operations of the Group.

The new Board members appointed in the FYE 2024, namely En. Azman, Mr. See Toh Kean Yaw, Mr. Krishnan A/L Dorairaju and Dato’ Kang Chez Chiang were identified through recommendation from the Management. The Board has entrusted the NC with the duty to review and recommend the appointment of potential candidates to the Board for the Board’s consideration.

In addition, the Directors’ Fit and Proper Policy which was adopted by the Board also provides guidance to the NC and the Board in assessing the suitability of candidates for appointment as Director, considering their character, integrity, experience, competence and time commitment.

The Directors’ Fit and Proper Policy may be accessed by the public via the Company’s corporate website at <https://www.velocitymy.com>.

During the FYE 2024, En. Ahmad Ruslan Zahari Bin Zakaria has retired as Independent Non-Executive Chairman at the conclusion of the Twenty-Third (“**23<sup>rd</sup>**”) AGM held on 30 November 2023. Subsequently, on 22 December 2023 and 26 January 2024, Mr. Kenny Khow Chuan Wah and Dato’ Goh Soo Wee have resigned from the Board respectively.

##### (5) Board Committees

The Board has established the following Board Committees, each with clearly defined TOR detailing the respective Board Committees’ authorities, roles and responsibilities, to enhance business and corporate efficiency and effectiveness:-

- Audit Committee (“**AC**”);
- RMC;
- NC; and
- RC.

All these Board Committees have written TORs clearly outlining their objectives, duties and powers. However, the final decisions on all matters are determined by the Board as a whole.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (6) AC

The AC is responsible for assisting the Board in discharging its duties and responsibilities relating to accounting and reporting practices as well as an internal control of the Group.

The Board has delegated the responsibilities to the AC to review the Group's accounting and internal controls and assess the independence of the Group's External and Internal Auditors. The activities of the AC during the financial year under review have been laid out in the AC Report in this Annual Report.

The TOR of the AC is available on the Company's corporate website at <https://www.velocitymy.com>.

##### (7) NC

The Board has established the NC to assist the Board in ensuring that there is a structured oversight process in the recruitment, retaining, training and development of Directors of the Company. The NC comprises exclusively of the following Independent Directors:-

Name of Directors	Designation	Number of NC Meetings attended/held in the financial year under review
Dato' Chong Mun Phing	Chairperson	1/1
Krishnan A/L Dorairaju <i>(appointed w.e.f. 26 January 2024)</i>	Member	N/A*
Dato' Kang Chez Chiang <i>(appointed w.e.f. 2 February 2024)</i>	Member	N/A*
Ahmad Ruslan Zahari Bin Zakaria <i>(ceased on 30 November 2023)</i>	Member	1/1
Lim Peng Tong <i>(redesignated on 22 December 2023)</i>	Member	1/1

\* Not applicable as no meeting was held after his appointment during the financial year.

The NC is governed by its TOR and its principal objective is to assist the Board in its responsibilities by sourcing for and nominating potential candidates to be appointed as new Directors to the Board and to perform annual assessments on the effectiveness of the Board as a whole, the respective Board Committees, and each individual Director.

Based on the assessments conducted during FYE 2024, the NC and the Board were satisfied with the performance of each Director, the Board as a whole and the Board Committees.

The TOR of the NC is available on the Company's corporate website at <https://www.velocitymy.com>.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (7) NC (Cont'd)

###### (a) Activities are undertaken during the financial year

For the FYE 2024, the NC held one (1) meeting and their summary of works are as follows:-

- Reviewed and recommended candidates for appointment to the Board;
- Reviewed and recommended candidates for appointment to the Board Committees;
- Recommended the re-election of the Directors who are due to retire and retire by rotation at the 23<sup>rd</sup> AGM;
- Reviewed the contribution and performance of each individual Director to assess the character, experience, integrity, and competence to effectively discharge their role as a Director through a comprehensive assessment system;
- Reviewed the required mix of skills and experience and other qualities of the Board;
- Evaluated the performance of the Board and respective Board Committees;
- Assessed the independence of the Independent Directors of the Company;
- Reviewed the term of office and performance of the AC and each of the AC members and assessed the effectiveness of the AC as a whole;
- Reviewed the tenure of Director who has served on the Board for more than nine (9) years and determined whether or not to recommend their retention to the Board; and
- Recommended the redesignation of Director from Independent Director to ED.

###### (b) Gender Diversity

Currently, there is one (1) woman Director, representing 14% of the women representation on the Board. The Board is committed to ensuring that Board recruitment is based on objective criteria, merit and due regard for diversity in skills and experience, not solely gender. However, the Board is cognisant of the recommendation in the MCCG on gender diversity policies and targets, as well as the measures to be taken to meet the targets. The Board will prioritise the appointment of women to the Board as per the recommendation of the MCCG.

###### (c) Ethnicity Diversity

The Board currently comprises one (1) Malay Director, one (1) Indian Director and five (5) Chinese Directors.

###### (d) Age Diversity

The general age profile of the Directors is between the thirties to sixties years of age.

While the Company does not have any specific target for age diversity in the boardroom, the Board recognises the added value that Directors of different age groups could contribute to the Company and would endeavour to promote age diversity among the Directors and senior management.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (8) RC

The RC comprises exclusively of Independent Directors as follows:-

Name of Directors	Designation	Number of RC Meetings attended/held in the financial year under review
Dato' Chong Mun Ping	Chairperson	1/1
Krishnan A/L Dorairaju <i>(appointed w.e.f. 26 January 2024)</i>	Member	N/A*
Dato' Kang Chez Chiang <i>(appointed w.e.f. 2 February 2024)</i>	Member	N/A*
Ahmad Ruslan Zahari Bin Zakaria <i>(ceased on 30 November 2023)</i>	Member	1/1
Lim Peng Tong <i>(redesignated on 22 December 2023)</i>	Member	1/1

\* Not applicable as no meeting was held after his appointment during the financial year.

The RC is governed by its TOR and its principal objective is to assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of Directors and senior management.

The TOR of the RC is available on the Company's corporate website at <https://www.velocitymy.com>.

For the FYE 2024, the RC held one (1) meeting and their summary of works are as follows:-

- Reviewed and recommended remuneration packages for newly appointed Directors;
- Reviewed and recommended Directors' fees and benefits at the 23<sup>rd</sup> AGM; and
- Reviewed and recommended remuneration packages for the EDs.

##### (9) Time Commitment

Members of the Board are expected to devote sufficient time and attention to the affairs of the Company for the effective functioning of the Board as a whole. While Directors are at liberty to accept other Board appointment(s) in other companies, Directors are required to ensure that the appointment(s) is/are not in conflict with the Company's business and would not hinder the effective discharge of his/her duty as a Director of the Company.

Directors are also required to notify the Board of new Board appointment(s) in other companies and indicate the time that will be spent on the new Board appointment(s).

Directors are also expected to use their best endeavours to attend Board meetings where each Director shall commit to attending at least 50% of all Board Meetings and Board Committee Meetings where he is a member of, in any applicable financial year.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (9) Time Commitment (Cont'd)

The Board will normally hold meetings at least four (4) times in each financial year and hold additional meetings as the situation requires. At each meeting, the Board will consider, amongst others, the following:-

- Quarterly financial results;
- Relevant financial and operational report(s) from Management; and
- Major issues and/or potential opportunities for the Company, if any.

For the FYE 2024, the Board had convened a total of six (6) Board Meetings including one (1) Special Board Meeting. The attendance record of each Director at the Board of Directors' Meetings during the FYE 2024 is as follows:-

Name of Directors	Attendance
Azman Bin Mat Ali <i>(appointed w.e.f. 6 December 2023)</i>	3/3
Dato' Chong Mun Phing	6/6
Krishnan A/L Dorairaju <i>(appointed w.e.f. 26 January 2024)</i>	2/2
Dato' Kang Chez Chiang <i>(appointed w.e.f. 2 February 2024)</i>	2/2
Lim Peng Tong	6/6
Tan Yip Jiun	6/6
See Toh Kean Yaw <i>(appointed w.e.f. 22 December 2023)</i>	2/2
Ahmad Ruslan Zahari Bin Zakaria <i>(retired on 30 November 2023)</i>	1/1
Kenny Khaw Chuan Wah <i>(resigned on 22 December 2023)</i>	4/4
Dato' Goh Soo Wee <i>(resigned on 26 January 2024)</i>	4/4

During the intervals between Board meetings, matters requiring urgent decisions and/or approval of the Board were sought to vide circular resolutions of the Board, which were circulated to all Directors and supported with all relevant information and explanations required for an informed decision to be made.

##### (10) Training

All Directors have attended Mandatory Accreditation Programme ("MAP") Part I and three (3) of the Directors have attended MAP Part II as prescribed by the Bursa Securities. The other Directors are mindful that they should attend the MAP Part II within the stipulated timeframe i.e., by 1 August 2025.

The Board is cognisant of the importance of continuous education and training in equipping each individual Director and the Board as a whole. In this regard, with the assistance of the NC, the Board evaluates and determines the training needs of its Directors annually and encourages the Directors to attend various professional training programmes to keep abreast on issues and challenges arising from the changing business environment within which the Group operates.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (10) Training (Cont'd)

During the FYE 2024, the Directors had attended the following training programmes in compliance with Paragraph 15.08 of the MMLR:-

Name of Directors	Training/Courses attended
Azman Bin Mat Ali (appointed w.e.f. 6 December 2023)	<ul style="list-style-type: none"> <li>MAP Part I</li> </ul>
Dato' Chong Mun Ping	<ul style="list-style-type: none"> <li>Sustainability and Environmental, Social, and Governance ("ESG"), plus Climate Change – Brief Comments &amp; Conflicts of Interest ("COI") (The Basics) for Director</li> </ul>
Krishnan A/L Dorairaju (appointed w.e.f. 26 January 2024)	<ul style="list-style-type: none"> <li>Chartered Tax Institute of Malaysia ("CTIM") – Nasional Tax Conference 2023 via Live streaming from Kuala Lumpur Convention Center</li> <li>Malaysian Institute of Accountants ("MIA") – Webinar Series: Latest Tax Cases</li> <li>MIA – Webinar Series: Malaysian Taxation: An Advanced Course – A Practical Guide on Tax Principles and Practice (Module 4: Advanced Subjects (II))</li> <li>CTIM – Essential Tax Updates in 2023 @ Zoom Webinar</li> <li>MIA – Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA"): Understanding Malaysia's AMLA/Countering Financing of Terrorism Framework for Accountants &amp; Auditors – with relevant Case Studies</li> <li>CTIM – 2024 Budget Seminar at The Saujana Hotel</li> <li>CTIM – Tax Deductible Expenses – Principle and Latest Development</li> <li>CTIM – HASil Tax Forum 2024 @ Zoom Webinar</li> </ul>
Dato' Kang Chez Chiang (appointed w.e.f. 2 February 2024)	<ul style="list-style-type: none"> <li>Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, COI and other amendments</li> </ul>
Lim Peng Tong	<ul style="list-style-type: none"> <li>Generative Artificial Intelligence – An Opportunity or Risk</li> <li>Board Oversight of Climate Risks and Opportunities</li> <li>Webinar on E-Invoicing</li> <li>Bursa Malaysia Enhanced COI Disclosure Requirements</li> <li>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> </ul>
See Toh Kean Yaw (appointed w.e.f. 22 December 2023)	<ul style="list-style-type: none"> <li>Malaysia's Special Voluntary Disclosure Programme (SVDP) 2.0</li> <li>ESG in Alternatives 2023 - The Asia-Pacific</li> <li>2023 Annual General Meetings &amp; Extraordinary General Meetings - What have we learned?</li> <li>Context Now Quarter 3 2023</li> <li>Transaction with Third Party and Related Party for Public Listed Companies</li> <li>ESG Matters @ Association of Chartered Certified Accountants: Greenhouse gases Accounting Essentials - Measuring Your Carbon Footprint</li> <li>Selangor Smart City &amp; Digital Economy Convention 2023</li> <li>Upclose with Budget 2024</li> <li>Post Budget 2024</li> <li>Malaysia Tax Budget 2024</li> <li>Asian Financial Forum 2024</li> <li>MIA Town Hall 2023/2024 Session 2</li> <li>MIA Accounting &amp; Financial Technology Showcase 2024</li> <li>MIA Town Hall 2023/2024 Session 3</li> </ul>

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II Board Composition (Cont'd)

##### (10) Training (Cont'd)

Mr. Tan Yip Jiun did not attend any structured training programmes during the financial year under review. However, he consistently kept himself abreast of the relevant market developments through briefings and updates provided by the Company Secretaries, Internal and External Auditors, as well as through regular communication with other Directors and his daily work throughout the year. Arrangements will be made for him and the other Directors to participate in the MAP Part II.

#### III Remuneration

The Board recognises that fair remuneration is crucial to attract, retain and motivate Directors and senior management. To this end, the Board has adopted the Policies and Procedures in determining the Remuneration of Directors and Senior Management which considers amongst others, the demands, complexities and performance of the Company, as well as the skills and experience required of each Director and Senior Management, to guide the Board in ensuring that the remuneration package of each Director and Senior Management commensurate with the responsibility and performance of each Director and Senior Management, and is sufficient to attract, retain and motivate the Directors and Senior Management.

The Policies and Procedures in determining the Remuneration of Directors and Senior Management is available on the Company's corporate website at <https://www.velocitymy.com>.

The breakdown of the remuneration packages of the Directors for the FYE 2024 are as follows:-

Name of Directors	Directors fees <sup>(1)</sup> RM	Salaries and bonus <sup>(2)</sup> RM	Other emoluments <sup>(3)</sup> RM	Benefits in-kind RM	Total RM
<b>Executive Directors</b>					
Lim Peng Tong <i>(redesignated on 22 December 2023)</i>	36,000	46,167	3,000	-	85,167
Tan Yip Jiun	36,000	337,159	3,000	-	376,159
See Toh Kean Yaw <i>(appointed w.e.f. 22 December 2023)</i>	18,871	106,703	1,000	-	126,574
Kenny Khaw Chuan Wah <i>(resigned on 22 December 2023)</i>	17,129	34,479	2,000	-	53,608
Dato' Goh Soo Wee <i>(resigned on 26 January 2024)</i>	20,516	-	2,000	-	22,516
Chong Koon Meng <i>(resigned on 29 September 2023)</i>	9,000	34,479	500	-	43,979
Chi Kiam Pheng <i>(resigned on 29 September 2023)</i>	9,000	-	500	-	9,500

## Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## III Remuneration (Cont'd)

The breakdown of the remuneration packages of the Directors for the FYE 2024 are as follows (Cont'd):-

Name of Directors	Directors fees <sup>(1)</sup> RM	Salaries and bonus <sup>(2)</sup> RM	Other emoluments <sup>(3)</sup> RM	Benefits in-kind RM	Total RM
<b>Non-Executive Directors</b>					
Azman Bin Mat Ali <i>(appointed w.e.f. 6 December 2023)</i>	62,516	-	1,500	-	64,016
Dato' Chong Mun Phing	36,000	-	3,000	-	39,000
Krishnan A/L Dorairaju <i>(appointed w.e.f. 26 January 2024)</i>	15,581	-	1,000	-	16,581
Dato' Kang Chez Chiang <i>(appointed w.e.f. 2 February 2024)</i>	15,000	-	1,000	-	16,000
Ahmad Ruslan Zahari Bin Zakaria <i>(retired on 30 November 2023)</i>	25,000	-	1,500	-	26,500

(1) Approval obtained as a lump sum at the 23<sup>rd</sup> AGM for the FYE 2024.

(2) Includes statutory contributions.

(3) For meeting allowances only.

For the financial year ending 30 June 2025, a total amount of Directors' Fees of RM350,000/- has been recommended to the shareholders for approval at the forthcoming 24<sup>th</sup> AGM of the Company.

The following persons are the senior management of the Company, who are also the EDs of the Company. Their remuneration packages for FYE 2024 are as disclosed above:-

- Tan Yip Jiun;
- See Toh Kean Yaw; and
- Lim Peng Tong.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AC

To ensure that the Company's financial statements provide a reliable representation of the Company's financial performance and position of the Company, the Board has delegated the role of overseeing the financial reporting process of the Company to the AC, which comprises solely of Independent Directors, and was chaired by Mr. Krishnan A/L Dorairaju, who is a separate person from the Chair of the Board.

The TOR of the AC, which has been made available on the Company's website at <https://www.velocitymy.com>, sets out in sufficient detail the specific duties, responsibilities and authority of the AC, and is reviewed and updated periodically and as and when regulatory changes and/or changes to the strategic direction of the Company required.

The Board has adopted the TOR of AC to formalise the appointment of a former key audit partner of the Company's External Auditors as an AC member requires observance of a cooling-off period of at least three (3) years.

The composition and details of activities carried out by the AC during the financial year are set out in the AC Report of this Annual Report.

### FINANCIAL REPORTING

#### (1) Compliance with Applicable Financial Reporting Standards

The Company's financial statements, both audited and unaudited, are prepared in accordance with the requirements of the prevailing approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

The AC would review the information to be disclosed in the quarterly results and year-end financial results to ensure completeness, accuracy and adequacy of the quarterly results and year-end financial results prior to recommending the same to the Board for endorsement and submission to Bursa Securities.

In reviewing the quarterly results and year-end financial results, the AC would also take extra caution of any significant adjustments that may arise from the external audit and consult the External Auditors on such matters should the need arise.

As fiduciaries of the Company, the Board ensures that the shareholders are presented with a clear, balanced and faithful representation of the Company's financial performance and prospects through the issuance of the audited financial statements and quarterly announcements of financial results on a timely basis and in compliance with the prevailing approved accounting standards in Malaysia.

#### (2) Assessment of Suitability and Independence of External Auditors

For the FYE 2024, the AC has assessed the External Auditors, namely Messrs. ChengCo PLT, vide an annual assessment of the suitability, objectivity and independence of the External Auditors in accordance with the criteria under the Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors.

The Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors is available on the Company's corporate website at <https://www.velocitymy.com>.

Upon conducting the annual evaluation of the performance of the External Auditors, the AC was satisfied with the quality of audit, competency and sufficiency of resources, and audit independence of the External Auditors in respect of the services rendered for the FYE 2024.

In accordance with the Policies and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors, a former key audit partner of the Company's External Auditors is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC to uphold the objectivity and independence of the Company's financial statements, if any.



## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### II. Risk Management and Internal Control Framework

##### (1) Sound Framework to Manage Risks

Recognising the importance of a sound system of risk management and internal controls, the Board has delegated the oversight of the risk management of the Company to the RMC.

Besides adopting the Risk Management Policy, the Company has also adopted an Enterprise Risk Management Framework: Integrating with Strategy and Performance to ensure sustainable growth and promote a proactive approach in reporting, evaluating and managing risks associated within the respective companies, in line with the agreed risk framework and accepted by the RMC and approved by the Board.

All the above policies are available on the Company's corporate website at <https://www.velocitymy.com>.

The Company has adopted a Credit Policy to regulate and govern its moneylending business, as well as ensuring sound credit-granting standards whereby comprehensive credit assessment would be conducted to evaluate the creditworthiness of borrowing applicants at the same time establishing specific criteria to be met before granting of loans. Mechanisms such as issuing reminder letters, calls, and litigation processes have been established to monitor collections and minimise default risks.

The Statement on Risk Management and Internal Control of the Group, as set out on pages 142 to 145 of this Annual Report, provides an overview of the state of risk management and internal controls within the Group.

##### (2) Internal Audit Function

The internal audit function of the Group is outsourced to an outsourced professional service firm, namely Synergy LLT Consultants Sdn. Bhd. ("**Synergy**"). To uphold the independence and objectivity of the internal audit function, the outsourced Internal Auditors report directly to the AC. Furthermore, to ensure the effectiveness of the internal audit function, the AC has also taken reasonable steps to ensure that the outsourced Internal Auditors are accorded with direct and unrestricted access to the necessary and relevant information, records, physical properties and personnel in the furtherance of the Internal Auditors' duties.

The AC also follows up closely on the implementation of recommendations by the Internal Auditors. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

For the FYE 2024, the AC has assessed the performance of the Internal Auditors vide an annual assessment of the suitability of the Internal Auditors and is satisfied with the effectiveness and performance of Synergy.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. Communication with Stakeholders

##### (1) Corporate Disclosure Policy

The Board acknowledges the importance of maintaining and fostering good meaningful relationships with the Company's stakeholders and recognises that the Company's actions would affect the stakeholders in one way or another. As such, as part of the Company's endeavours to establish meaningful relationships with its stakeholders, the Company has adopted a Corporate Disclosure Policy which is available to the public on the Company's corporate website at <https://www.velocitymy.com>. Aside from establishing good investor relations, the Corporate Disclosure Policy also provides the Company with a basis for compliance with all applicable legal and regulatory requirements on the disclosure of material information.

##### (2) Official Communication Channels for Effective Dissemination of Information

The Board has adopted the following measures with regards to communication with the Company's shareholders:-

###### (i) Announcements to Bursa Securities

The Board takes reasonable steps to ensure that any material information and updates as well as all periodic financial reports of the Company are published on a timely basis through announcements to Bursa Securities via the dedicated website of Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

###### (ii) Corporate Website

The Company endeavours to make all publicly disclosed material information and presentations to analysts and conferences available through the Company's corporate website at <https://www.velocitymy.com> for a reasonable period of time.

The Company also has designated Investor Relations & Corporate Communications personnel who have been tasked to ensure that the Company's website is kept up-to-date with the Company's latest disclosures.

###### (iii) Annual Reports

The Annual Report to shareholders is also one (1) of the main channels of communication between the Company and its shareholders and stakeholders. The Annual Report, which is prepared in accordance with the MMLR, communicates comprehensive information of the financial results and activities undertaken by the Company during the financial year.

###### (iv) AGMs/General Meetings

The Company also seeks to provide a forum for dialogue with its shareholders where they may raise questions or seek clarifications on the Company's business and reports from the Company's Directors through the AGMs/General Meetings of the Company.

Further to the above, the Company strives to publish the minutes of the AGMs/General Meetings of the Company on the Company's website within thirty (30) business days from the day of AGMs/General Meetings.

## Corporate Governance Overview Statement (Cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### I. Communication with Stakeholders (Cont'd)

##### (2) Official Communication Channels for Effective Dissemination of Information (Cont'd)

The Board has adopted the following measures with regards to communication with the Company's shareholders (Cont'd):-

##### (v) Designated Spokespersons

The Company has designated a limited number of spokespersons ("Authorised Spokesperson") responsible for communication with the investment community, regulators or the media. The list of the Authorised Spokespersons is as follows:-

1. Chairman;
2. CEO/MD;
3. Authorised Director;
4. Chief Financial Officer/Financial Controller; and/or
5. Senior Manager, Investor Relations & Corporate Communications.

#### II. Conduct of General Meetings

##### (1) Shareholders' Participation at General Meetings

To encourage shareholders' participation at General Meetings, the Board would ensure that Notices of AGMs/General Meetings provide a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions in exercising their voting rights.

In addition, to enable shareholders to plan ahead and schedule their time to attend the Company's 24<sup>th</sup> AGM this year, the Company has provided all shareholders at least twenty-eight (28) days' notice before the date of the 24<sup>th</sup> AGM this year.

The Board also takes cognisance that interaction with the Board at AGMs and General Meetings allows shareholders to hear directly from the Board on the Board's management of the Company's affairs and the strategic direction. As such, the Directors would take all reasonable and practicable steps to ensure their attendance at AGMs and General Meetings of the Company.

##### (2) Poll Voting

In line with Paragraph 8.29A of the MMLR on the requirement for poll voting for any resolution set out in the notices of general meetings, the Company had conducted its voting on all resolutions at the 23<sup>rd</sup> AGM held on 30 November 2023, by poll, to facilitate the polling process and provide a more accurate outcome of the poll results. Furthermore, to ensure a transparent polling process, an independent scrutineer was also appointed to scrutinise the polling process and verify the poll results.

This Corporate Governance Overview Statement was approved by the Board on 22 October 2024.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Status of Utilisation of Proceeds

Rights issue of Ordinary Shares (“OS”) with free detachable warrants (“Rights Issue”)

On 26 January 2022, Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) (“Velocity” or “the Company”) had completed a rights issue of 690,705,280 new OS together with 690,705,280 free detachable warrants and raised total gross proceeds of RM103.61 million to be utilised in the manner as set out in the Circular to Shareholders of the Company dated 23 August 2021, as approved by the shareholders of the Company at the Extraordinary General Meeting (“EGM”) held on 22 September 2021. Subsequently, on 8 April 2022, the Company announced its intention to vary the utilisation of the proceeds raised from the Rights Issue as detailed in the Circular to Shareholders of the Company dated 19 May 2022, which was then approved by the shareholders of the Company at the EGM held on 3 June 2022.

As at 30 June 2024, the proceeds raised from corporate proposals above have been fully utilised in the following manner:-

Description	Proposed/ Revised utilisation (RM'000)	Actual utilisation as at 30 June 2024 (RM'000)	Balance of proceeds (RM'000)	Intended timeframe of utilisation
Transportation and logistics business	23,869	23,869	-	Within 36 months
Electrical vehicles business	20,000	20,000	-	Within 24 months
Financial services business	56,100	56,100	-	Within 24 months
Working capital	2,947	2,947	-	Within 18 months
Expenses for corporate exercise	690 <sup>(1)</sup>	690	-	Immediate
	103,606	103,606	-	

Note:-

1 The surplus of RM24,000 from the expenses for the corporate exercises had been allocated to the working capital of the Company and its subsidiaries (“Velocity Group”).

## 2. Audit and Non-Audit Fees

The amounts of audit and non-audit fees paid or payable to the Company’s auditors for the financial year ended 30 June 2024 are as follows:-

Description	Company RM	Group RM
Audit fees	62,500	242,000
Non-audit fees	10,000	17,000
Total	72,500	259,000

## 3. Material Contracts

There were no material contracts entered into by the Company or by any of its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of Directors, or Major Shareholders either still subsisting at the end of the financial year ended 30 June 2024, or if not then subsisting, entered into since the end of the previous financial year.

## Additional Compliance Information (Cont'd)

### 4. Recurrent Related Party Transactions

The recurrent related party transactions of a revenue or trading nature for the Group during the financial year under review did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as follows:-

Transacting parties	Nature of transactions	The aggregate value of transactions from 1 July 2023 to 30 June 2024 (RM'000)	Interested related parties
ChipSeng Heng Enterprise Sdn. Bhd. (" <b>ChipSeng Heng Enterprise</b> ") and Velocity Group	Renting of trucks	2,032	Tan Yip Jiun <sup>1</sup> ; ChipSeng Heng Holdings Sdn. Bhd. (" <b>ChipSengHeng</b> ")
ChipSeng Heng Enterprise and Velocity Group	Provision of haulage and transportation services as well as other related logistics services	-	Tan Yip Jiun <sup>1</sup> ; ChipSeng Heng
ChipSeng Heng Enterprise and Velocity Group	Purchase of trucks (Prime mover/Rigid) to provide haulage and hub-to-hub delivery services by transporting customers' goods between hubs	-	Tan Yip Jiun <sup>1</sup> ; ChipSeng Heng
Line Clear Express Sdn. Bhd. (formerly known as Line Clear Express & Logistics Sdn. Bhd.) <sup>2</sup> (" <b>LCE</b> ") and Velocity Group	Renting of trucks	1,237	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings Berhad <sup>5</sup> (" <b>MMAG Holdings</b> ")
Cipta X Sdn. Bhd. (formerly known as CSH Solutions Sdn. Bhd.) and MMAG Holdings and its subsidiaries (" <b>MMAG Group</b> ")	Provision of Information Technology (" <b>IT</b> ") solutions/platform, known as "Premier Integrated Parcel Autonomous" System related to logistics business process as well as other IT related services to MMAG Group	2,625	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
Velocity Group and MMAG Group	Provision of haulage and transportation services as well as other related logistics services to MMAG Group	17,779	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
MMAG Group and Velocity Group	Provision of Last Mile Logistics and other related logistics services	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
Velocity Group and MMAG Group	Supply of packaging materials for logistics services to MMAG Group	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>

## Additional Compliance Information (Cont'd)

### 4. Recurrent Related Party Transactions (Cont'd)

The recurrent related party transactions of a revenue or trading nature for the Group during the financial year under review did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Securities as follows (Cont'd):-

Transacting parties	Nature of transactions	The aggregate value of transactions from 1 July 2023 to 30 June 2024 (RM'000)	Interested related parties
LCE and Velocity Group	Purchase of trucks (Prime mover/Rigid/17.5 tonnes trucks) to provide haulage and hub-to-hub delivery services by transporting customers' goods between hubs	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
Alliance EV Sdn. Bhd. ("AEV") and LCE	Sales of motor vehicles and electric vehicles	4,025	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
AEV and LCE	Provision of after-sales services, including but not limited to maintenance, warranty packages, supplying of charging services, spare parts and etc.	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
CSH Priority Sdn. Bhd. and LCE	Provision of hire purchase financing	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
Velocity Capital Sdn. Bhd. and LCE	Provision of money lending financing	-	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>
MMAG Group and Velocity Group	Rental of office space located at Level 2, No. 3, Jalan TP2, Taman Perindustrian UEP Subang Jaya, 47600 Subang Jaya, Selangor Darul Ehsan inclusive of utilities and other miscellaneous expenses	211	Kenny Khaw Chuan Wah <sup>3</sup> , Chong Koon Meng <sup>4</sup> , MMAG Holdings <sup>5</sup>

Nature of relationships:-

1. Tan Yip Jiun, being an Executive Director and a Major Shareholder of the Company via his indirect shareholdings in the Company through ChipSengHeng (a major shareholder of the Company), is also a Director and Major Shareholder of ChipSeng Heng Enterprise.
2. LCE is an 80.75% owned subsidiary of MMAG Holdings, 14.25% is held by the Company and the remaining 5% is held by Hong Seng Gloves Sdn. Bhd. During the financial year, the Company disposed 5.34% of its equity interest in LCE on 4 October 2023 and the remaining equity interest of 8.91% had also been disposed of subsequently after the financial year on 13 September 2024.
3. Kenny Khaw Chuan Wah was an Executive Director of the Company who had resigned on 22 December 2023, He is also an Executive Director of MMAG Holdings.
4. Chong Koon Meng was an Executive Director of the Company who had resigned on 29 September 2023 and a shareholders of the Company with shareholdings of less than 1%. He is also an Executive Director and a shareholders of MMAG Holding with shareholdings of less than 1%.
5. With effect from 29 September 2023, MMAG Holdings has ceased to be substantial shareholders of the Company.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

## IN RELATION TO THE FINANCIAL STATEMENTS

Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) ("**Velocity**" or "**the Company**") is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") to ensure that its Board of Directors ("**Board**") makes a statement explaining the Board's responsibility for preparing the annual audited financial statements.

Velocity and its subsidiaries ("**the Group**")'s consolidated annual audited financial statements for the financial year ended 30 June 2024 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 ("**CA 2016**") to give a true and fair view of the affairs of the Group and of the Company. The Statement by the Directors pursuant to Section 251(2) of the CA 2016 is set out in the section headed "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for the financial year ended 30 June 2024.

In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures:-

- ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- ensure that applicable approved accounting standards have been followed;
- where applicable, judgments and estimates are made on a reasonable and prudent basis; and
- upon due inquiry into the state of affairs of the Group and of the Company, there are no material matters that may affect the ability of the Group and of the Company to continue in business on a going concern basis.

The Board has ensured that the quarterly reports and annual audited financial statements of the Group are released to Bursa Securities in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Group maintains accounting records that disclose with reasonable accuracy the financial position of the Group, and which enable the Board to ensure the financial statements comply with the CA 2016.

The Board has taken the necessary steps that are reasonably available to the Board to safeguard the Group's assets and prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibility in preparing the financial statements was approved by the Board on 22 October 2024.



# FINANCIAL STATEMENT

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## FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities and the details of the subsidiaries are set out in Note 8.2 to the financial statements.

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

## RESULTS

	Group RM	Company RM
Profit for the financial year attributable to:		
- owners of the Company	9,847,415	10,414,320
- non-controlling interests	(620)	-
	9,846,795	10,414,320

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL

There was no issuance of new shares during the financial year.

## DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year. The Directors do not recommend the payment of any final dividend in respect of the current financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## WARRANTS 2022/2027

The Warrants 2022/2027 ("the Warrants") were constituted under the Deed Poll dated 7 December 2021. The Warrants were issued on 20 January 2022 in conjunction with the right issue of the Company's Ordinary Shares and shall expire on 19 January 2027. Each Warrant entitled the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.15 per Warrant. None of Warrants 2022/2027 were exercised during the financial year.

## Directors' Report (Cont'd)

**DIRECTORS**

The names of the Directors of the Company who held office since the beginning of the financial year to the date of this report are as follows:-

Lim Peng Tong  
 Tan Yip Jiun  
 Dato' Chong Mun Phing  
 Azman Bin Mat Ali (Appointed w.e.f. 6 December 2023)  
 See Toh Kean Yaw (Appointed w.e.f. 22 December 2023)  
 Krishnan A/L Dorairaju (Appointed w.e.f. 26 January 2024)  
 Dato' Kang Chez Chiang (Appointed w.e.f. 2 February 2024)  
 Chi Kiam Pheng (Resigned on 29 September 2023)  
 Chong Koon Meng (Resigned on 29 September 2023)  
 Kenny Khoo Chuan Wah (Resigned on 22 December 2023)  
 Ahmad Ruslan Zahari bin Zakaria (Resigned on 30 November 2023)  
 Dato' Goh Soo Wee (Resigned on 26 January 2024)

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report are as follows:-

Chi Kiam Pheng  
 Gooi See Chia  
 Lim Zhen Yi  
 Wong Chee Jiun  
 Wong Teck Fatt  
 Yap Chee Wai  
 Dato Goh Soo Wee (Appointed w.e.f. 26 January 2024)  
 Lim Siew Eng (Appointed w.e.f. 13 March 2024)  
 Lim Pei Wen (Subsidiary's director which acquired on 4 June 2024)  
 Chin Boon Long (Resigned on 1 December 2023)  
 Wang Yu (Subsidiary's director which disposed on 30 January 2024)  
 Yap Yee Siew Audrey (Resigned on 15 April 2024)  
 Fan Shue King (Resigned on 9 October 2024)

**DIRECTORS' INTERESTS**

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in ordinary shares in the Company and in Warrants 2022/2027 during the financial year were as follows:-

	Number of ordinary shares			
	As at 01.07.2023	During the financial year		As at 30.06.2024
		Acquired	Disposed	
Tan Yip Jiun - Indirect *	168,174,000	-	-	168,174,000

	Number of Warrants 2022/2027			
	As at 01.07.2023	During the financial year		As at 30.06.2024
		Granted	Disposed	
Tan Yip Jiun - Indirect *	84,087,000	-	-	84,087,000

\* Deemed interested by virtue of his shareholdings in ChipSeng Heng Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS (CONT'D)

By virtue of his interests in shares in the Company, Tan Yip Jiun is also deemed to be interested in shares of the wholly-owned subsidiaries of the Company.

Other than as disclosed above, no other Directors in office at the end of the financial year held any interests, direct or indirect, in shares, debentures and Warrants 2022/2027 of the Company and its subsidiaries during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than those disclosed in the Directors' Remuneration section below) by reason of a contract made by the Company or a related corporation with the Director or his nominees or with a firm of which he is a member or with a company in which he has a substantial financial interest other than by virtue of transactions entered into in the ordinary course of business as disclosed in Note 28 to the financial statements.

As at the end of the financial year and during the financial year, there did not subsist any arrangement to which the Company was a party, whereby the Directors or their nominees might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The remuneration received or receivable by the Directors of the Company from the Company and its subsidiaries during the financial year are as follows:-

	Received or receivable from		
	The Company RM	Subsidiaries RM	Total RM
Fees	300,613	-	300,613
Other remuneration	172,870	406,117	578,987
	473,483	406,117	879,600

No indemnity was given to nor was there any insurance effected for the Directors or officers of the Group and of the Company during the financial year.

### AUDITORS' REMUNERATION

The remuneration paid or payable to the auditors of the Group and of the Company for the financial year are RM242,000 and RM62,500 respectively.

No indemnity was given to nor was there any insurance effected for the auditors during the financial year.

## Directors' Report (Cont'd)

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:-
- (i) which would render the amount written off for bad debts and the amount of allowance made for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
  - (ii) which would render the values of current assets in the financial statements of the Group and of the Company misleading;
  - (iii) which have arisen which render adherence to the existing method of valuation of assets and liabilities of the Group and of the Company misleading or inappropriate; and
  - (iv) 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.
- (c) As at the date of this report, there does not exist:-
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:-
- (i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
  - (ii) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) 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 operations of the Group and of the Company for the financial year in which this report is made.

## Directors' Report (Cont'd)

### **MATERIAL EVENTS DURING THE FINANCIAL YEAR**

Material events during the financial year are disclosed in Note 34 to the financial statements.

### **MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END**

Material event subsequent to the financial year end is disclosed in Note 35 to the financial statements.

### **CHANGE OF NAME**

The Company changed its name from CSH Alliance Berhad to Velocity Capital Partner Berhad on 20 December 2023.

### **AUDITORS**

The auditors, CHENGCO PLT, do not seek for reappointment.

On behalf of the Board of Directors,

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**TAN YIP JIUN**  
Director

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**SEE TOH KEAN YAW**  
Director

This report is made pursuant to the directors' resolution passed on 22 October 2024.

Date: 22 October 2024

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	4	46,952,749	50,112,242	14,076	16,403
Investment properties	5	22,128,770	58,364,385	-	-
Right-of-use assets	6.1	7,515,733	10,600,558	-	-
Intangible asset	7	-	20,269,732	-	-
Investments in subsidiaries	8	-	-	9,327,795	39,170,065
Goodwill	9	2,465,736	1,984,468	-	-
Other investment	10	-	1	-	1
Financing receivables	11	8,333	737,000	-	-
Trade and other receivables	13	2,638,456	-	-	-
Amount due from subsidiaries	14	-	-	291,295,737	227,899,373
Fixed and short-term deposits, cash and bank balances	15	-	100,000	-	-
		81,709,777	142,168,386	300,637,608	267,085,842
<b>Current Assets</b>					
Inventories	12	6,858,736	9,227,572	-	-
Financing receivables	11	225,090,661	161,552,403	-	-
Trade and other receivables	13	16,045,059	43,285,680	5,591,084	24,000
Amount due from subsidiaries	14	-	-	45,164,097	70,910,268
Tax recoverable		1,147,772	605,310	57,500	-
Fixed and short-term deposits, cash and bank balances	15	38,052,715	57,983,729	1,418,101	33,710,674
		287,194,943	272,654,694	52,230,782	104,644,942
Asset held for sales	29	58,590,690	-	29,783,811	-
		345,785,633	272,654,694	82,014,593	104,644,942
<b>Total Assets</b>		<b>427,495,410</b>	<b>414,823,080</b>	<b>382,652,201</b>	<b>371,730,784</b>

The notes set out on pages 65 to 133 form an integral part of these financial statements



## Statements of Financial Position

### As at 30 June 2024 (Cont'd)

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	396,790,911	396,790,911	396,790,911	396,790,911
Accumulated losses		(46,356,652)	(56,204,067)	(70,208,337)	(80,622,657)
Warrants reserve	17	43,721,644	43,721,644	43,721,644	43,721,644
		394,155,903	384,308,488	370,304,218	359,889,898
Non-controlling interests	8.6	2,838,163	2,569,711	-	-
<b>Total Equity</b>		<b>396,994,066</b>	<b>386,878,199</b>	<b>370,304,218</b>	<b>359,889,898</b>
<b>Non-current Liabilities</b>					
Lease liabilities	6.2	4,247,190	7,248,795	-	-
Hire-purchase payables	18	63,621	118,176	-	-
Deferred tax liabilities	19	2,072,701	1,993,302	-	-
		6,383,512	9,360,273	-	-
<b>Current Liabilities</b>					
Lease liabilities	6.2	3,530,995	3,525,343	-	-
Hire-purchase payables	18	54,556	59,373	-	-
Trade and other payables	20	6,800,962	14,841,914	2,177,540	9,066,196
Amount due to subsidiaries	14	-	-	2,771,718	2,762,218
Amount due to subsidiaries' directors	14	663,723	-	-	-
Taxation		222,530	157,978	-	12,472
		11,272,766	18,584,608	4,949,258	11,840,886
Liabilities held for sales	29	12,845,066	-	7,398,725	-
		24,117,832	18,584,608	12,347,983	11,840,886
<b>Total Liabilities</b>		<b>30,501,344</b>	<b>27,944,881</b>	<b>12,347,983</b>	<b>11,840,886</b>
<b>Total Equity and Liabilities</b>		<b>427,495,410</b>	<b>414,823,080</b>	<b>382,652,201</b>	<b>371,730,784</b>

The notes set out on pages 65 to 133 form an integral part of these financial statements

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	21	65,804,696	37,569,893	-	-
Cost of sales		(48,994,189)	(31,695,649)	-	-
<b>Gross profit</b>		16,810,507	5,874,244	-	-
Other income		14,672,399	6,654,671	8,855,074	3,397,913
Selling and distribution costs		(434,203)	(428,639)	-	-
Administrative expenses		(22,015,180)	(12,629,073)	(1,355,050)	(1,206,341)
Net reversal/(impairment) losses on financial assets	23	3,238,783	(3,110,345)	2,872,187	5,967,789
Other expenses		(914,029)	(22,483,087)	(363)	(28,776,334)
<b>Operating profit/(loss)</b>		11,358,277	(26,122,229)	10,371,848	(20,616,973)
Finance costs	22	(403,375)	(425,558)	-	-
<b>Profit/(Loss) before taxation</b>	23	10,954,902	(26,547,787)	10,371,848	(20,616,973)
Taxation	24	(1,108,107)	(908,934)	42,472	67,923
<b>Profit/(Loss) for the financial year</b>		9,846,795	(27,456,721)	10,414,320	(20,549,050)
<b>Other comprehensive income, net of tax</b>		-	-	-	-
<b>Total comprehensive profit/(loss) for the financial year</b>		9,846,795	(27,456,721)	10,414,320	(20,549,050)
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the Company		9,847,415	(26,629,844)	10,414,320	(20,549,050)
Non-controlling interests		(620)	(826,877)	-	-
		9,846,795	(27,456,721)	10,414,320	(20,549,050)
<b>Total comprehensive profit/(loss) for the financial year attributable to:</b>					
Owners of the Company		9,847,415	(26,629,844)	10,414,320	(20,549,050)
Non-controlling interests		(620)	(826,877.00)	-	-
		9,846,795	(27,456,721)	10,414,320	(20,549,050)
<b>Earnings/(Loss) per share attributable to owners of the Company (sen)</b>					
Basic, from profit/(loss) for the financial year	25.1	0.75	(1.93)		
Diluted, from profit/(loss) for the financial year	25.2	0.49	(1.93)		

The notes set out on pages 65 to 133 form an integral part of these financial statements

# STATEMENTS OF CHANGES IN EQUITY

## For the Financial Year Ended 30 June 2024

	Non-distributable			Total RM	Non-controlling interest RM	Total Equity RM
	Ordinary Shares RM	Warrant Reserve RM	Accumulated Losses RM			
<b>Group - 2024</b>						
<b>Balance at 1 July 2023</b>	396,790,911	43,721,644	(56,204,067)	384,308,488	2,569,711	386,878,199
Change in ownership interest in subsidiaries	-	-	-	-	269,072	269,072
Profit for the financial year, representing total comprehensive income for the financial year	-	-	9,847,415	9,847,415	(620)	9,846,795
<b>Balance at 30 June 2024</b>	396,790,911	43,721,644	(46,356,652)	394,155,903	2,838,163	396,994,066

<b>Group - 2023</b>						
<b>Balance at 1 July 2022</b>	396,790,911	43,721,644	(34,372,635)	406,139,920	-	406,139,920
Change in ownership interest in subsidiaries	-	-	4,798,412	4,798,412	3,396,588	8,195,000
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(26,629,844)	(26,629,844)	(826,877)	(27,456,721)
<b>Balance at 30 June 2023</b>	396,790,911	43,721,644	(56,204,067)	384,308,488	2,569,711	386,878,199

	Non-distributable			Total Equity RM	
	Ordinary Shares RM	Warrants Reserve RM	Accumulated Losses RM		
<b>Company - 2024</b>					
<b>Balance at 1 July 2023</b>		396,790,911	43,721,644	(80,622,657)	359,889,898
Profit for the financial year, representing total comprehensive income for the financial year		-	-	10,414,320	10,414,320
<b>Balance at 30 June 2024</b>		396,790,911	43,721,644	(70,208,337)	370,304,218
<b>Company - 2023</b>					
<b>Balance at 1 July 2022</b>		396,790,911	43,721,644	(60,073,607)	380,438,948
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(20,549,050)	(20,549,050)
<b>Balance at 30 June 2023</b>		396,790,911	43,721,644	(80,622,657)	359,889,898

The notes set out on pages 65 to 133 form an integral part of these financial statements

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from operating activities</b>				
Profit/(Loss) before taxation	10,954,902	(26,547,787)	10,371,848	(20,616,973)
<i>Adjustments for:-</i>				
Amortisation of intangible asset	1,713,147	1,683,023	-	-
Amount due from a subsidiary written off upon de-registration	-	-	-	26,907
Bad debts written off	-	202,546	-	-
Deposit written off	887	50	-	-
Depreciation in respect of assets under lease included within:				
- Property, plant and equipment	518,215	462,958	-	-
- Investment properties	2,026,855	235,615	-	-
- Right-of-use assets	3,759,452	2,843,155	-	-
Depreciation of own:				
- Property, plant and equipment	2,484,071	1,698,539	5,756	5,508
- Investment properties	-	24,730	-	-
Interest income	(263,053)	(790,729)	(163,637)	(716,804)
Interest expense	403,375	425,558	-	-
Loss on disposals of investment property	-	77,638	-	-
Gain on termination of lease contract	(5,361)	-	-	-
Negative goodwill	-	(5,134,471)	-	-
Net (Reversal of impairment loss)/ fair value/Impairment losses on:				
- Other investment	(8,250,000)	21,999,999	(8,250,000)	21,999,999
- Amount due from subsidiaries	-	-	-	(5,967,789)
- Investments in subsidiaries	-	-	-	5,617,015
- Financial assets	(3,238,783)	3,110,345	(2,872,183)	-
Net loss/(gain) on disposal of property, plant and equipment	960,146	(3,933)	-	-
Net (gain)/loss on disposals of subsidiaries	(1,576,287)	(7,524)	(441,441)	125,000
Net unrealised loss/(gain) on foreign exchange exchange	71,474	(36,095)	-	-
Net loss on deregistration of a subsidiary	-	-	-	2
Property, plant and equipment written off	-	7,409	-	7,409
Unwinding of discount on amount due from subsidiaries measured at amortised cost	-	-	-	(1,680,820)
Operating profit/(loss) before working capital changes carried forward	9,559,040	251,026	(1,349,657)	(1,200,546)
Increase in financing receivables	(63,055,042)	(18,423,038)	-	-
Decrease in inventories	1,205,692	126,445	-	-
Decrease/(Increase) in trade and other receivables	24,970,769	(7,825,319)	(2,694,900)	219,450
Increase/(Decrease) in trade and other payables	10,757,344	5,058,122	(6,888,656)	(97,851)
Cash utilised in operations	(16,562,197)	(20,812,764)	(10,933,213)	(1,078,947)
Interest paid	(403,375)	(425,558)	-	-
Tax paid	(1,277,992)	(2,068,951)	(27,500)	(42,491)
Net cash used in operating activities	(18,243,564)	(23,307,273)	(10,960,713)	(1,121,438)

The notes set out on pages 65 to 133 form an integral part of these financial statements

## Statements of Cash Flows

### As at 30 June 2024 (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment (Note 26.1)	(7,359,165)	(27,612,704)	(3,429)	(1,600)
Proceeds from disposal of property, plant and equipment	1,345,000	24,000	-	-
Proceeds from disposal of investment property	-	2,900,000	-	-
Proceeds from disposal of other investment	8,250,000	-	8,250,000	-
Purchase of intangible asset (Note 7)	-	(697,199)	-	-
Incorporation of subsidiaries (Note 8.5)	-	-	(100)	-
Net cash inflow/(outflow) from acquisitions of subsidiaries (Note 8.3)	2,406	(12,269,436)	-	(3,750,000)
Net cash inflow/(outflow) from disposals of subsidiaries (Note 8.4)	365,286	(1,107)	500,000	875,100
Subscription of shares by non-controlling interest	-	8,195,000	-	-
Net advances to subsidiaries	-	-	(30,241,968)	(55,315,223)
Interest received	263,053	790,729	163,637	716,804
Net cash from/(used in) investing activities	2,866,580	(28,670,717)	(21,331,860)	(57,474,919)
<b>Cash flows from financing activities</b>				
Increase in fixed deposits pledged as security	(96,317)	(113,381)	-	-
Repayment of lease liabilities (Note 6.3)	(3,664,462)	(2,672,648)	-	-
Hire-purchase instalments paid (Note 26.2)	(59,372)	(75,648)	-	-
Advances from directors and subsidiaries' directors	129,254	-	-	-
Repayment to subsidiaries (Note 26.2)	-	-	-	(298,367)
Net cash used in financing activities	(3,690,897)	(2,861,677)	-	(298,367)
<b>Net decrease in cash and cash equivalents</b>				
	(19,067,881)	(54,839,667)	(32,292,573)	(58,894,724)
Cash and cash equivalents at beginning of financial year	57,310,539	112,150,206	33,710,674	92,605,398
Cash and cash equivalents at end of financial year (Note 26.3)	38,242,658	57,310,539	1,418,101	33,710,674

The notes set out on pages 65 to 133 form an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## - 30 JUNE 2024

### 1. GENERAL INFORMATION

Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) is a public company limited by shares, incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad.

Its registered office is located at Level 7, Menara Millennium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur and the principal place of business is located at 9-3, Oval Tower Damansara No. 685, Jalan Damansara, Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan.

The principal activity of the Company is that of investment holding. The principal activities and the details of the subsidiaries are set out in Note 8.2.

The Company changed its name from CSH Alliance Berhad to Velocity Capital Partner Berhad on 20 December 2023.

These financial statements comprise the consolidated financial statements and the financial statements of the Company and they are presented in Ringgit Malaysia ("RM").

The financial statements were approved and authorised for issue by the Board of Directors on 22 October 2024.

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

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

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the other sections under material accounting policy information.

The accounting policies applied by the Group and the Company are consistent with those applied in the previous financial year other than the application of the accounting pronouncements as disclosed in Note 2.2 below.

#### 2.2 Material New Accounting Policy Information

The Group and the Company adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

#### 2.3 Standards Issued But Not Yet Effective

The Group and the Company have not adopted the standards that have been issued but not yet effective. The Directors expect that the adoption of these standards will have no material impact on the financial statements of the Company in the period of initial application.

# Notes to the Financial Statements

## - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group:-

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Subsidiaries are consolidated using the acquisition method as explained in Note 2.5 and consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

#### 2.5 Business Combination

Acquisitions of businesses are accounted for using the acquisition method except for combinations of entities or businesses under common control. The consideration transferred for the acquisition of an acquiree is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values, except for non-current assets (or disposal group) that are classified as held for sale which shall be measured at fair value less costs to sell.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.5 Business Combination (Cont'd)

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The accounting policy for goodwill is set out in Note 2.6. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

Non-controlling interests represent that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interests are measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets. Non-controlling interests in the net assets of consolidated subsidiaries comprised the amount of non-controlling interests at the date of original combination and their share of changes in equity since the date of combination.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

#### 2.6 Goodwill

Goodwill arising on the acquisitions of subsidiaries is recognised as an asset and carried at cost as established at the acquisition date less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill from acquisition date is allocated to each of the Group's cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the synergies of the combination in which the goodwill arose. The test for impairment of goodwill on consolidation is in accordance with the Group's accounting policy for impairment of non-financial assets. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a CGU or groups of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation and the portion of the CGU retained.

#### 2.7 Foreign Currencies

##### 2.7.1 Functional and presentation currency

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

##### 2.7.2 Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

## 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.7 Foreign Currencies (Cont'd)

#### 2.7.2 Foreign currency transactions and balances (Cont'd)

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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

### 2.8 Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed in Note 2.12. On disposal of such investments, the difference between the net disposal proceeds and the net carrying value of the investments is recognised as a gain or loss on disposal in the Company's profit or loss.

### 2.9 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Freehold land and capital work-in-progress are not depreciated. All other property, plant and equipment are depreciated on the straight-line basis so as to write off the cost of the assets to their residual values over their estimated useful lives. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The estimated useful lives of the Group's property, plant and equipment are as follows:-

Buildings	Over remaining useful lives of between 34 and 50 years
Furniture, fittings and equipment	Between 5 and 8 years
Motor vehicles	Between 5 and 8 years
Plant and machinery	Between 5 and 8 years
Renovation	5 years

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed in Note 2.12.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.10 Investment Properties

Investment properties are land and/or buildings which are held for rental yields or for capital appreciation or for both or land held for a currently undetermined future use. The investment properties are initially measured at cost, including direct transaction costs and borrowing costs if the investment properties meet the definition of a qualifying asset.

The investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment in freehold land is stated at cost and is not depreciated. Investment in freehold building is stated at cost and is depreciated over the remaining useful life of 25 years. In respect of acquired leasehold properties, the depreciation policy is disclosed in Note 2.15.1. Investment properties are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the period of the retirement or disposal.

#### 2.11 Non-current Assets (or Disposal Groups) Classified as Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

On initial classification as held for sale, non-current assets or disposal groups (other than investment properties that are accounted for in accordance with fair value model, deferred tax assets, financial assets and inventories) are measured at the lower of their carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

#### 2.12 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (other than inventories, contract assets and assets arising from costs to obtain or fulfil a contract, deferred tax assets, investment property that is measured at fair value and non-current assets or disposal groups held for sale) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill recognised in a business combination and that has an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment losses recognised in respect of CGUs (or groups of CGUs) are allocated first to reduce the carrying amount of any goodwill arising from a business combination allocated to the units (or groups of units) and then to reduce the carrying amount of the other assets in the units (or groups of units) on a pro rata basis.

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

# Notes to the Financial Statements

## - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.12 Impairment of Non-Financial Assets (Cont'd)

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

#### 2.13 Inventories

##### 2.13.1 Completed development units held for sale

Inventories of completed development units and held for sale are stated at the lower of cost and net realisable value. Costs comprise cost of land and related development costs and are allocated to each unit based on the relative sale value of the properties.

##### 2.13.2 Raw materials, work-in-progress and finished goods

These inventories comprised only ceramic products and are measured at the lower of cost and net realisable value.

Cost of raw materials and finished goods is determined on the weighted average basis and first-in, first-out basis respectively. In the case of work-in-progress and finished goods, cost includes costs of materials, direct labour and attributable production overheads that are based on normal operating capacity.

##### 2.13.3 Net realisable value

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

#### 2.14 Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. Contract assets are reviewed for impairment in accordance with the Group's accounting policy on impairment of financial assets as disclosed in Note 2.17.4.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include down payments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.15 Leases

##### 2.15.1 The Group as a lessee

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

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

Leasehold land	Between 50 and 97 years
Leasehold buildings	50 years
Buildings on lease	Between 24 and 36 months
Fleet of trucks on lease	Between 12 and 60 months

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:-

- fixed lease payments (including in-substance fixed payments), less lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- amount expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Variable lease payment that does not depend on an index or a rate is recognised as an expense in the period in which it is incurred.

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and which is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

If a rent concession does not result in a lease modification, the Group accounts for the change in lease payments as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs.

If a rent concession result in a lease modification, the Group accounts the rent concession as either a new lease or as a remeasurement of an existing lease.

The Group has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

## 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.15 Leases (Cont'd)

#### 2.15.2 The Group as a lessor

Leases for which the Group is a lessor are classified as finance leases or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. All other leases are classified as operating leases.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. The finance income is recognised over the term of the lease based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the Group in obtaining an operating lease are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

### 2.16 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over their estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The intangible asset of the Group is intellectual property rights of IT solution/platform related to logistics business process and is estimated to have a useful life of 15 years.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.17 Financial Assets

The Group recognises all financial assets in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to:-

- the recognition of an asset to be received and the liability to pay for it on the trade date which is the date the Group commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

##### 2.17.1 Classification

The Group classifies its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets:-

- (a) at amortised cost;
- (b) fair value through other comprehensive income; and
- (c) fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

##### 2.17.2 Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

## 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.17 Financial Assets (Cont'd)

#### 2.17.2 Measurement (Cont'd)

##### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's debt instruments are categorised into the following measurement categories:-

##### (i) Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition:-

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

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss.

##### (ii) Fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as FVTPL at initial recognition:-

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss.

##### (iii) Fair value through profit or loss ("FVTPL")

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

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

##### 2.17.2 Measurement (Cont'd)

###### (b) Equity instruments

The Group subsequently measures all equity investments at fair value.

For equity investments at FVTPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained profits instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVTPL and FVOCI is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVTPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

##### 2.17.3 Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

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

##### 2.17.4 Impairment of financial assets and contract assets

The Group recognises loss allowance for expected credit losses ("ECLs") on contracts assets and the following financial assets:-

- (a) financial assets measured at amortised cost; and
- (b) debt instruments measured at fair value through other comprehensive income ("FVOCI").

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL.



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

## 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.17 Financial Assets (Cont'd)

#### 2.17.4 Impairment of financial assets and contract assets (Cont'd)

For trade receivables, the Group applies a simplified approach in measuring ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The expected loss rates are based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

An impairment loss in respect of debt instruments measured at FVOCI is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow in its entirety or a portion thereof.

### 2.18 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with licensed banks and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts. The statements of cash flows are prepared using the indirect method.

### 2.19 Share Capital

#### 2.19.1 Ordinary shares

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

### 2.20 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

#### 2.20.1 Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial liabilities at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. The Group does not have any financial liabilities at fair value through profit or loss.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.20 Financial Liabilities (Cont'd)

##### 2.20.1 Classification and measurement (Cont'd)

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method and any gain or loss is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

##### 2.20.2 Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 2.21 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 2.22 Employee Benefits

##### 2.22.1 Short-term employee benefits

Wages, salaries and social security contributions, paid annual and sick leave, bonuses and non-monetary benefits are recognised as an expense in profit or loss or included in the costs of assets, where applicable, in the period in which the associated services are rendered by employees of the Group.

##### 2.22.2 Post-employment benefits

###### *Defined contribution plans*

The Group provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are recognised as an expense in profit or loss in the period to which the contributions relate or included in the costs of assets, where applicable.

# Notes to the Financial Statements

## - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.23 Income Taxes

Tax expense is the aggregate amount of current and deferred taxes. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable profit for the year and is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised, using the liability method, on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purposes.

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 2.24 Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, net of any treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, net of any treasury shares held, for the effects of all dilutive potential ordinary shares.

#### 2.25 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, who makes decision about resources to be allocated to the segments and to assess their performance and for which discrete financial information is available.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.26 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

#### 2.27 Revenue from Contracts with Customers and Other Sources

The Company recognises revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Depending on the terms of a contract with customer, control may transfer over time or at a point in time.

The Group satisfies a performance obligation over time and therefore transfers control of a good or service over time if the Group's performance:-

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

Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

There is no significant financing component in contracts with customers as the payment terms is less than twelve (12) months from the date of billings. Therefore, no adjustment is made to the promised amount of consideration for the effects of time value of money.

The Group recognises revenue from the following business activities:-

##### (a) **Manufacture and sales of pottery, ceramic, porcelain and related products**

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The normal credit term is 30 to 90 days upon delivery. Revenue is recognised based on the amount specified in the contract, net of discounts, if any.

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

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

##### 2.27 Revenue from Contracts with Customers and Other Sources (Cont'd)

The Group recognises revenue from the following business activities (Cont'd):-

**(b) Haulage and hub-to-hub delivery services**

Revenue from haulage and hub-to-hub delivery services is recognised in the reporting period in which the services are rendered and the Group has a present right to the payment for the services.

**(c) Sales of completed development unit**

The Company recognises revenue from sales of completed development units at a point in time when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the assets sold.

**(d) Financing receivables**

Interest income on financing receivables is recognised in profit or loss using the effective interest rate ("EIR") method.

EIR is a method of calculating the amortised cost of financing receivables and of allocating the corresponding interest income over the relevant period. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financing receivables or, when appropriate, a shorter period to the net carrying amount of the financing receivables.

**(e) Interest income**

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

**(f) Rental income**

Rental income is recognised on an accrual basis over the period of tenancy.

#### 3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of 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 results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

#### 3.1 Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### (a) Impairment of property, plant and equipment, investment properties, right-of-use assets, intangible asset and investments in subsidiaries

The Group assesses impairment of property, plant and equipment, investment properties, right-of-use assets, intangible asset and investments in subsidiaries when the events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the costs of disposal or expected value in use of the relevant assets. The carrying amounts of these assets are disclosed in Notes 4, 5, 6, 7 and 8.

##### (b) Useful life of intangible asset

This relates to the Group's intellectual property rights of IT solution/platform as disclosed in Note 7. The Group estimates the useful life of the intellectual property rights to be 15 years which is based on a sub-licensing agreement entered into between the Group and its customer. The initial sub-licensing period is for 10 years and the sub-licensing agreement provides for an extension option to renew for another 5 years. A significant assumption has been made by the Group that it is reasonably certain that the Group and the customer will exercise the extension option.

##### (c) Impairment of goodwill

The Group performs an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash generating unit ("CGU") to which the goodwill has been allocated. The measurement of the recoverable amount of CGU is determined based on the value in use method which requires the management to estimate the future cash flows expected to arise from the CGU's ongoing operations, the growth rate that reflects the management's expected future performance and a suitable discount rate in order to calculate the present value. The relevant information and assumptions are disclosed in Note 9.

##### (d) Measurement of expected credit loss allowances on trade receivables

The Group applies a simplified approach in measuring loss allowances on expected credit losses ("ECLs") for trade receivables. The measurement requires the use of significant assumptions about risk of default and expected loss rate and the future economic conditions.

The expected loss rates are based on the payment profiles of its customers in relation to the invoices issued for sales of goods and services rendered over a period of two (2) years prior to the end of each reporting period and the corresponding historical credit loss experienced within those periods.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

##### 3.2 Key sources of estimation uncertainty (Cont'd)

###### (d) Measurement of expected credit loss allowances on trade receivables (Cont'd)

The historical loss rates are then adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. The default rate of the Peer-to Peer Lending platform taken into consideration for ECLs.

At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed. When the historical observed loss rates vary from the original estimates, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables and the cumulative allowance for impairment losses are disclosed in Note 13.1.

###### (e) Measurement of expected credit loss allowances on financing receivables, other receivables and deposits and amount due from subsidiaries

The Group applies general approach in measuring loss allowances for financing receivables, other receivables and deposits. The methodology used to measure the loss allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financing receivables, other receivables and deposits. In respect of the amount due from subsidiaries, the Company uses a similar methodology in measuring the loss allowance.

Where the credit risk varies from the original estimates, such difference will impact the carrying value of the financing receivables, other receivables and deposits and the amount due from subsidiaries. The carrying amounts of financing receivables, other receivables and deposits are disclosed in Notes 11, 13.2 and 13.3 respectively. The amount due from subsidiaries is disclosed in Note 14.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT

(a) The movements of property, plant and equipment during the financial year were as follows:-

Group - 2024	Freehold land RM	Buildings RM	Renovation RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and equipment RM	Capital work-in- progress RM	Right-of- use assets (Note 4(b)) RM	Total RM
<b>Costs</b>									
At beginning of financial year	3,440,000	17,993,451	1,770,089	6,415,213	4,080,191	1,331,117	2,206,568	28,562,473	65,799,102
Additions	-	-	259,339	1,214,409	3,868,700	1,793,677	223,040	-	7,359,165
Arising through business combination	-	-	-	-	-	4,544	-	-	4,544
Transfer	-	-	-	1,361,129	-	-	(1,361,129)	-	-
Transfer to assets classified held for sales	-	-	-	-	-	(1,972,609)	-	-	(1,972,609)
Disposals of subsidiary	-	-	(286,136)	(3,468,424)	-	(28,650)	-	-	(3,783,210)
Disposals	(2,000,000)	(500,000)	-	-	(125,472)	-	-	-	(2,625,472)
Write-off	-	-	(60,381)	-	-	-	-	-	(60,381)
At end of financial year	1,440,000	17,493,451	1,682,911	5,522,327	7,823,419	1,128,079	1,068,479	28,562,473	64,721,139
<b>Accumulated depreciation</b>									
At beginning of financial year	-	5,730,042	927,595	4,814,951	1,409,002	753,678	-	1,267,052	14,902,320
Arising through business combination	-	-	-	-	-	2,878	-	-	2,878
Charge for the financial year	-	469,798	319,503	405,247	990,680	298,843	-	518,215	3,002,286
Transfer to assets classified held for sales	-	-	-	-	-	(239,468)	-	-	(239,468)
Disposals of subsidiary	-	-	(34,042)	(263,592)	-	(5,825)	-	-	(303,459)
Disposals	-	(194,855)	-	-	(125,471)	-	-	-	(320,326)
Write-off	-	-	(60,381)	-	-	-	-	-	(60,381)
At end of financial year	-	6,004,985	1,152,675	4,956,606	2,274,211	810,106	-	1,785,267	16,983,850
<b>Accumulated impairment losses</b>									
At beginning/end of financial year	-	594,540	-	190,000	-	-	-	-	784,540
Carrying amounts as at 30 June 2024	1,440,000	10,893,926	530,236	375,721	5,549,208	317,973	1,068,479	26,777,206	46,952,749



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

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

(a) The movements of property, plant and equipment during the financial year were as follows (Cont'd):-

Group - 2023	Freehold land		Buildings		Renovation		Plant and machinery		Motor vehicles		Furniture, fittings and equipment		Capital work-in-progress		Right-of-use assets		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Costs</b>																	
At beginning of financial year	3,440,000	17,993,451	1,600,722	5,201,911	2,326,414	944,393	959,213	5,613,570	38,079,674								
Additions	-	-	169,367	384,302	1,781,777	422,000	2,076,355	22,948,903	27,782,704								
Transfer	-	-	-	829,000	-	-	(829,000)	-	-								
Disposals	-	-	-	-	(28,000)	-	-	-	-								
Write-off	-	-	-	-	-	(35,276)	-	-	-								
At end of financial year	3,440,000	17,993,451	1,770,089	6,415,213	4,080,191	1,331,117	2,206,568	28,562,473	65,799,102								
<b>Accumulated depreciation</b>																	
At beginning of financial year	-	5,265,154	661,191	4,452,507	898,282	695,395	-	804,094	12,776,623								
Charge for the financial year	-	464,888	266,404	362,444	518,653	86,150	-	462,958	2,161,497								
Disposals	-	-	-	-	(7,933)	-	-	-	(7,933)								
Write-off	-	-	-	-	-	(27,867)	-	-	(27,867)								
At end of financial year	-	5,730,042	927,595	4,814,951	1,409,002	753,678	-	1,267,052	14,902,320								
<b>Accumulated impairment losses</b>																	
At beginning/end of financial year	-	594,540	-	190,000	-	-	-	-	-								
Carrying amounts as at 30 June 2023	3,440,000	11,668,869	842,494	1,410,262	2,671,189	577,439	2,206,568	27,295,421	50,112,242								

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

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

(a) The movements of property, plant and equipment during the financial year were as follows (Cont'd):-

<b>Company - 2024</b>	<b>Furniture, fittings and equipment RM</b>	<b>Total RM</b>	
<b>Costs</b>			
At beginning of financial year	28,205	28,205	
Additions	3,429	3,429	
At end of financial year	31,634	31,634	
<b>Accumulated depreciation</b>			
At beginning of financial year	11,802	11,802	
Charge for the financial year	5,756	5,756	
At end of financial year	17,558	17,558	
<b>Carrying amounts as at 30 June 2024</b>	<b>14,076</b>	<b>14,076</b>	
<b>Company - 2023</b>			
	<b>Renovation RM</b>	<b>Furniture, fittings and equipment RM</b>	<b>Total RM</b>
<b>Costs</b>			
At beginning of financial year	60,381	61,881	122,262
Additions	-	1,600	1,600
Write-off	(60,381)	(35,276)	(95,657)
At end of financial year	-	28,205	28,205
<b>Accumulated depreciation</b>			
At beginning of financial year	60,381	34,161	94,542
Charge for the financial year	-	5,508	5,508
Write-off	(60,381)	(27,867)	(88,248)
At end of financial year	-	11,802	11,802
<b>Carrying amounts as at 30 June 2023</b>	<b>-</b>	<b>16,403</b>	<b>16,403</b>

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

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

(b) Right-of-use assets included within the property, plant and equipment comprised the following:-

Group - 2024	Leasehold land RM	Leasehold buildings RM	Total RM
<b>Costs</b>			
At beginning/end of financial year	27,494,603	1,067,870	28,562,473
<b>Accumulated depreciation</b>			
At beginning of financial year	944,850	322,202	1,267,052
Charge for the financial year	498,633	19,582	518,215
At end of financial year	1,443,483	341,784	1,785,267
<b>Carrying amounts as at 30 June 2024</b>	<b>26,051,120</b>	<b>726,086</b>	<b>26,777,206</b>
<b>Group - 2023</b>			
<b>Costs</b>			
At beginning of financial year	4,545,700	1,067,870	5,613,570
Additions	22,948,903	-	22,948,903
	27,494,603	1,067,870	28,562,473
<b>Accumulated depreciation</b>			
At beginning of financial year	499,449	304,645	804,094
Charge for the financial year	445,401	17,557	462,958
At end of financial year	944,850	322,202	1,267,052
<b>Carrying amounts as at 30 June 2023</b>	<b>26,549,753</b>	<b>745,668</b>	<b>27,295,421</b>

(c) Property, plant and equipment include the following assets acquired under hire-purchase arrangements:-

	Cost RM	Accumulated depreciation RM	Carrying amount RM	Current depreciation RM
<b>Group - 2024</b>				
Motor vehicles	264,998	(108,604)	156,394	53,000
<b>Group - 2023</b>				
Motor vehicles	184,204	(124,319)	59,885	26,230

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

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

(d) Depreciation charge for the financial year comprised the following:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation of own property, plant and equipment	2,484,071	1,698,539	5,756	5,508
Depreciation of right-of-use assets	518,215	462,958	-	-
	3,002,286	2,161,497	5,756	5,508

#### 5. INVESTMENT PROPERTIES

	Own assets		Right-of-use assets		Total RM
	Freehold land RM	Freehold Building RM	leasehold land RM	leasehold building RM	
<b>Group - 2024</b>					
<b>Costs</b>					
At beginning of financial year	800,000	-	28,571,935	30,165,966	59,537,901
Transfer to assets classified held for sales	-	-	(5,834,034)	(30,165,966)	(36,000,000)
At end of financial year	800,000	-	22,737,901	-	23,537,901
<b>Accumulated depreciation</b>					
At beginning of financial year	-	-	1,100,586	-	1,100,586
Charge for the financial year	-	-	469,093	1,557,762	2,026,855
Transfer to assets classified held for sales	-	-	(233,478)	(1,557,762)	(1,791,240)
At end of financial year	-	-	1,336,201	-	1,336,201
<b>Accumulated impairment losses</b>					
At beginning/end of financial year	-	-	72,930	-	72,930
<b>Carrying amounts as at 30 June 2024</b>	800,000	-	21,328,770	-	22,128,770
<b>Fair values as at 30 June 2024</b>	2,370,000	-	21,800,000	-	24,170,000

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 5. INVESTMENT PROPERTIES (CONT'D)

	Own assets		Right-of-use assets		Total RM
	Freehold land RM	Building RM	Vacant leasehold land RM	Vacant leasehold building RM	
<b>Group - 2023</b>					
<b>Costs</b>					
At beginning of financial year	3,134,657	674,456	22,737,901	-	26,547,014
Arising through business combination	-	-	5,834,034	30,165,966	36,000,000
Disposal	(2,334,657)	(674,456)	-	-	(3,009,113)
At end of financial year	800,000	-	28,571,935	30,165,966	59,537,901
<b>Accumulated depreciation</b>					
At beginning of financial year	-	6,745	864,971	-	871,716
Charge for the financial year	-	24,730	235,615	-	260,345
Disposal	-	(31,475)	-	-	(31,475)
At end of financial year	-	-	1,100,586	-	1,100,586
<b>Accumulated impairment losses</b>					
At beginning/end of financial year	-	-	72,930	-	72,930
<b>Carrying amounts as at 30 June 2023</b>					
	800,000	-	27,398,419	30,165,966	58,364,385
<b>Fair values as at 30 June 2023</b>					
	880,000	-	27,634,034	30,165,966	58,680,000

Investment properties of the Group are freehold land and building and leasehold land and income and direct operating expenses recognised in profit or loss during the financial year in relation to the investment properties were RM1,080,691 and RM118,617 respectively (2023: Nil and RM61,309 respectively).

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### 6.1 Right-of-use assets

The right-of-use assets in this note comprised the leases of properties and fleet of trucks ("the leased assets"). The right-of-use assets in respect of leasehold properties acquired by the Group are disclosed in Note 4 - Property, Plant and Equipment and Note 5 - Investment Properties.

The movements in the carrying amounts of the leased assets during the financial year were as follows:-

Group - 2024	Office premises RM	Living accommodation RM	Fleet of trucks RM	Total RM
<b>Carrying amount</b>				
At beginning of financial year	270,798	79,910	10,249,850	10,600,558
Additions	844,761	-	-	844,761
Disposal of subsidiary	-	(16,492)	-	(16,492)
Termination of lease	-	-	(153,642)	(153,642)
Depreciation charge	(290,880)	(63,418)	(3,405,154)	(3,759,452)
At end of financial year	824,679	-	6,691,054	7,515,733
<b>Group - 2023</b>				
<b>Carrying amount</b>				
At beginning of financial year	14,136	84,317	-	98,453
Additions	290,919	79,171	12,975,170	13,345,260
Depreciation charge	(34,257)	(83,578)	(2,725,320)	(2,843,155)
At end of financial year	270,798	79,910	10,249,850	10,600,558

The leased assets are depreciated on the straight-line method over the following lease terms:-

Office premises	24 - 36 months
Living accommodation	24 - 36 months
Fleet of trucks	12 - 60 months

Lease contracts of the Group include extension and termination options. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options are only included in the lease term if the Group considered it reasonably certain to exercise the option. The assessment of reasonably certain is revised upon the occurrence of either a significant event or a significant change in circumstances that is within its control and that was not previously included in its determination of the lease term.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

##### 6.2 Lease liabilities

	Group	
	2024 RM	2023 RM
Non-current	4,247,190	7,248,795
Current	3,530,995	3,525,343
	7,778,185	10,774,138

##### 6.3 Cash flows for leases

	Group	
	2024 RM	2023 RM
<b>Included in cash flows from operating activities</b>		
Payment for interest on lease liabilities	393,368	412,495
<b>Included in cash flows from financing activities</b>		
Payment for principal portion of lease liabilities	3,664,462	2,672,648
Total cash outflows for leases	4,057,830	3,085,143

Expenses relating to short-term leases and leases of low-value assets are disclosed in Note 23. Interest expense on lease liabilities is disclosed in Note 22.

#### 7. INTANGIBLE ASSET

	Group	
	2024 RM	2023 RM
<b>Costs</b>		
At beginning of financial year	25,697,199	25,000,000
Addition	-	697,199
Transfer to asset held for sale	(25,697,199)	-
At end of financial year	-	25,697,199
<b>Accumulated amortisation</b>		
At beginning of financial year	3,627,467	1,944,444
Charge for the financial year	1,713,147	1,683,023
Transfer to asset held for sale	(5,340,614)	-
At end of financial year	-	3,627,467

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 7. INTANGIBLE ASSET (CONT'D)

	Group	
	2024 RM	2023 RM
<b>Accumulated impairment losses</b>		
At beginning of financial year	1,800,000	1,800,000
Impairment loss	-	-
Transfer to asset held for sale	(1,800,000)	-
At end of financial year	-	1,800,000
<b>Carrying amount as at 30 June</b>	-	20,269,732

The intangible asset of the Group represents an acquired intellectual property rights of IT solution/platform related to logistics business process. The cost of this acquired intangible asset is amortised on the straight-line method over the estimated useful life of 15 years (2023: 15 years). The amortisation is included in cost of sales (2023: cost of sales) of the Group's profit or loss.

### 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	98,022,011	98,801,911
Less: Allowance for impairment losses (Note 8.1)	(55,944,216)	(59,631,846)
Less: Transfer to assets classified as held for sale	(32,750,000)	-
Carrying amount as at 30 June	9,327,795	39,170,065

#### 8.1 Allowance for impairment losses

Movements in the allowance for impairment losses on investments in subsidiaries during the financial year were as follows:-

	Company	
	2024 RM	2023 RM
At beginning of financial year	59,631,846	54,014,831
Additions	-	6,617,017
Disposal of subsidiary	(721,441)	(1,000,002)
Transfer to asset held for sale	(2,966,189)	-
At end of financial year	55,944,216	59,631,846

The Company carried out impairment assessments on subsidiaries with impairment indicators such as continuing operating losses and reduced shareholders' fund. The recoverable amount of the Company's investments in these subsidiaries is determined based on adjusted net tangible assets as a proxy to fair value less costs of disposal and is within Level 3 of the fair value hierarchy. As a result of the impairment assessments, the Company did not require additional impairment loss for the investment in subsidiaries whereas the deduction in impairment losses of RM721,441 was due to disposal of one (1) subsidiary as further explained in Note 8.4 in the current financial year which is included in other expenses and other income of the Company's profit or loss.



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

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

##### 8.2 Details of the subsidiaries

Details of the subsidiaries are as follows:-

Name of company	Principal activities	Country of incorporation	Effective interest in equity	
			2024 %	2023 %
Asian Pottery (Penang) Sdn. Bhd.	Marketing of pottery and porcelain products, ceramic wares and ornaments	Malaysia	100	100
Profit Sunland Sdn. Bhd.	Property construction and related businesses	Malaysia	100	100
Oriwina Sdn. Bhd.	Manufacturing and trading of ceramic wares	Malaysia	100	100
Asia Pottery Home & Garden Sdn. Bhd.	Retail, trading and wholesale of all kinds of clay products such as pottery, ceramics and porcelain products - currently dormant	Malaysia	100	100
Sunmark Point Sdn. Bhd.	Investment holding and property investment activity	Malaysia	100	100
Asian Pottery Manufacturers Sdn. Bhd.	Dormant	Malaysia	100	100
Asian Earthenware Sdn. Bhd.	Dormant	Malaysia	100	100
Asiarise Holdings Sdn. Bhd.	Dormant	Malaysia	100	100
Asian Porcelain Sdn. Bhd.	Dormant	Malaysia	100	100
Million Rich Development Sdn. Bhd.	Property development and other related services	Malaysia	100	100
KTG Marine (M) Sdn. Bhd.	Marine construction and coastal reclamation works	Malaysia	100	100
Titanium Hallmark Sdn. Bhd.	Property development and other related services	Malaysia	100	100
Velocity Capital Sdn. Bhd. (Formerly known as CSH Network Capital Sdn Bhd)	Moneylending business	Malaysia	100	100

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

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

#### 8.2 Details of the subsidiaries (Cont'd)

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

Name of company	Principal activities	Country of incorporation	Effective interest in equity	
			2024 %	2023 %
Line Haul Sdn. Bhd.	Transportation and logistics - providing haulage and hub-to-hub delivery services	Malaysia	100	100
Cipta X Sdn. Bhd. (Formerly known as CSH Solutions Sdn. Bhd.)**	Information technology solutions and other related services	Malaysia	85	85
CSH Priority Sdn. Bhd.	Dormant	Malaysia	100	100
Omnipack Sdn. Bhd.	Manufacturing and trading in styrofoam box and other packaging business	Malaysia	-	80
Alliance EV Sdn. Bhd.	Sale and distribution of motor vehicles and electrical vehicles and providing related after-sales services as well as sales and trading of related spare parts and any other related businesses	Malaysia	100	100
Hong Seng Frontier Sdn. Bhd.**	Activities of holding companies	Malaysia	100	100
Velocity PE Sdn. Bhd.*	Dormant	Malaysia	100	-
<b>Held through Asian Pottery Manufacturers Sdn. Bhd.</b>				
Metro Craft Sdn. Bhd.	Dormant	Malaysia	100	100
<b>Held through Velocity Capital Sdn. Bhd.</b>				
Velocity Wealth SWH Sdn. Bhd. (Formerly known as Smart Wisdom Holdings Sdn. Bhd.)	Investment holdings	Malaysia	100	-
<b>Held through Velocity Wealth SWH Sdn. Bhd. (formerly known as Smart Wisdom Holdings Sdn. Bhd.)</b>				
Velocity Direct Sdn. Bhd. (Formerly known as Smart Wisdom Sdn. Bhd.)	Management consultancy services and moneylending business	Malaysia	100	-

\* Not audited by Chengco PLT

\*\* Transferred to assets held for sales

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

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

##### 8.3 Acquisition of a new subsidiary during the financial year

On 20 May 2024, the Company, through its wholly owned subsidiary, Velocity Capital Sdn Bhd (Formerly known as CSH Network Capital Sdn. Bhd.), acquired the entire issued and paid-up capital of Velocity Wealth SWH Sdn. Bhd. (formerly known as Smart Wisdom Holdings Sdn. Bhd.) and its wholly owned subsidiary, Velocity Direct Sdn. Bhd. (formerly known as Smart Wisdom Sdn. Bhd.) ("VW Group") comprising 100 ordinary shares for a consideration of RM100. The acquisition was completed on 4 June 2024.

The assets acquired and liabilities of VW Group recognised as at the date of acquisition were as follows:-

	<b>Fair value recognised on acquisition RM</b>	<b>VW Group carrying amount RM</b>
Property, plant and equipment	1,666	1,666
Trade receivables	51,066	51,066
Other receivables, deposits and prepayments	5,400	5,400
Cash and bank balances	2,506	2,506
Other payables and accruals	(7,337)	(7,337)
Amount owing to director	(534,469)	(534,469)
Net identifiable assets acquired	(481,168)	<u>(481,168)</u>
Goodwill on acquisition (Note 9)	481,268	
Total purchase consideration discharged by cash	100	
Cash and cash equivalents of subsidiary acquired	(2,506)	
Net cash inflow from acquisition	<u>(2,406)</u>	

The acquisition-related costs of RM6,041 had been charged to administrative expenses in the Group's and the Company's current financial year profit or loss.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

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

#### 8.4 Disposals of subsidiaries in the current financial year

On 30 January 2024, the Company disposed its entire equity interest in Omnipack Sdn. Bhd. for a total cash consideration of RM500,000. The disposal was completed on 15 February 2024 and had resulted in a gain of RM1,576,287 and RM441,441 to the Group and to the Company respectively. The gain recognised had been included under other income of the Group's and other expenses of the Company's current financial year profit or loss.

The effects of disposal on the financial results of the Group as at the date of disposal were as follows:-

	At date of disposal	
	The Group RM	The Company RM
Investment in subsidiary	-	780,000
Impairment loss on investment in subsidiary	-	(721,441)
Property, plant and equipment	3,479,751	-
Right-of-use assets	16,492	-
Inventories	1,163,146	-
Trade receivables	26,482	-
Other receivables, deposits and prepayments	40,500	-
Cash and bank balances	134,714	-
Lease liabilities	(17,251)	-
Other payables	(6,189,193)	-
Non-controlling interests	269,072	-
Carrying amount of net assets disposed of	(1,076,287)	58,559
Disposal consideration	500,000	500,000
Gain on disposal	(1,576,287)	(441,441)
Cash flows arising from disposal:-		
Cash consideration received	500,000	500,000
Cash and bank balances of subsidiary disposed	(134,714)	-
Net cash inflow on disposal	365,286	500,000

#### 8.5 Incorporation of a new subsidiary

On 12 April 2024, the Company incorporated Velocity PE Sdn. Bhd. with an issued and paid-up capital of RM100 divided into 100 ordinary shares. Velocity PE Sdn. Bhd. is principally engaged as an investment holding company.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

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

##### 8.6 Non-Controlling Interests ("NCI")

The NCI at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024 %	2023 %	2024 RM	2023 RM
Cipta X Sdn. Bhd. (Formerly known as CSH Solutions Sdn. Bhd.)	15%	15%	2,838,163	2,555,072
Omnipack Sdn. Bhd.*	-	20%	-	14,639
			2,838,163	2,569,711

Notes:

\* This is not a material subsidiary and it was disposed off during the financial year.

The summarised financial information (before intra-group elimination) for Cipta X Sdn. Bhd. (Formerly known as CSH Solutions Sdn. Bhd.) that has NCI and material to the Group is as follows:-

	2024 RM	2023 RM
<b>Assets and liabilities</b>		
Non-current assets	20,289,726	20,489,456
Current assets	10,681,163	3,375,500
Current liabilities	(12,049,806)	(6,831,145)
Net assets	18,921,083	17,033,811
<b>Results</b>		
Revenue	16,511,660	1,809,500
Profit/(Loss) for the financial year	1,887,273	(5,863,834)
Total comprehensive income/(loss)	1,887,273	(5,863,834)
Total comprehensive income/(loss) attributable to non-controlling interests	283,091	(635,604)
<b>Cash flows</b>		
Cash flows from/(used in) operating activities	15,120,041	(4,918,849)
Cash flows used in investing activities	(1,716,854)	(882,278)
Cash flows (used in)/from financing activities	(12,662,523)	5,887,609
Net increase in cash and cash equivalents	740,664	86,482

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 9. GOODWILL

	Group 2024 RM	2023 RM
<b>Carrying amount</b>		
At beginning of financial year	1,984,468	1,984,468
Acquisition of subsidiary (Note 8.3)	481,268	-
At end of financial year	2,465,736	1,984,468

#### 9.1 Allocation of goodwill

The carrying amount of goodwill is attributable to the following subsidiary:-

Segment	Group 2024 RM	2023 RM
Line Haul Sdn. Bhd. Velocity Wealth SWH Sdn. Bhd. (Formerly known as Smart Wisdom Holdings Sdn. Bhd.)	1,984,468	1,984,468
Financial Services	481,268	-
	2,465,736	1,984,468

#### 9.2 Impairment assessment on goodwill

For the purpose of annual impairment assessment, goodwill has been allocated to the Group's cash-generating unit ("CGU") which is the subsidiary itself and the recoverable amount of this CGU is determined based on the value in use calculation. This calculation is based on a discounted future cash flow model using the cash flow forecast and projections covering a three or five-year period and approved by management. The key assumptions for the computation of value in use are further described in Note 9.3 below.

#### 9.3 Key assumptions used for value in use calculation

##### (a) Discount rate

A pre-tax discount rate of 7.63% (2023: 11.30%) has been applied in determining the recoverable amount of the CGU. The discount rate is determined based on the weighted average cost of capital of the CGU and reflects the management's estimate of the risks specific to the CGU and the economic environment in which the CGU operates.

##### (b) Projected revenue and gross margin

This has been estimated based on the management's business plan which reflects the expectation of achievable growth based on market development.

#### 9.4 Impact of possible changes in key assumptions

The management have considered and assessed reasonably possible changes of key assumptions and have not identified any instances that could cause the carrying amount of the goodwill to exceed its recoverable amount.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 10. OTHER INVESTMENT

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted equity investment in a Malaysian corporation at fair value through profit or loss ("FVTPL")	-	1

Fair value loss has been recognised fully for the other investment.

#### 11. FINANCING RECEIVABLES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Total gross financing receivables	237,976,903	170,313,348
Less: Unearned financing income	(9,497,092)	(4,913,600)
Less: Accumulated impairment losses	(3,380,817)	(3,110,345)
Financing receivables	225,098,994	162,289,403

The secured and unsecured financing receivables included under non-current and current assets are as follows:-

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Non-current assets:		
- unsecured	8,333	737,000
	8,333	737,000
Current assets:		
- secured	220,729,364	152,858,157
- unsecured	4,361,297	8,694,246
	225,090,661	161,552,403
	225,098,994	162,289,403

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 11. FINANCING RECEIVABLES (CONT'D)

The Group's exposure to credit risk and loss allowance for expected credit losses ("ECLs") on financing receivables are summarised below:-

Group - 2024	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
<b>Not credit impaired</b>			
Current - Not past due	225,790,291	(1,149,014)	224,641,277
0 to 30 days past due	309,606	(17,346)	292,260
31 to 60 days past due	165,133	(17,360)	147,773
61 to 90 days past due	135,978	(120,671)	15,307
More than 90 days past due	2,078,803	(2,076,426)	2,377
	228,479,811	(3,380,817)	225,098,994

The movements in the Group's allowance for ECLs on financing receivables during the financial year were as follows:-

Group - 2024	Lifetime ECLs RM	Credit impaired RM	Total RM
At beginning of financial year	2,293,230	817,115	3,110,345
Net loss on remeasurement of loss allowance	(2,176,968)	2,447,440	270,472
At end of financial year	116,262	3,264,555	3,380,817

Group - 2023	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
<b>Not credit impaired</b>			
Current - Not past due	165,202,086	(3,060,879)	162,141,207
0 to 30 days past due	84,429	(5,064)	79,365
31 to 60 days past due	40,938	(5,044)	35,894
61 to 90 days past due	12,966	(4,982)	7,984
More than 90 days past due	59,329	(34,376)	24,953
	165,399,748	(3,110,345)	162,289,403



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 11. FINANCING RECEIVABLES (CONT'D)

The movements in the Group's allowance for ECLs on financing receivables during the financial year were as follows:-

Group - 2023	Lifetime ECLs RM	Credit impaired RM	Total RM
At beginning of financial year	-	-	-
Net loss on remeasurement of loss allowance	2,293,230	817,115	3,110,345
At end of financial year	2,293,230	817,115	3,110,345

The secured financing receivables as at 30 June 2024 are entirely secured against properties and stocks quoted on Bursa Malaysia Securities Berhad (2023: secured against stocks quoted on Bursa Malaysia Securities Berhad) and are subject to interest at 4% to 7% (2023: 4%) per annum.

The unsecured financing receivables are subject to interest at rates ranging from 5% to 9% (2023: 5% to 9%) per annum.

#### 12. INVENTORIES

	Group 2024 RM	2023 RM
<b>At cost</b>		
Raw materials	186,590	410,851
Work-in-progress	-	72,173
Finished goods	517,846	659,083
Spare parts	119,262	-
	823,698	1,142,107
<b>At net realisable value</b>		
Work-in-progress	47,271	674
Finished goods	154,267	98,791
Completed properties held for sale	5,833,500	7,986,000
	6,035,038	8,085,465
	6,858,736	9,227,572

The amount of inventories recognised as an expense during the financial year was RM14,295,329 (2023: RM9,049,645) and this has been included in cost of sales of the Group's profit or loss.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 12. INVENTORIES (CONT'D)

The Group leases certain completed properties held for sale to earn rental income while the Group seeking for prospective purchasers. The Group classifies these leases as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the properties. The maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is set out as follows:-

	Group	
	2024 RM	2023 RM
Less than 1 year	123,100	218,075
Between 2 to 5 years	3,000	16,200
	126,100	234,275

### 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non current</b>				
Prepayments	2,638,456	-	-	-
<b>Current</b>				
Trade receivables (Note 13.1)	6,859,689	10,883,054	-	-
Other receivables (Note 13.2)	7,206,992	14,405,926	5,591,084	-
Deposits (Note 13.3)	500,811	12,875,738	-	24,000
Prepayments	1,477,567	5,120,962	-	-
	16,045,059	43,285,680	5,591,084	24,000
Total trade and other receivables	18,683,515	43,285,680	5,591,084	24,000

#### 13.1 Trade receivables

	Group	
	2024 RM	2023 RM
Trade receivables	6,997,854	11,658,291
Less: Allowance for impairment losses	(138,165)	(775,237)
	6,859,689	10,883,054

The Group's normal trade credit periods of trade receivables range from 30 to 60 days (2023: 30 to 60 days). Other credit periods are assessed and approved on a case by case basis.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 13. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group's exposure to credit risk and loss allowance for ECLs on trade receivables are summarised below:-

##### 13.1 Trade receivables (Cont'd)

Group - 2024	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
<b>Not credit impaired</b>			
Current - Not past due	5,535,922	(89,230)	5,446,692
0 to 30 days past due	383,475	(2,410)	381,065
31 to 60 days past due	277,065	(5,588)	271,477
61 to 90 days past due	160,386	(4,010)	156,376
91 to 120 days past due	57,326	(1,433)	55,893
More than 120 days past due	552,943	(4,757)	548,186
	6,967,117	(107,428)	6,859,689
<b>Credit impaired</b>			
Individually impaired	30,737	(30,737)	-
	6,997,854	(138,165)	6,859,689
<b>Group - 2023</b>			
	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
<b>Not credit impaired</b>			
Current - Not past due	6,788,519	-	6,788,519
0 to 30 days past due	2,761,795	-	2,761,795
31 to 60 days past due	1,673,652	(358,448)	1,315,204
61 to 90 days past due	403,239	(386,002)	17,237
91 to 120 days past due	50	(50)	-
More than 120 days past due	299	-	299
	11,627,554	(744,500)	10,883,054
<b>Credit impaired</b>			
Individually impaired	30,737	(30,737)	-
	11,658,291	(775,237)	10,883,054

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 13. TRADE AND OTHER RECEIVABLES (CONT'D)

#### 13.1 Trade receivables (Cont'd)

The movements in the Group's allowance for ECLs on trade receivables during the financial year were as follows:-

Group - 2024	Lifetime ECLs RM	Credit impaired RM	Total RM
At beginning of financial year	744,500	30,737	775,237
Reversal	(744,500)	-	(744,500)
Net loss on remeasurement of loss allowance	107,428	-	107,428
At end of financial year	107,428	30,737	138,165

Group - 2023	Lifetime ECLs RM	Credit impaired RM	Total RM
At beginning/end of financial year	744,500	30,737	775,237

The Group's trade receivables are denominated in the following currencies:-

	Group	
	2024 RM	2023 RM
Ringgit Malaysia	5,742,899	9,469,740
United States Dollar	1,116,790	1,413,314
	6,859,689	10,883,054

#### 13.2 Other receivables

These comprised:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount receivable from disposal of a subsidiary	-	2,872,183	-	2,872,183
Other receivables	7,206,992	14,445,926	5,591,084	40,000
Less: Allowance for impairment losses	-	(2,912,183)	-	(2,912,183)
	7,206,992	14,405,926	5,591,084	-

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 13. TRADE AND OTHER RECEIVABLES (CONT'D)

##### 13.2 Other receivables (Cont'd)

The movements in the allowance for impairment losses on other receivables during the financial year were as follows:-

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At beginning of financial year	2,912,183	2,912,183
Reversal	(2,872,183)	-
Written off	(40,000)	-
At beginning of financial year	-	2,912,183

##### 13.3 Deposits

These comprised:-

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Deposits paid pursuant to Concept Masterplan Agreement	-	7,398,165	-	-
Advance payment for purchase of electric vans	-	3,316,035	-	-
Other deposits	500,811	2,161,538	-	24,000
	500,811	12,875,738	-	24,000

#### 14. AMOUNT DUE FROM/(TO) SUBSIDIARIES/SUBSIDIARIES' DIRECTORS

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>Amount due from subsidiaries</u></b>				
<b>Non-current</b>				
Non-trade (Note 14(a))	-	-	291,295,737	227,899,373
Less: Allowance for impairment losses (Note 14(c))	-	-	-	-
	-	-	291,295,737	227,899,373
<b>Current</b>				
Non-trade (Note 14(b))	-	-	48,887,358	74,633,529
Less: Allowance for impairment losses (Note 14(c))	-	-	(3,723,261)	(3,723,261)
	-	-	45,164,097	70,910,268
<b>Total amount due from subsidiaries</b>	-	-	336,459,834	298,809,641

Notes to the Financial Statements  
- 30 June 2024 (Cont'd)

14. AMOUNT DUE FROM/(TO) SUBSIDIARIES/SUBSIDIARIES' DIRECTORS (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Amount due to subsidiaries</b>				
<b>Current</b>				
Non-trade (Note 14(b))	-	-	(2,771,718)	(2,762,218)
<b>Amount due to subsidiaries' directors</b>				
<b>Current</b>				
Non-trade (Note 14(d))	(663,723)	-	-	-

- (a) The non-current portion of the amount due from subsidiaries is in respect of advances that are unsecured, interest-free and is not expected to be receivable within the next twelve (12) months.
- (b) The current portion of the amount due from/(to) subsidiaries is in respect of advances that are unsecured, interest-free and are receivable/(repayable) on demand.
- (c) The movements in the allowance for impairment losses on amount due from subsidiaries during the financial year were as follows:-

	Company	
	2024 RM	2023 RM
Credit impaired		
At beginning of financial year	3,723,261	9,691,050
Reversal	-	(5,967,789)
	3,723,261	3,723,261

- (d) The current portion of the amount due to subsidiaries' directors are in respect of advances that are unsecured, interest-free and are repayable on demand.

15. FIXED AND SHORT-TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current</b>				
Fixed deposits with licensed banks	-	100,000	-	-
<b>Current</b>				
Fixed deposits with licensed banks	869,507	12,907,573	-	12,157,719
Short-term deposits with licensed banks	-	2,021,364	-	2,021,364
Cash and bank balances	37,183,208	43,054,792	1,418,101	19,531,591
	38,052,715	57,983,729	1,418,101	33,710,674
	38,052,715	58,083,729	1,418,101	33,710,674

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

**15. FIXED AND SHORT-TERM DEPOSITS, CASH AND BANK BALANCES (CONT'D)**

- (a) The Group's fixed deposits as at the end of the financial year have effective interest rates ranging from 2.6% to 2.8% (2023: 1.75% to 2.65%) per annum and original maturity period of between 1 and 24 months (2023: 1 and 24 months).
- (b) The Group's fixed deposits with licensed banks include an amount of RM869,507 (2023: RM773,190) which have been pledged for bank guarantee facilities granted to a subsidiary of the Company.
- (c) The Group's and the Company's deposits, cash and bank balances are denominated in the following currencies:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	38,047,095	57,940,424	1,418,101	33,710,674
United States Dollar	5,620	142,283	-	-
Australian Dollar	-	844	-	-
Euro	-	178	-	-
	38,052,715	58,083,729	1,418,101	33,710,674

**16. SHARE CAPITAL****16.1 Issued and fully paid-up ordinary shares**

	Group and Company			
	Number of shares	2024 Amount RM	Number of shares	2023 Amount RM
At beginning/end of financial year	1,318,410,560	396,790,911	1,318,410,560	396,790,911

Ordinary shares of the Company have no par value. 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 meeting of the Company.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 17. WARRANTS RESERVE

The movements of the warrants reserve during the financial year were as follows:-

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At beginning/end of financial year	43,721,644	43,721,644

#### **Warrants 2022/2027**

On 20 January 2022, the Company issued 690,705,280 free detachable warrants ("Warrants 2022/2027"). Warrants 2022/2027, which were constituted under the Deed Poll dated 7 December 2021, shall expire on 19 January 2027 ("the Exercise Period"). Each Warrant 2022/2027 entitles the registered holder, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.15 per Warrant 2022/2027. Any Warrants 2022/2027 not exercised by the date of maturity will thereafter lapse and cease to be valid for all purposes.

The warrants reserve amounted to RM43,721,644 was allocated to Warrants 2022/2027 from the proceeds of the rights issue exercise by reference to their fair value of RM0.0633 per Warrant 2022/2027.

None of Warrants 2022/2027 were exercised during the financial year.

### 18. HIRE-PURCHASE PAYABLES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Future minimum payments:		
- Within 1 year	60,980	69,380
- Between 2 to 5 years	66,787	127,767
	127,767	197,147
Future finance charges on hire-purchase	(9,590)	(19,598)
Present value	118,177	177,549
Payable within 1 year (included under current liabilities)	(54,556)	(59,373)
Payable between 2 to 5 years (included under non-current liabilities)	63,621	118,176



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 19. DEFERRED TAX LIABILITIES

	Group	
	2024 RM	2023 RM
At beginning of financial year	1,993,302	2,056,879
Recognised in profit or loss (Note 24)	79,399	(63,577)
At end of financial year	2,072,701	1,993,302

- (a) The components and movements of the Group's deferred tax liabilities and deferred tax assets during the financial year prior to offsetting are as follows:-

##### Group - 2024

	As at 01.07.2023 RM	Recognised in profit or loss RM	As at 30.06.2024 RM
<b>Deferred tax liabilities</b>			
Property, plant and equipment	2,121,049	14,640	2,135,689
Right-of-use assets	2,544,134	(740,358)	1,803,776
	4,665,183	(725,718)	3,939,465
<b>Deferred tax assets</b>			
Lease liabilities	(2,585,793)	719,029	(1,866,764)
Unutilised capital allowances	(10,518)	10,518	-
Unutilised reinvestment allowances	(75,570)	75,570	-
	(2,671,881)	805,117	(1,866,764)
	1,993,302	79,399	2,072,701

##### Group - 2023

	As at 01.07.2022 RM	Recognised in profit or loss RM	As at 30.06.2023 RM
<b>Deferred tax liabilities</b>			
Property, plant and equipment	2,140,094	(19,045)	2,121,049
Right-of-use assets	23,629	2,520,505	2,544,134
Other taxable temporary differences	3,075	(3,075)	-
	2,166,798	2,498,385	4,665,183
<b>Deferred tax assets</b>			
Lease liabilities	(23,136)	(2,562,657)	(2,585,793)
Unutilised capital allowances	(7,230)	(3,288)	(10,518)
Unutilised reinvestment allowances	(75,570)	-	(75,570)
Other deductible temporary differences	(3,983)	3,983	-
	(109,919)	(2,561,962)	(2,671,881)
	2,056,879	(63,577)	1,993,302

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

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

- (b) As at the end of the financial year, the amounts of unabsorbed tax losses, unutilised capital allowances, unutilised reinvestment allowances, unutilised increased exports allowance and other deductible temporary differences for which deferred tax assets have not been recognised in the financial statements are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed tax losses	15,951,524	22,790,156	534,734	800,016
Unutilised capital allowances	4,113,125	4,755,694	-	283
Unutilised reinvestment allowances	6,269,668	6,269,668	-	-
	26,334,317	33,815,518	534,734	800,299

### 20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	1,734,361	3,006,166	-	-
Other payables and accruals	5,066,601	11,835,748	2,177,540	9,066,196
	6,800,962	14,841,914	2,177,540	9,066,196

The normal credit periods of trade payables range from 30 to 90 days (2023: 30 to 90 days).

### 21. REVENUE

Analyses of the Group's revenue disaggregated by business segments, primary geographical markets and timing of revenue recognition are as follows:-

	Group	
	2024 RM	2023 RM
<b>Analysis by business segments</b>		
<i>Revenue from contract with customers</i>		
Ceramic - Sales of pottery, ceramic, porcelain and related products	8,466,826	10,545,541
Transportation and logistics - Haulage services	39,941,767	16,588,354
Others	9,366,392	2,815,626
	57,774,985	29,949,521
<i>Revenue from other sources</i>		
Interest income from moneylending activities	8,029,711	7,620,372
	65,804,696	37,569,893
<b>Geographical markets</b>		
Malaysia	63,780,019	35,964,568
Europe	-	512,509
United States	1,947,083	1,029,212
Others	77,594	63,604
	65,804,696	37,569,893

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

**21. REVENUE (CONT'D)**

Analyses of the Group's revenue disaggregated by business segments, primary geographical markets and timing of revenue recognition are as follows (Cont'd):-

	Group	
	2024 RM	2023 RM
<b>Timing of recognition for revenue from contracts with customers</b>		
At a point in time	47,728,735	29,949,521
At over time	18,075,961	7,620,372
	65,804,696	37,569,893

**22. FINANCE COSTS**

	Group	
	2024 RM	2023 RM
Interest on lease liabilities	393,368	412,495
Interest on hire-purchase	10,007	13,063
	403,375	425,558

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
This is stated after charging:-				
Amortisation of intangible asset	1,713,147	1,683,023	-	-
Amount due from a subsidiary written off upon de-registration	-	-	-	26,907
Auditors' remuneration:				
- Annual statutory audit				
<i>Current year</i>	242,000	249,000	62,500	61,000
<i>Over provided in prior year</i>	(13,000)	(7,334)	-	-
- Non-audit fees				
<i>Current year</i>	17,000	5,000	10,000	5,000
Bad debts written off	-	202,546	-	-
Deposit written off	887	50	-	-
Depreciation in respect of assets under leases included within:				
- Property, plant and equipment (Note 4(d))	518,215	462,958	-	-
- Investment properties (Note 5)	2,026,855	235,615	-	-
- Right-of-use assets (Note 6.1)	3,759,452	2,843,155	-	-
Depreciation of own:				
- Property, plant and equipment (Note 4(d))	2,484,071	1,698,539	5,756	5,508
- Investment properties (Note 5)	-	24,730	-	-

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 23. PROFIT / (LOSS) BEFORE TAXATION (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
This is stated after charging:- (Cont'd)				
Net fair value/impairment losses on:				
- Investments in subsidiaries	-	-	-	5,617,015
- Other investment	-	21,999,999	-	21,999,999
- Financial assets				
<i>Financing receivables (Note 11)</i>	270,472	3,110,345	-	-
<i>Trade receivables (Note 13.1)</i>	(637,072)	-	-	-
<i>Amount due from subsidiaries - (reversal)/addition (Note 14(c))</i>	-	-	-	(5,967,789)
Directors' remuneration:				
- Executive Directors of the Company				
<i>Fees</i>	146,516	165,600	146,516	165,600
<i>Salaries and other remuneration</i>	570,987	818,145	570,987	11,500
- Non-executive Directors of the Company				
<i>Fees</i>	154,097	130,200	154,097	130,200
<i>Other remuneration</i>	8,000	7,500	8,000	7,500
- Directors of subsidiaries				
<i>Salaries and other remuneration</i>	462,669	1,181,240	-	-
Property, plant and equipment written off	-	7,409	-	7,409
Loss on disposal of property, plant and equipment	960,146	-	-	-
Loss on disposal of investment properties	-	77,638	-	-
Expenses relating to short-term leases	791,860	884,709	-	144,000
Net loss on deconsolidation/deregistration of a subsidiary	-	-	-	2
Net loss on disposals of subsidiaries	-	-	-	125,000
Loss on foreign exchange:				
- Realised	143,161	195,136	-	-
- Unrealised	71,474	-	-	-

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 23. PROFIT / (LOSS) BEFORE TAXATION (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
and crediting:-				
Net gain on disposals of subsidiaries	1,576,287	7,524	441,441	-
Gain on disposal of property, plant and equipment	-	3,933	-	-
Gain on foreign exchange:				
- Unrealised	-	36,095	-	-
Gain on termination of lease contracts	5,361	-	-	-
Fair value changes/Reversal of impairment loss on				
- other investment	8,250,000	-	8,250,000	-
- other receivables	2,872,183	-	2,872,183	-
Interest income from fixed and short-term deposits placed with licensed banks	263,053	790,729	163,637	716,804
Rental income	1,566,575	370,170	-	-
Unwinding of discount on amount due from subsidiaries measured at amortised cost	-	-	-	1,680,820
Negative goodwill on acquisition	-	5,134,471	-	-

#### 24. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current year Malaysian income tax	1,268,981	1,179,114	-	42,472
Deferred tax income resulting from the origination and reversal of temporary differences (Note 19)	79,399	(63,577)	-	-
	1,348,380	1,115,537	-	42,472
Over provided in prior year:				
- Income tax	(240,273)	(206,603)	(42,472)	(110,395)
	1,108,107	908,934	(42,472)	(67,923)

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 24. TAXATION (CONT'D)

- (a) The general income tax rate in Malaysia for the financial year under review is 24% (2023: 24%) of taxable income.

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before taxation	10,954,902	(26,547,787)	10,371,848	(20,616,973)
Taxation at the statutory tax rate of 24% (2023: 24%)	2,629,176	(6,371,469)	2,489,244	(4,948,074)
<b>Tax effects in respect of:-</b>				
Expenses not deductible for taxation purposes	3,127,134	8,697,402	161,304	7,065,102
Income not subject to tax	(3,200,530)	(2,322,992)	(2,775,269)	(2,075,735)
Current year deferred tax assets not recognised	-	1,316,716	124,721	-
Tax savings arising from the utilisation of previously unrecognised deferred tax assets	(1,207,400)	(204,120)	-	1,179
Over provided in prior year: - Income tax	(240,273)	(206,603)	(42,472)	(110,395)
<b>Total tax expense</b>	<b>1,108,107</b>	<b>908,934</b>	<b>(42,472)</b>	<b>(67,923)</b>

- (b) Subject to the agreement with the Inland Revenue Board, the Group and the Company have the following estimated amounts of unabsorbed tax losses, unutilised capital allowances, unutilised reinvestment allowances and unutilised increased exports allowance which are available for set-off against future taxable income:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed tax losses	15,951,524	22,790,156	534,734	800,016
Unutilised capital allowances	4,113,125	4,755,694	-	10,087
Unutilised reinvestment allowances	6,269,668	6,269,668	-	-
	<b>26,334,317</b>	<b>33,815,518</b>	<b>534,734</b>	<b>810,103</b>

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

**24. TAXATION (CONT'D)**

In accordance with the Finance Act 2021, the unabsorbed tax losses can be carried forward up to 10 years and will be disregarded in the end of 10 years, the following table analyses the unabsorbed tax losses of the Group and Company for the respective years of assessment (YAs) and the years of assessment of such unabsorbed tax losses will be disregarded:

<b>Group</b>	<b>Unabsorbed tax losses RM</b>	<b>Disregarded in year of assessment</b>
<b>2024</b>		
up to YA 2018	10,363,489	2029
YA 2019	255,469	2030
YA 2020	722,471	2031
YA 2021	1,058,668	2032
YA 2022	1,238,436	2033
YA 2023	1,142,729	2034
YA 2024	1,170,262	2035
	15,951,524	
<b>2023</b>		
up to YA 2018	12,450,729	2029
YA 2019	774,903	2030
YA 2020	1,058,668	2031
YA 2021	816,572	2032
YA 2022	2,376,051	2033
YA 2023	5,313,233	2034
	22,790,156	
<b>Company</b>		
<b>2024</b>		
YA 2024	534,734	2035
	534,734	
<b>2023</b>		
As at YA 2018	800,016	2028
	800,016	

The unutilised capital allowance is available indefinitely for set off against future taxable profits.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 25. EARNINGS/(LOSS) PER SHARE

#### 25.1 Basic

The basic earnings/(loss) per ordinary share is calculated based on the Group's profit/(loss) for the financial year attributable to owners of the Company and on the weighted average number of shares in issue during the financial year as follows:-

	Group	
	2024	2023
Profit/(Loss) attributable to owners of the Company (RM)	9,847,415	(26,629,844)
Weighted average number of ordinary shares in issue	1,318,410,560	1,381,411,000
Basic earnings/(loss) per ordinary share (Sen)	0.75	(1.93)

#### 25.2 Diluted

Weighted average number of ordinary shares in issue	1,318,410,560	1,381,411,000
Effect of dillution: conversion of warrants	690,705,280	-
	2,009,115,840	1,381,411,000
Basic earnings per ordinary share (Sen)	0.49	(1.93)

In 2023, The diluted earnings/(loss) per ordinary share is the same with the basic earnings/(loss) per ordinary share as there is an anti-dilutive effect arising from the assumed exercise of Warrants 2022/2027.

### 26. NOTES TO STATEMENTS OF CASH FLOWS

#### 26.1 Purchase of property, plant and equipment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Aggregate cost of property, plant and equipment acquired	7,359,165	27,782,704	3,429	1,600
Amount financed under hire-purchase financing	-	(170,000)	-	-
Cash purchase	7,359,165	27,612,704	3,429	1,600

The principal amount of instalment payments for property, plant and equipment acquired by hire-purchase financing are reflected as cash outflows from financing activities.



## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 26. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

##### 26.2 Liabilities arising from financing activities

Changes in the Group's and in the Company's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year are analysed in the tables below.

2024	As at 01.07.2023 RM	Non-cash flows RM	Net cash flows RM	As at 30.06.2024 RM
<b>Group</b>				
Hire-purchase payables (Note 18)	177,549	-	(59,372)	118,177
Amount owing to subsidiaries' directors	-	534,469	129,254	663,723

<b>Company</b>				
Amount due to subsidiaries (Note 14)*	2,762,218	7,408,225	-	10,170,443

\*include liabilities held for sales

##### 2023

<b>Group</b>				
Hire-purchase payables (Note 18)	83,197	170,000	(245,648)	7,549

<b>Company</b>				
Amount due to subsidiaries (Note 14)	3,060,585	-	(298,367)	2,762,218

##### 26.3 Cash and cash equivalents at end of financial year

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>As presented in the statements of financial position</b>				
Fixed deposits with licensed banks (Note 15)	869,507	13,007,573	-	12,157,719
Short-term deposits with licensed banks (Note 15)	-	2,021,364	-	2,021,364
Cash and bank balances (Note 15)	37,183,208	43,054,792	1,418,101	19,531,591
	38,052,715	58,083,729	1,418,101	33,710,674
Add: Assets held for sales	1,059,450	-	-	-
Less: Fixed deposits pledged with a licensed bank	(869,507)	(773,190)	-	-
<b>Cash and cash equivalents - as presented in the statements of cash flows</b>	38,242,658	57,310,539	1,418,101	33,710,674

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 27. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs comprised:-				
Salaries, wages and bonuses	12,317,658	8,190,597	576,192	364,800
Amount contributed under defined contribution plan:				
- Employees Provident Fund	1,587,263	860,971	27,911	5,850
Others	713,183	391,685	13,751	5,637
	14,618,104	9,443,253	617,854	376,287

### 28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

Other than those already disclosed elsewhere in these financial statements, the transactions carried out with related parties during the financial year and balances at end of financial year were as follows:-

#### 28.1 Transactions with related parties

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with companies in which certain Directors of the Company have substantial interests:				
- Software service income received	2,625,000	1,750,000	-	-
- Sales of packaging material	-	69,028	-	-
- Haulage services rendered	17,778,956	15,650,164	-	-
- Sales of motor vehicles and electric vehicles	4,025,000	-	-	-
- Insurance	-	(1,915)	-	-
- Last miles logistics	-	(40,346)	-	-
- Purchase of equipment	-	(211,340)	-	-
- Purchase of motor vehicles	-	(615,000)	-	-
- Rental of trucks	(3,269,124)	(2,975,603)	-	-
- Rental, utilities and miscellaneous charges paid for office premises	(271,286)	(662,301)	(60,000)	-

#### 28.2 The financial year-end outstanding balances with related parties

The financial year-end outstanding balances with related parties and their terms and conditions are disclosed in Notes 14. The movements of impairment losses in respect of the amount due by related parties are disclosed in Note 14(c).

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

**28. RELATED PARTY TRANSACTIONS (CONT'D)****28.3 Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group are the Directors of the Company and executive directors of major subsidiaries and their remuneration for the financial year were as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits	1,237,323	2,006,700	459,484	314,800
Post-employment benefits				
- Contribution to Employees				
Provident Fund	100,037	145,740	13,145	-
Others	4,909	7,586	854	-
	1,342,269	2,160,026	473,483	314,800

The financial year-end outstanding balance in relation to key management personnel compensation is:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
RM				
Included under other payables and accruals	-	84,700	-	-

**29. DISPOSAL GROUP HELD FOR SALE**

The Company has planned to disposed the Hong Seng Frontier Sdn. Bhd. ("HSF") in financial year 2024. The Company has on 17 July 2024 entered into a Shares Sale Agreement with HS Green Valley Sdn. Bhd. for the disposal of 250,000 ordinary shares in Hong Seng Frontier Sdn Bhd ("HSF") representing the entire issued share capital in HSF, for a total cash consideration of RM45.25 million.

The Company has on 27 June 2024 entered into a Shares Sale Agreement with MMAG Holdings Berhad for the disposal of 850,000 ordinary shares in Cipta X Sdn Bhd (formerly known as CSH Solutions Sdn. Bhd.) ("Cipta X"), representing 85% of the entire issued share capital in Cipta X, for a total cash consideration of RM20 million.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 29. DISPOSAL GROUP HELD FOR SALE (CONT'D)

The Company expects to complete the disposal of HSF and Cipta X within financial year 2025.

Assets classified held for sale	HSF RM	Cipta X RM	Group 2024 Total RM	Company 2024 Total RM
Investment in subsidiaries	-	-	-	29,783,811
Property, plant and equipment	-	1,733,141	1,733,141	-
Intangible asset	-	18,556,585	18,556,585	-
Investment properties	34,208,760	-	34,208,760	-
Trade and receivables	630,000	2,402,754	3,032,754	-
Cash and bank balances	179,766	879,684	1,059,450	-
	35,018,526	23,572,164	58,590,690	29,783,811
<b>Liabilities classified held for sale</b>				
Trade and other payables	566,634	12,049,806	12,616,440	-
Amount due to subsidiaries	-	-	-	7,398,725
Taxation	228,626	-	228,626	-
	795,260	12,049,806	12,845,066	7,398,725

The carrying value of property, plant and equipment, intangible asset, investment properties are the same as their carrying value before it was being reclassified to current asset.

### 30. SEGMENT REPORTING

#### 30.1 Operating Segments

The Group has five reportable segments which comprised its major business segments and are based on their products and services. The reportable segments are as follows:-

- |                                  |  |
|----------------------------------|--|
| (a) Ceramic                      | Involved in the retail, trading, manufacturing, exporting and marketing of pottery, porcelain products and ceramics wares and ornaments. |
| (b) Construction and property    | Involved in property construction and other related businesses, property investment and property development and other related services. |
| (c) Financial services           | Involved in moneylending and hire purchase businesses.   |
| (d) Transportation and logistics | Involved in transportation and logistics business and related information technology solutions and services.                             |
| (e) Others                       | Involved in investment holding and general trading.  |

The manufacturing and trading of pottery and porcelain products are managed by two different operating segments within the Group. These operating segments are aggregated to form a reportable segment known as ceramic segment due to the nature and economic characteristics of the products which are similar and inter-related.

The management monitors the performance of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of each business segment is evaluated based on the segment's profit or loss which is measured on a basis not significantly different from the profit or loss included in the consolidated financial statements.

Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies.

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

## 30. SEGMENT REPORTING (CONT'D)

## 30.1 Operating Segments (Cont'd)

2024

	Ceramic RM	Construction and Property RM	Financial Services RM	Transportation and Logistics RM	Others RM	Consolidated RM
<b>Revenue</b>						
Total revenue	9,403,332	2,102,000	8,029,711	39,941,767	7,264,392	66,741,202
Inter-segment revenue	(936,506)	-	-	-	-	(936,506)
External sales	8,466,826	2,102,000	8,029,711	39,941,767	7,264,392	65,804,696
<b>Results</b>						
Segment results	(240,591)	(273,498)	3,912,167	8,766,459	(4,597,262)	7,567,275
Interest income	17,866	672	80,878	-	163,637	263,053
Depreciation and amortisation	(833,264)	(2,077,946)	(524,511)	(6,343,085)	(722,934)	(10,501,740)
Other non-cash items	(44,999)	(887)	(270,472)	642,432	13,703,615	14,029,689
Operating (loss)/profit	(1,100,988)	(2,351,659)	3,198,062	3,065,806	8,547,056	11,358,277
Finance costs	(12,531)	-	(1,239)	(388,574)	(1,031)	(403,375)
(Loss)/Profit before taxation	(1,113,519)	(2,351,659)	3,196,823	2,677,232	8,546,025	10,954,902
Taxation	3,262	(215,366)	(986,396)	(61,931)	152,324	(1,108,107)
(Loss)/Profit for the financial year	(1,110,257)	(2,567,025)	2,210,427	2,615,301	8,698,349	9,846,795
<b>Assets</b>						
Segment assets	5,015,576	16,705,496	261,994,989	53,224,954	90,554,395	427,495,410
<i>Included in the measure of segment assets - amounts of additions to non-current assets other than financial instruments and deferred tax assets:</i>						
Additions of:						
- Property, plant and equipment	4,060	-	3,873,244	1,854,569	1,627,292	7,359,165
- Investment properties	-	-	-	-	-	-
- Right-of-use assets	-	-	-	844,761	-	844,761

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 30. SEGMENT REPORTING (CONT'D)

#### 30.1 Operating Segments (Cont'd)

##### 2024 (Cont'd)

	Ceramic RM	Construction and Property RM	Financial Services RM	Transportation and Logistics RM	Others RM	Consolidated RM
<b>Liabilities</b>						
Segment liabilities	2,658,342	98,698	684,587	9,615,552	17,444,165	30,501,344
<b>Other Information</b>						
<i>Depreciation and amortisation</i>						
- Amortisation of intangible asset	-	-	-	1,713,147	-	1,713,147
- Depreciation in respect of assets under leases included within:						
- Property, plant and equipment	32,069	27,168	-	-	458,978	518,215
- Investment properties	-	235,615	-	-	1,791,240	2,026,855
- Right-of-use assets	18,146	-	-	3,677,889	63,417	3,759,452
- Depreciation of own:						
- Property, plant and equipment	802,633	15,336	484,186	952,048	229,868	2,484,071
	852,848	278,119	484,186	6,343,084	2,543,503	10,501,740
<i>Non cash items other than depreciation and amortisation</i>						
- Unrealised loss on foreign exchange	71,422	-	-	-	52	71,474
- Gain on termination of lease contract	-	-	-	(5,361)	-	(5,361)
- Deposit written off	-	887	-	-	-	887
- (Gain)/loss on disposal of property, plant and equipment	44,999	-	-	-	(1,005,145)	(960,146)
- Other receivables	-	-	270,473	(637,072)	(2,872,183)	(3,238,782)
- Other investment	-	-	-	-	(8,250,000)	(8,250,000)
- Net gain on disposals of subsidiaries	-	-	-	-	(1,576,287)	(1,576,287)
	116,421	887	270,473	(642,433)	(13,703,563)	(13,958,215)

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

## 30. SEGMENT REPORTING (CONT'D)

## 30.1 Operating Segments (Cont'd)

2023

	Ceramic RM	Construction and Property RM	Financial Services RM	Transportation and Logistics RM	Others RM	Consolidated RM
<b>Revenue</b>						
Total revenue	11,311,061	-	7,620,372	18,338,354	1,065,626	38,335,413
Inter-segment revenue	(765,520)	-	-	-	-	(765,520)
External sales	10,545,541	-	7,620,372	18,338,354	1,065,626	37,569,893
<b>Results</b>						
Segment results	(1,016,797)	(682,383)	3,519,065	(1,947,714)	223,579	95,750
Interest income	13,959	1,484	58,482	-	716,804	790,729
Depreciation and amortisation	(902,434)	(286,853)	(538,014)	(4,667,885)	(552,834)	(6,948,020)
Other non-cash items	38,835	5,134,471	(3,032,707)	(202,546)	(21,998,741)	(20,060,688)
Operating (loss)/profit	(1,866,437)	4,166,719	6,826	(6,818,145)	(21,611,192)	(26,122,229)
Finance costs	(13,967)	-	(3,846)	(404,195)	(3,550)	(425,558)
(Loss)/Profit before taxation	(1,880,404)	4,166,719	2,980	(7,222,340)	(21,614,742)	(26,547,787)
Taxation	(3,248)	2,301	(849,333)	(195,293)	136,639	(908,934)
(Loss)/Profit for the financial year	(1,883,652)	4,169,020	(846,353)	(7,417,633)	(21,478,103)	(27,456,721)
<b>Assets</b>						
Segment assets	21,987,322	91,157,137	179,215,164	56,590,765	65,872,692	414,823,080
<i>Included in the measure of segment assets - amounts of additions to non-current assets other than financial instruments and deferred tax assets:</i>						
- Property, plant and equipment	278,714	-	1,290	3,084,407	24,418,293	27,782,704
- Investment properties	-	36,000,000	-	-	-	36,000,000
- Right-of-use assets	54,432	-	-	13,211,657	79,171	13,345,260

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 30. SEGMENT REPORTING (CONT'D)

##### 30.1 Operating Segments (Cont'd)

###### 2023 (Cont'd)

	Ceramic RM	Construction and Property RM	Financial Services RM	Transportation and Logistics RM	Others RM	Consolidated RM
<b>Liabilities</b>						
Segment liabilities	4,144,338	830,810	277,324	13,459,450	9,232,959	27,944,881
<b>Other Information</b>						
Depreciation and amortisation						
- Amortisation of intangible asset	-	-	-	1,683,023	-	1,683,023
- Property, plant and equipment	32,069	35,755	-	-	395,134	462,958
- Investment properties	-	235,615	-	-	-	235,615
- Right-of-use assets	17,160	-	43,992	2,742,417	39,586	2,843,155
- Depreciation of own:						
- Property, plant and equipment	853,205	15,483	469,292	242,445	118,114	1,698,539
- Investment properties	-	-	24,730	-	-	24,730
	902,434	286,853	538,014	4,667,885	552,834	6,948,020
<b>Non cash items other than depreciation and amortisation</b>						
- Amount due from a subsidiary written off upon de-registration	(2,790)	-	-	-	2,790	-
- Bad debts written off	-	-	-	202,546	-	202,546
- Deposit written off	50	-	-	-	-	50
- Gain on disposal of property, plant and equipment	-	-	-	-	(3,933)	(3,933)
- Gain on disposal of investment property	-	-	(77,638)	-	-	(77,638)
- Negative goodwill on acquisition	-	(5,134,471)	-	-	-	(5,134,471)
- Net fair value/impairment losses on:						
- Other investment	-	-	-	-	21,999,999	21,999,999
- Financial assets	-	-	3,110,345	-	-	3,110,345
- Net gain on disposals of subsidiaries	-	-	-	-	(7,524)	(7,524)
- Net unrealised gain on foreign exchange	(36,095)	-	-	-	-	(36,095)
- Property, plant and equipment written off	-	-	-	-	7,409	7,409
	(38,835)	(5,134,471)	3,032,707	202,546	21,998,741	20,060,688



## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

**30. SEGMENT REPORTING (CONT'D)****30.2 Geographical Segments**

In determining geographical segments of the Group, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets. The non-current assets do not include financial instruments and deferred tax assets.

	2024		2023	
	Revenue RM	Non-current assets RM	Revenue RM	Non-current assets RM
Malaysia	63,780,019	81,709,777	35,964,568	142,168,386
Europe	-	-	512,509	-
United States	1,947,083	-	1,029,212	-
Others	77,594	-	63,604	-
	65,804,696	81,709,777	37,569,893	142,168,386

**30.3 Major Customers**

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

	2024 RM	2023 RM	Group
			Segments
Customer 1	6,425,369	8,940,215	Ceramic
Customer 2	20,638,188	17,337,174	Transportation and logistics
Customer 2	6,827,350	-	Others
Customer 3	13,010,860	-	Transportation and logistics

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

#### 31.1 Categories of Financial Instruments

The Group's and the Company's financial instruments are categorised as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
<b><i>At fair value through profit or loss</i></b>				
Unquoted equity investment	-	1	1	1
<b><i>At amortised cost</i></b>				
Financing receivables	225,098,994	162,289,403	-	-
Trade receivables	6,859,689	10,883,054	-	-
Other receivables and deposits #	7,707,803	23,965,629	5,591,084	24,000
Amount due from subsidiaries	-	-	336,459,834	298,809,641
Fixed and short-term deposits, cash and bank balances	38,052,715	58,083,729	1,418,101	33,710,674
	277,719,201	255,221,816	343,469,020	332,544,316
<b>Financial liabilities</b>				
<b><i>At amortised cost</i></b>				
Trade payables	1,734,361	3,006,166	-	-
Other payables and accruals	3,051,576	11,835,748	177,540	9,066,196
Amount due to subsidiaries	-	-	2,771,718	2,762,218
Hire-purchase payables	118,177	177,549	-	-
Lease liabilities	7,778,185	10,774,138	-	-
	12,682,299	25,793,601	2,949,258	11,828,414

# Exclude deposit for purchase of electric vans (Note 13.3)

#### 31.2 Financial Risk Management

The Group's financial instruments are subject to a variety of financial risks including credit risk, liquidity and cash flow risks and market risk.

The Group's overall financial risk management objective is to seek to address and control the risks to which the Group is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate.

The Board is primarily responsible for the management of these risks and to formulate policies and procedures for the management thereof. The risks are managed by regular risk reviews, internal control systems, on-going formulation and adherence to financial risk policies and mitigated by insurance coverage where appropriate.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

##### 31.2 Financial Risk Management (Cont'd)

###### (a) Credit risk

###### **Risk management**

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Group. The Group's main exposure to credit risk is in respect of its financing receivables, trade and other receivables, fixed deposits placed with licensed banks and bank balances. The Company's exposure to credit risk includes the amount due from subsidiaries.

Credit risk is addressed by the application of credit evaluation and close monitoring procedures by the management. New customers are subject to a credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses. Collateral is required for the business of financing activities.

The Group's fixed and short-term deposits and bank balances are only placed with licensed banks and the management consider the risk of material loss in the event of non-performance by the financial counterparty to be unlikely.

###### **Measurement of expected credit loss allowances**

The Group has four (4) types of financial assets which are subject to the expected credit losses ("ECLs") impairment model and they are:-

- Financing receivables;
- Trade receivables;
- Other receivables and deposits; and
- Fixed and short-term deposits and bank balances.

In respect of the Company, this includes the amount due from subsidiaries.

Fixed and short-term deposits and bank balances have a low credit risk as they are placed with reputable banks with high quality external credit ratings. Consequently, no allowance for impairment loss has been provided for in the financial statements.

###### ***Financing receivables***

Impairment of financing receivables are recognised on the general approach within MFRS 9 using the forward-looking ECL model. Financing receivables are generally collateralised against stocks quoted on Bursa Malaysia Securities Berhad, properties, and fixed and/or floating charges over the assets of the business. In respect unsecured lendings, customers are required to provide individual and/or corporate guarantee and indemnity to the Group. When measuring ECLs, the assessment is performed on individual customer and the Group takes into account of the cash flows expected from the realisation of the collaterals and the customer's financial strength.

In respect of secured financing receivables as at the end of the financial year, the market values of the collaterals as at 30 June 2024 are higher than the amount outstanding and hence, no loss allowance has been recognised in the financial statements.

The allowance for ECLs recognised in respect of unsecured financing receivables are disclosed in Note 11.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### 31.2 Financial Risk Management (Cont'd)

##### (a) Credit risk (Cont'd)

###### **Measurement of expected credit loss allowances (Cont'd)**

###### ***Trade receivables using the simplified approach***

The Group applies the MFRS 9 simplified approach in measuring ECLs which estimates a lifetime expected credit loss allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of its customers in relation to the billings and invoices issued to customers over a period of two (2) years prior to the end of each reporting period and the corresponding historical credit loss experienced within that period.

The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their debts. The default risk of the Peer to Peer Platform Providers of Malaysia have been taken into the consideration in determining of ECLs.

Where the credit risk of a debtor has increased significantly and past due more than one (1) year, its ECLs are assessed individually by considering historical payment trends and financial strength of the debtor.

The gross carrying amounts of credit impaired trade receivables are written off when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor is having significant financial difficulty and does not have sufficient cash flows to repay its debts. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The Group's exposure to credit risk and allowance for ECLs on trade receivables are disclosed in Note 13.1.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

###### ***Other receivables and refundable deposits***

Impairment of other receivables and refundable deposits are recognised on the general approach within MFRS 9 using the forward-looking ECL model. The methodology used to determine the amount of impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets.

Other than as disclosed in Note 13.2, based on the management's assessment, the probability of default by the other counterparties is low and hence, no loss allowance has been recognised in the financial statements.

## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### 31.2 Financial Risk Management (Cont'd)

##### (a) Credit risk (Cont'd)

###### Measurement of expected credit loss allowances (Cont'd)

###### *Amount due from subsidiaries*

The Company provides unsecured advances to subsidiaries and the Company monitors the results from their operations regularly.

The Company considers that the advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. Since the Company is able determine the timing of repayments of the advances, the Company considers the advances to be in default if the subsidiaries are not able to pay when demanded. This is normally evidenced by the subsidiaries' continuing losses and having a deficit in shareholders' fund.

The Company determines that the probability of default for the amount due from subsidiaries individually using internal information. The Company's exposure to credit risk and loss allowance on amount due from subsidiaries are disclosed in Note 14. Other than those already impaired, no loss allowance has been recognised on the remaining amount due from subsidiaries as the Company considers them as low credit risk.

###### Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk arising from the exposure as disclosed below:-

- (i) Amount due from four (4) major customers representing approximately 59% (2023: twelve (12) major customers representing 99%) of the total financing receivables. In addition to the collateral obtained by the Group, the repayments from these customers are closely monitored by the management to ensure that the terms agreed with the customers are complied with.
- (ii) Amount due from three (3) major customers representing approximately 92% (2023: two (2) major customers representing approximately 69%) of the total trade receivables. The amounts due and repayments from these customers are closely monitored by the management to ensure that the credit limits and terms agreed with the customers are complied with.

##### (b) Liquidity and cash flow risks

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

Liquidity and cash flow risks are addressed by annual and continuous review and forward planning of cash flow in relation to business plans to ensure a balanced and prudent portfolio of cash and other liquid assets and credit facilities is maintained. The proper management of credit risks has the effect of further minimising the incidence and effects of liquidity and cash flow risks.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### 31.2 Financial Risk Management (Cont'd)

##### (b) Liquidity and cash flow risks (Cont'd)

###### *Maturity analysis*

The maturity profile of the Group's and of the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows:-

	<b>Maturity Profile</b>			<b>Total RM</b>	<b>Effective interest rate</b>
	<b>Less than 1 year RM</b>	<b>Between 1 year to 5 years RM</b>	<b>More than 5 years RM</b>		
<b>Group - 2024</b>					
Trade payables	1,734,361	-	-	1,734,361	-
Other payables	3,051,576	-	-	3,051,576	-
Hire-purchase payables	60,980	66,787	-	127,767	2.90% - 6.29%
Lease liabilities	3,792,299	4,381,046	-	8,173,345	5.75%
<b>Group - 2023</b>					
Trade payables	3,006,166	-	-	3,006,166	-
Other payables	11,835,748	-	-	11,835,748	-
Hire-purchase payables	69,380	127,767	-	197,147	2.90% - 3.34%
Lease liabilities	3,896,708	7,606,605	-	11,503,313	4.00% - 5.75%
<b>Company - 2024</b>					
Other payables	177,540	-	-	177,540	-
Amount due to subsidiaries	2,771,718	-	-	2,771,718	-
<b>Company - 2023</b>					
Other payables	9,066,196	-	-	9,066,196	-
Amount due to subsidiaries	2,762,218	-	-	2,762,218	-

##### (c) Market risk

Market risk is the risk that the value of the financial instruments will fluctuate due to changes in market prices.

The Group's main market risk exposure are currency and interest rate fluctuations and which are discussed under the respective risk headings.

## Notes to the Financial Statements

### - 30 June 2024 (Cont'd)

#### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

##### 31.2 Financial Risk Management (Cont'd)

###### (d) Currency risk

The Group operates internationally and is exposed to foreign currency risk arising from transactions denominated in currencies other than functional currencies of the entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD") and European Union Euro ("EURO"). Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group does not speculate in foreign currency derivatives.

###### **Exposure to currency risk**

The foreign currency exposure profile of the Group's financial assets as at the end of the reporting period is as follows:-

	Denominated in foreign currency			Total RM
	USD RM	AUD RM	EURO RM	
<b>Group - 2024</b>				
Trade receivables	1,116,790	-	-	1,116,790
Fixed and short-term deposits, cash and bank balances	5,620	-	-	5,620
	1,122,410	-	-	1,122,410
<b>Group - 2023</b>				
Trade receivables	1,413,314	-	-	1,413,314
Fixed and short-term deposits, cash and bank balances	142,283	844	178	143,305
	1,555,597	844	178	1,556,619

The Group does not have any exposure in foreign currencies in respect of its financial liabilities as at the end of the reporting period (2023: NIL).

###### **Currency risk sensitivity analysis**

A 10 percent strengthening or weakening of the foreign currency against the functional currencies at the end of the reporting period would have increased or decreased profit or loss before tax by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	
	2024 RM	2023 RM
USD	112,241	155,560
AUD	-	84
EURO	-	18
	112,241	155,662

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

#### 31.2 Financial Risk Management (Cont'd)

##### (e) Interest rate risk

The Group has interest rate risk in respect of its hire-purchase payables, financing receivables and fixed and short-term deposits with licensed banks.

The Group's hire-purchase payables, financing receivables, fixed and short-term deposits with licensed banks are subject to interest based on fixed rates.

Market interest rate movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing deposits are restructured and reduced.

##### *Interest rate risk sensitivity analysis*

As the Group's hire-purchase payables, financing receivables, fixed and short-term deposits with licensed banks are based on fixed rates, a change in interest rate at the end of the reporting period would not affect profit or loss or equity.

### 32. FAIR VALUE MEASUREMENT

#### 32.1 Fair Value Measurement Hierarchy

Other than as analysed in the tables below, the Group and the Company consider that the carrying amounts of those financial assets and financial liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are priced to market interest rates.

There were no transfers in between fair value levels during the financial year ended 30 June 2024 and 30 June 2023.

##### (a) Assets measured at fair value

	Fair value measurement using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group and Company</b>				
Unquoted equity investment at fair value through profit or loss (Note 10)				
- 2024	-	-	-	-
- 2023	-	-	1	1

##### (b) Assets not measured at fair value but for which fair value is disclosed

	Fair value measurement using			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>Group - 2024</b>					
Investment properties	-	24,170,000	-	24,170,000	22,128,770
<b>Group - 2023</b>					
Investment properties	-	58,680,000	-	58,680,000	58,364,385



## Notes to the Financial Statements

- 30 June 2024 (Cont'd)

### 32. FAIR VALUE MEASUREMENT (CONT'D)

#### 32.2 Determination of Fair Value

##### (a) Unquoted equity investment at fair value through profit or loss ("FVTPL")

The fair value of the unquoted equity investment has been determined by the management with reference to a valuation using discounted cash flow method. The inputs used for the determination of fair value are categorised as Level 3. The significant unobservable inputs to the valuation model are discount rate, projected future cash flows and terminal value. An increase in discount rate and decrease in projected future cash flows and terminal value will result in a significant decrease to the fair value and vice versa.

The fair value measurement of the unquoted equity investment is regularly monitored and reviewed by the management including any changes to the significant unobservable input and the management report directly to the Directors of the Company.

##### (b) Investment properties

The fair value of the investment properties has been determined by external independent property valuers who holds a recognised and relevant professional qualification and has recent experience in the location and category of the property being valued.

The fair value is within Level 2 of the fair value hierarchy. The fair value has been generally derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

### 33. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using debt-to-equity ratio. The Group's policy to maintain a prudent level of debt-to-equity ratio that complies with regulatory requirements and debt covenants, if any.

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

### 34. MATERIAL EVENTS DURING THE FINANCIAL YEAR

With reference to the Company's first announcement on 22 March 2022 and series of subsequent announcements thereafter in relation to the Memorandum of Understanding ("MOU") entered between Alliance EV Sdn. Bhd. ("AEV") (a wholly-owned subsidiary of the Company) and BYD Malaysia Sdn. Bhd. ("BYD") (collectively referred to as the "Announcements"). Unless otherwise defined, the definitions set out in the Announcements shall apply herein.

Pursuant to the above, on 6 January 2023 and 10 January 2023, the Board of Directors announced that AEV has successfully obtained the manufacturing license (dated 29 November 2022) for the assembly of commercial electric van and model approval letter (dated 21 December 2022) for local assembly of electric commercial van, primarily the BYD T3 EV, which were issued by Ministry of International Trade and Industry ("MITI"). The local assembly of the said model shall be set up on the Tanjung Malim Land in compliance with the regulations and standards of construction and safety of electric power-trained vehicles including any other technical requirements as set out by the Road Transport Department Malaysia.

## Notes to the Financial Statements - 30 June 2024 (Cont'd)

### 34. MATERIAL EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Pursuant to the MOU, BYD had subsequently issued a letter of appointment dated 31 March 2022 to appoint AEV as its distributor for commercial electric vans in Malaysia. AEV subsequently commenced its business in the distribution of commercial electric vans as well as the providing of after-sales services. However, the Parties have not finalised the plan for the set-up of the local assembly plant ("Project").

The Board wishes to inform that the term of the MOU has expired on 20 March 2024, the Parties are now mutually agreeable to put the Project (i.e., the set-up of the local assembly plant) on hold and have decided not to renew the MOU.

The Parties will continue to update each other periodically with the aim of possibly reviving the said Project in the near future or collaborating in some other manner or form.

### 35. MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(a) On 29 July 2024, The Board of Directors of Velocity is pleased to announce that Smart Wisdom Sdn Bhd ("Smart Wisdom"), a wholly-owned subsidiary within the financial services arm of the Group, has today received a letter of approval dated 26 July 2024 from the Suruhanjaya Koperasi Malaysia (Malaysian Cooperative Commission) to notify Smart Wisdom of the approval for the issuance of Kod BPA, a payroll deduction code that facilitates the repayments for financing of consumer credit, personal credit, and credit to officers or staff of the Government, statutory bodies, private companies, and entrepreneurs ("the Approval").

The Group had recently on 27 May 2024 completed its acquisition of Smart Wisdom, a company which is currently operating with a moneylending license issued under the Moneylenders Act 1951 from Kementerian Pembangunan dan Kerajaan Tempatan with the purpose of expanding its financial services portfolio. With the Approval, Smart Wisdom will be able to offer its credit financing services to a wider consumer base particularly the Malaysian civil servant population in addition to its existing moneylending services.

The Board expects the business of Smart Wisdom to contribute positively to the overall future earnings of the Group should the potential benefits from the services in relation to the Approval materialise.

- (b) On 26 August 2024, Smart Wisdom Holdings Sdn. Bhd. changed its name to Velocity Wealth SWH Sdn. Bhd..
- (c) On 30 August 2024, the Group has completed acquisition of new subsidiary, Oasis Capital Investment Bank Ltd. which 2.7 million shares amounting to RM11 million consideration. This is a related party transaction due to common director between the Group and Oasis Capital Investment Bank Ltd.
- (d) On 25 September 2024, Smart Wisdom Sdn. Bhd. changed its name to Velocity Direct Sdn. Bhd..
- (e) On 30 September 2024, Cipta X Sdn. Bhd. (Formerly known as CSH Solutions Sdn. Bhd.) entered into a sales and purchase agreement for a total consideration of RM2,290,089 to purchase two properties.

### 36. CAPITAL COMMITMENT

Capital commitment as at the end of the financial year was as follows:-

	Group	
	2024 RM	2023 RM
Authorised and contracted for:		
Acquisition of new subsidiary	10,000,000	-
	10,000,000	-

# STATEMENT BY DIRECTORS

We, TAN YIP JIUN and LIM PENG TONG, being two of the Directors of VELOCITY CAPITAL PARTNER BERHAD (formerly known as CSH ALLIANCE BERHAD), do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Board of Directors dated 22 October 2024.

TAN YIP JIUN  
Director

LIM PENG TONG  
Director

Date: 22 October 2024

# STATUTORY DECLARATION

I, SEE TOH KEAN YAW (NRIC No. 731203-07-5133), being the Director primarily responsible for the financial management of VELOCITY CAPITAL PARTNER BERHAD (formerly known as CSH ALLIANCE BERHAD), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 59 to 133 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed )  
SEE TOH KEAN YAW at Kuala Lumpur in the )  
Federal Territory this 22 October 2024 )

SEE TOH KEAN YAW  
(MIA MEMBERSHIP NO.: CA 17869)

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF VELOCITY CAPITAL PARTNER BERHAD (FORMERLY KNOWN AS CSH ALLIANCE BERHAD)

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Velocity Capital Partner Berhad (formerly known as CSH ALLIANCE BERHAD), which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 59 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

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

#### **Independence and Other Ethical Responsibilities**

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

#### **Key Audit Matters**

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

## Independent Auditors' Report (Cont'd)

### Report on the Audit of the Financial Statements (Cont'd)

#### Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p><b>1. Impairment of goodwill</b></p> <p>The Group has significant balances of goodwill around RM2.466 million. There are a risk arising from the existences and potential impairment of intangible asset.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> <li>• Review and determine whether the indication that the intangible assets may be impaired exists. Review the cash flows projection prepared by the management. Where impairment losses are identified, ascertain that they are accounted for and disclosed in the financial statement.</li> </ul>
<p><b>2. Impairment of trade and financing receivables</b></p> <p>The Group has significant balances of trade and financing receivables around RM231.96 million. There are a risk arising from potential impairment of trade and loan receivables.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> <li>• Reviewed the measurement method adopted by the Group in accordance to the requirements of MFRS 9 Financial Instruments;</li> <li>• Tested the mathematical accuracy of the impairment assessment;</li> <li>• Obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures; and</li> <li>• Assessed the recoverability of trade and financing receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.</li> </ul>

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

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

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

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

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

## Independent Auditors' Report (Cont'd)

### Report on the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

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

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

## Independent Auditors' Report (Cont'd)

### Report on the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

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

#### Other Matters

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

CHENGCO PLT  
201806002622  
(LLP0017004-LCA) & AF0886  
CHARTERED ACCOUNTANTS

KONG TUNG SAM  
03585/09/2025 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

Date: 22 October 2024

# AUDIT COMMITTEE REPORT

## COMPOSITION OF THE AUDIT COMMITTEE (“AC”)

The AC comprises the following members:-

Name of Directors	Designation	Directorship
Krishnan A/L Dorairaju (appointed w.e.f. 26 January 2024)	Chairman	Independent Non-Executive Director
Dato’ Chong Mun Phing	Member	Independent Non-Executive Director
Dato’ Kang Chez Chiang (appointed w.e.f. 2 February 2024)	Member	Independent Non-Executive Director
Lim Peng Tong (ceased on 22 December 2023)	Chairman	Executive Director*
Ahmad Ruslan Zahari Bin Zakaria (ceased on 30 November 2023)	Member	Independent Non-Executive Director

\* Mr. Lim Peng Tong was redesignated from Independent Non-Executive Director to Executive Director on 22 December 2023.

The composition of the AC is in compliance with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.1 and Step Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”) where all three (3) AC members comprise solely of Independent Non-Executive Directors, and the Chairman of the AC is not the Chairman of the Board. The Company does not have any Alternate Directors on the Board.

Mr. Krishnan A/L Dorairaju is a member of the Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia and Association of Chartered Certified Accountants. The AC therefore meets the requisite qualifications under Paragraph 15.09(1)(c) of the MMLR of Bursa Securities.

The duties and responsibilities of the AC are outlined in the Terms of Reference of the AC, a copy of which is available on the Company’s website at <https://www.velocitymy.com>.

## MEETINGS AND ATTENDANCE OF AC MEMBERS

The AC held five (5) meetings during the financial year ended 30 June 2024 (“FYE 2024”). The Independent Non-Executive Chairman, Executive Directors and representatives of the External and Internal Auditors were invited to attend AC meetings when required in order to facilitate direct communications regarding matters of significant concern or interest. The Minutes of the AC meetings were circulated to all members of the Board of Directors (“the Board”) for notation.

The details of the meeting attendance of the AC members for the FYE 2024 were as follows:-

Name of Directors	Attendance*
Krishnan A/L Dorairaju (appointed w.e.f. 26 January 2024)	2/2
Dato’ Chong Mun Phing	5/5
Dato’ Kang Chez Chiang (appointed w.e.f. 2 February 2024)	2/2
Lim Peng Tong (ceased on 22 December 2023)	3/3
Ahmad Ruslan Zahari Bin Zakaria (ceased on 30 November 2023)	2/2

\* The AC Meetings were held on 29 August 2023, 24 October 2023, 30 November 2023, 28 February 2024 and 29 May 2024 respectively.



## Audit Committee Report (Cont'd)

### SUMMARY OF WORK AND DISCHARGE OF RESPONSIBILITIES OF THE AC

During the FYE 2024, the AC has discharged its functions and carried out its duties as set out in its Terms of Reference.

The AC had also met up with the External Auditors without the presence of all the Executive Board members thrice during FYE 2024 to encourage a greater exchange of free and honest views between both parties.

A summary of the work of the AC in discharging of its functions and duties for the FYE 2024 and how it has met its responsibilities during the financial year were as follows:-

#### 1. Financial Results

- a) Reviewed the quarterly financial results of the Company and its subsidiaries (“the Group”) focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events, and compliance with accounting standards and other legal requirements before recommending them for approval by the Board for the announcement to Bursa Securities; and
- b) Reviewed the reports and the audited financial statements of the Group together with the External Auditors prior to tabling to the Board for approval.

In the review of the annual audited financial statements, the AC had discussed with Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements, as well as issues and reservations arising from the statutory audit.

The AC had met on the following dates during the financial year under review to deliberate on the financial reporting matters:-

Date of meeting	Financial reporting statement reviewed
29 August 2023	• Fourth quarter results for the financial period ended 30 June 2023
24 October 2023	• Audited Financial Statements for the financial year ended 30 June 2023
30 November 2023	• First quarter results for the financial period ended 30 September 2023
28 February 2024	• Second quarter results for the financial period ended 31 December 2023
29 May 2024	• Third quarter results for the financial period ended 31 March 2024

#### 2. External Audit

- a) Reviewed the Audit Review Memorandum for the financial year ended 30 June 2023, which included the independence of the External Auditors, the areas of audit emphasis, the key audit matters, and the External Auditors’ expected opinion on the Group’s financial statements;
- b) Reviewed and discussed the Update on Audit Review Memorandum for the financial year ended 30 June 2023 and areas for concern raised by the External Auditors;
- c) Reviewed the Audit Planning Memorandum for the FYE 2024 presented by the External Auditors, which included the External Auditors’ audit scope and approach, areas of audit emphasis, audit timetable, fees and recent changes in accounting standards;
- d) Assessed the suitability, objectivity, independence and performance of the External Auditors, and recommended their re-appointment to the Board to recommend the same to the shareholders for approval;
- e) Reviewed and evaluated the adequacy and effectiveness of the Group’s accounting policies, procedures and system of internal controls; and
- f) Had three (3) private discussions with the External Auditors on 29 August 2023, 24 October 2023 and 29 May 2024 respectively, without the presence of the Executive Directors and Management of the Company to discuss issues that arose from the external audit.

## Audit Committee Report (Cont'd)

### SUMMARY OF WORK AND DISCHARGE OF RESPONSIBILITIES OF THE AC (CONT'D)

A summary of the work of the AC in discharging of its functions and duties for the FYE 2024 and how it has met its responsibilities during the financial year were as follows (Cont'd):-

#### 3. Internal Audit

- a) Assessed the performance of the Internal Auditors;
- b) Reviewed the Internal Audit Planning Memorandum for the FYE 2024 and the methodology applied in formulating a risk-based audit approach to ensure adequacy of audit plan for the Group's activities;
- c) Reviewed two (2) Internal Auditor's Reports for the FYE 2024, which include internal audit findings and the Management responses to rectify and improve the system of internal control; and
- d) Monitored the implementation of the action plans recommended by Internal Auditors arose from its audits in order to obtain assurance that all key risks and controls have been dealt with effectively.

#### 4. Related Party Transactions

- a) Reviewed any related party transaction at each AC quarterly meeting to ensure that the related party transactions were not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders; and
- b) Reviewed the draft Circular to Shareholders in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for approval.

#### 5. Conflict of Interest ("COI")

- a) Reviewed and reported to the Board, any COI situation that arose, persist or may arise within the Group together with the measures taken to resolve, eliminate or mitigate such conflicts as a result of the enhancements of COI disclosure for listed companies as mandated by Bursa Securities. The AC noted that there was no COI nor potential COI declared by the Directors and key senior management during the financial year.

#### 6. Other matters

- a) Reviewed the AC Report and the Statement on Risk Management and Internal Control for disclosure in the 2023 Annual Report.

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Company's internal audit function, which is outsourced to a professional service firm, assists the Board and the AC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control system and reports directly to the AC.

The amount of fees for provision of services in relation to internal audit function paid by the Company for the FYE 2024 amounted to RM11,000.

A summary of work of the internal audit function for the FYE 2024 was as follows:-

- (a) Formulated the internal audit plan and presented the plan for the AC's review and approval;
- (b) Conducted the internal audit review on the key area of Payment of Line Haul Sdn. Bhd. ("LHSB"), a wholly-owned subsidiary of the Company, with the objective to ensure there are proper controls, authorisation, policy and/or procedures in place to improve the control environment, internal control and governance process of LHSB; and
- (c) Based on the audit reviews carried out, the Internal Auditor reported the results of the audit reviews to the AC in the AC meeting held on 29 May 2024. The reports highlighted internal control relating to the overall payment processes was generally satisfactory and functioning appropriately with no major issues highlighted.

The internal audit reviews carried out during the FYE 2024 did not reveal weaknesses that have resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in this Annual Report.

This AC Report was approved by the Board on 22 October 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“**the Board**”) of Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) (“**Velocity**” or “**the Company**”) is pleased to present its Statement on Risk Management and Internal Control (“**SORMIC**”) for the financial year ended 30 June 2024 (“**FYE 2024**”), which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and in accordance with the SORMIC: Guidelines for Directors of Listed Issuers, issued by Task Force on Internal Control with the support and endorsement of Bursa Securities. The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

## BOARD RESPONSIBILITY

The Board undertakes the responsibility and re-affirms its commitment to maintaining a sound system of internal control that supports the achievement of the corporate policies, aims, and objectives of the Company and its subsidiaries (“**the Group**”) through continuous improvement on internal control and risk management. The Company’s system of risk management and internal control is designed to safeguard shareholders’ investments and the Company’s assets, as well as to review the adequacy and integrity of the system of internal control. The responsibility of reviewing the adequacy and integrity of the Company’s system of internal control is delegated to the Audit Committee (“**AC**”), which is empowered by its Terms of Reference to seek assurance on the adequacy and integrity of the internal control system through independent reviews carried out by the internal audit function.

However, as there are inherent limitations in any system of internal control, such a system put into effect by Management can only reduce but cannot eliminate all risks that may impede the achievement of the Company’s business objectives. Therefore, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

## RISK MANAGEMENT

In adopting Step Up Practice 10.3 of the Malaysian Code on Corporate Governance, the Board has a Risk Management Committee (“**RMC**”) comprising solely Independent Non-Executive Directors. The RMC plays a pivotal role in the direction and oversight of the Group’s risk management policies. The composition of the RMC is as follows:-

Name of Directors	Designation	Directorship
Dato’ Kang Chez Chiang (appointed w.e.f. 2 February 2024)	Chairman	Independent Non-Executive Director
Dato’ Chong Mun Phing	Member	Independent Non-Executive Director
Krishnan A/L Dorairaju (appointed w.e.f. 26 January 2024)	Member	Independent Non-Executive Director
Lim Peng Tong (ceased on 22 December 2023)	Chairman	Executive Director*
Kenny Khaw Chuan Wah (resigned on 22 December 2023)	Member	Executive Director

\* Mr. Lim Peng Tong was redesignated from Independent Non-Executive Director to Executive Director on 22 December 2023.

The RMC, together with the Operational Management and Risk Officers, work hand-in-hand to safeguard the assets of the Group by identifying key business risks and ensuring that the identified risks are properly managed within budget, as well as the Group’s operational and strategic plans.

The Board, together with the RMC, have tried to determine the core capabilities, divisions, competitive advantages, formation of the value-added chain, and thus key factors that contribute to the Group’s value drivers. The risk management strategy will be aligned with the actions taken with business strategy, which is necessary to maximise organisational effectiveness.

## Statement on Risk Management and Internal Control (Cont'd)

### RISK MANAGEMENT (CONT'D)

Aside from the risk management policy, the Group has adopted an Enterprise Risk Management (“ERM”) Framework: Integrating with Strategy and Performance to ensure sustainable growth and promote a proactive approach in reporting, evaluating, and managing risks associated within the respective companies, in-line with the agreed risk framework and accepted by the RMC and approved by the Board.

Based on the ERM Framework, risk assessments that have been conducted through a combination of discussion by the Head of Department/Business Units and the top management, the Board and the RMC had noted the risk profiling results, which outlines the process followed in conducting an assignment and the risk register outputs from the exercise conducted. The results from the risk assessments will be able to provide the basis for business improvement strategies, developing cost-effective control strategies, and possibly internal audits to prioritise operational review.

### INTERNAL CONTROL

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board’s attention are highlighted for review, deliberation, and decision on a timely basis. The Board approves appropriate responses or amendments to the Group’s policy. Besides, the results of the Group are reported quarterly, and any significant fluctuations are analysed and acted upon in a timely manner.

Issues relating to the business operations are highlighted for the Board’s attention during Board meetings. The AC reviews internal control matters and updates the Board on significant control gaps for the Board’s attention and action.

The other salient features of the Group’s systems of internal controls are as follows:-

- Group’s business objectives are communicated throughout the organisation through its business plan, management meetings, as well as the interaction between the Executive Directors, Management and employees;
- Defined organisation structure and delegation of responsibilities enable a clear reporting line from lower management level up to the Board;
- Policies, Procedures and Standard Operating Procedures which are systematically documented, revised regularly, and made available to guide staff in their daily operations;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues, and formulate corrective measures;
- Quarterly review of the financial performance of the Group by the Board and the AC;
- A Code of Business Ethics and Conduct is well communicated to all employees of the Group. All employees of the Group shall adhere to the Code of Business Ethics and Conduct of the Group, which sets out the principles and standards to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties; and
- The Anti-Bribery and Anti-Corruption (“ABAC”) Policy, which has been made available on the Company’s website at <https://www.velocitymy.com>, sets out the Group’s ABAC management and governance framework, as well as the Group’s responsibilities in observing and upholding the Group’s stance against bribery and corruption. Training and briefing in relation to ABAC Policy of the Group have been provided to all existing employees, Management, as well as Board of the Group, and the same would be provided for all new employees, Management and Directors to ensure all individuals within the Group are fully aware of the ABAC Policy.

## Statement on Risk Management and Internal Control (Cont'd)

### INTERNAL CONTROL (CONT'D)

Further, the following key internal control structures which provide guidance for the employees of the Group in dealing with risks in a rational and target-oriented manner are in place to assist the Board in maintaining a proper internal control system:-

- Adoption of the Group's risk management policy statement by all business units and divisions and decisions in relation to risk management to be made at the operational level where knowledge and expertise reside. Responsibility for risk management will be undertaken by business units or divisions with the guidance from the RMC;
- Risks identified to be formally reported to the RMC and the Board during the RMC and Board meetings to be held periodically;
- Incorporation of risk management in relation to business and operational planning into new projects; and
- Promotion of a proactive risk management approach and creation of the necessary risk awareness and cultivation of an intra-group risk and control culture.

### INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit activities of the Group are carried out according to the internal audit service proposal approved by the AC. The internal audit function adopts a risk-based approach and prepares its audit plans based on the risk profile of the Group and significant risks identified. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the AC.

The internal audit report is reviewed by the AC and forwarded to the Management so that any recommended corrective actions can be implemented. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. In addition, the status of the implementation of corrective actions to address the weaknesses is also followed up by the AC and RMC to ensure that these actions have been satisfactorily implemented. The Management will continue to ensure that appropriate actions are taken to enhance and strengthen the internal control environment.

During the financial year under review, one (1) cycle of the internal audit was carried out for one (1) of the wholly-owned subsidiaries of the Company, namely Line Haul Sdn. Bhd. Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in this Annual Report.

The costs incurred in maintaining the outsourced internal audit function for the FYE 2024 amounted to RM11,000.

### REVIEW BY THE BOARD

The Board's review of risk management and internal control effectiveness is based on information from:-

- Management within the organisation is responsible for the development and maintenance of the risk management and internal control system; and
- The work by the internal audit function, which submitted its reports to the AC together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Company's business environment.

## Statement on Risk Management and Internal Control (Cont'd)

### REVIEW BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors of the Company have reviewed this SORMIC for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the risk management processes and internal controls.

However, 'Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report' issued by the Malaysian Institute of Accountants does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and internal control systems, or to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

### CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is of the view that the Company's system of internal control is adequate to safeguard shareholders' investments and the Company's assets and has not resulted in any material loss, contingency or uncertainty.

The Board has not identified any circumstances that suggest any fundamental deficiencies in the Company's system of internal control. However, the Board is also cognisant that the Company's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, when necessary, the Board will put in place appropriate action plans to further enhance the system of internal control.

The Board has obtained assurance from the Executive Directors on whether the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, for the FYE 2024.

This Statement was approved by the Board on 22 October 2024.

# LIST OF GROUP PROPERTIES

No.	Location	Description and existing usage	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure	Approximate age of building (Years)	Net book value as at 30 June 2024 (RM)	Date of revaluation /acquisition
1.	Lot 906, Jalan Jalong, 31100 Sungai Siput, Perak (Lot No. 18733, GM 4783, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan)	Vacant land	107,962	N/A	Freehold	N/A	400,000	07.08.2024
2.	Lot 907, Jalan Jalong, 31100 Sungai Siput, Perak (Lot No. 18735, GM 4782, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan)	Vacant land	129,059	N/A	Freehold	N/A	400,000	07.08.2024
3.	Lot 947, Jalan Jalong, 31100 Sungai Siput, Perak (Lot No. 947, GM 1342, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan)	Warehouse	133,947	48,000	Freehold	25	2,160,406	07.08.2024
4.	Lot 948, Jalan Jalong, 31100 Sungai Siput, Perak (Lot No. 13437, GM 1709, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan)	Warehouse	136,669	60,000	Freehold	22	3,012,959	07.08.2024
5.	Lot 949, Jalan Jalong, 31100 Sungai Siput, Perak (Lot No. 949, GM 678, Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan)	Warehouse	139,123	54,000 (54,069)	Freehold	18	2,626,371	07.08.2024
6.	Plot 57, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak (Lot No. 20790, PN 196575, Mukim Asam Kumbang, Daerah Larut Matang, Perak Darul Ridzuan)	Factory	43,562	23,400	Leasehold (99 years) expiring on 07.12.2097	25	1,237,517	08.08.2024
7.	Plot 58, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak (Lot No. 20791, PN 196576, Mukim Asam Kumbang, Daerah Larut Matang, Perak Darul Ridzuan)	Factory	43,562	23,400	Leasehold (99 years) expiring on 07.12.2097	25	1,315,299	08.08.2024

## List of Group Properties (Cont'd)

No.	Location	Description and existing usage	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure	Approximate age of building (Years)	Net book value as at 30 June 2024 (RM)	Date of revaluation /acquisition
8.	Plot 55, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak (Lot No. 20788, PN 196573, Mukim Asam Kumbang, Daerah Larut Matang, Perak Darul Ridzuan)	Factory and a single storey hostel	44,358	24,000	Leasehold (99 years) expiring on 07.12.2097	25	1,174,124	08.08.2024
9.	Plot 56, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak (Lot No. 20789, PN 196574, Mukim Asam Kumbang, Daerah Larut Matang, Perak Darul Ridzuan)	Factory	43,562	29,000	Leasehold (99 years) expiring on 07.12.2097	25	1,330,167	08.08.2024
10.	Plots 53 & 54, Jalan Logam 2, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak (Lot Nos. 20786 & 20787, PN 196570 & 1965723, Mukim Asam Kumbang, Daerah Larut Matang, Perak Darul Ridzuan)	Warehouse	87,920	33,900	Leasehold (99 years) expiring on 07.12.2097	25	1,383,526	08.08.2024
11.	Unit No. C-10-3A, Block C, Flora Green Condominium, Jalan Sungai Long, Bandar Sungai Long, 43000 Kajang, Selangor (Geran 54185/M2-B/11/140, Parcel No. 140, Floor No. 11, Building No. M2-B, Parent Lot No. 27737, Section 5, Cheras, Daerah Hulu Langat, Selangor Darul Ehsan)	Hostel	1,787	1,787	Freehold	18	620,735	09.08.2024
12.	Nos. 99, 99-1 & 99-2, Jalan KU 2, Taman Klebang Utama, 75200 Melaka (Unit No. D-11, Building No. Block D, Klebang Business Centre, Section II, Pekan Klebang, Daerah Melaka Tengah, Melaka Darul Azim)	Office	4,620	4,620	Leasehold (99 years) expiring on 24.11.2109	8	984,654	12.08.2024



## List of Group Properties (Cont'd)

No.	Location	Description and existing usage	Land area (sq. ft.)	Built-up area (sq. ft.)	Tenure	Approximate age of building (Years)	Net book value as at 30 June 2024 (RM)	Date of revaluation /acquisition
13.	Nos. 101, 101-1 & 101-2, Jalan KU 2, Taman Klebang Utama, 75200 Melaka (Unit No. D-12, Building No. Block D, Klebang Business Centre, Section II, Pekan Klebang, Daerah Melaka Tengah, Melaka Darul Azim)	Office	6,719	6,719	Leasehold (99 years) expiring on 24.11.2109	8	1,340,690	12.08.2024
14.	Lot No. 12168, PN 65672, Kawasan Bandar XLV, Daerah Melaka Tengah, Melaka Darul Azim	Vacant land	246,601	N/A	Leasehold (99 years) expiring on 20.04.2115	N/A	10,612,210	12.08.2024
15.	Lot No. 12175, PN 65681, Kawasan Bandar XLV, Daerah Melaka Tengah, Melaka Darul Azim	Vacant land	250,799	N/A	Leasehold (99 years) expiring on 20.04.2115	N/A	10,795,713	12.08.2024
16.	PT17209, PT17210 & PT 17211, Jalan BIE 1/23, Bernam Industrial Park, Kota Malim Prima, 35900 Tanjung Malim, Perak Darul Ridzuan (HS(D) 336, PT 17209, HS(D) 351, PT 17210 & HS(D) 357, PT 17211, Mukim Hulu Bernam Timor, Daerah Muallim, Perak)	Vacant land	2,409,681	N/A	Leasehold (99 years) expiring on 08.12.2107	N/A	12,026,692	22.04.2022
17.	No. 1, Jalan Tandang (51/204), 46050 Petaling Jaya, Selangor Darul Ehsan (PN 10300, Lot 54, Bandar Petaling Jaya, Daerah Petaling, Selangor)	Vacant land	46,446	N/A	Leasehold (99 years) expiring on 30.06.2067	N/A	10,068,099	05.08.2024
18.	No. 97, Jalan Sepuluh, Kawasan Perindustrian Bakar Arang, 08000 Sungai Petani, Kedah Darul Aman (PM 377, Lot 1014, Seksyen 66, Bandar Sungai Petani, Daerah Kuala Muda, Kedah Darul Aman)	Factory	233,361	N/A	Leasehold (99 years) expiring on 12.03.2050	N/A	34,208,760	10.07.2023

# ANALYSIS OF SHAREHOLDINGS

## AS AT 1 OCTOBER 2024

<b>Class of Securities</b>	: <b>Ordinary Shares</b>
Total Issued Share Capital	: RM440,512,555.18 comprising 1,381,410,560 ordinary shares
Total Number of Holders	: 6,105
Voting Rights	: One (1) vote per ordinary share

### ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Holdings	%
Less than 100 Shares	34	1,001	0.00
100 - 1,000 Shares	416	234,136	0.02
1,001 - 10,000 Shares	1,500	10,077,542	0.73
10,001 - 100,000 Shares	2,949	131,949,223	9.55
100,001 - less than 5% of issued Shares	1,204	841,474,658	60.91
5% and above of issued Shares	2	397,674,000	28.79
<b>Total</b>	<b>6,105</b>	<b>1,381,410,560</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The names of the substantial shareholders of the Company and their respective shareholdings based on the Register of Substantial Shareholders of the Company as at 1 October 2024 are as follows:-

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Sheng Dar Holding Sdn. Bhd.	229,500,000	16.61	-	-
ChipSeng Heng Holdings Sdn. Bhd.	168,174,000	12.17	-	-
Dato' Liu Han Ming <sup>1</sup>	-	-	229,500,000	16.61
Tan Yip Jiun <sup>2</sup>	-	-	168,174,000	12.17

<sup>1</sup> Deemed interested by virtue of his shareholdings in Sheng Dar Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>2</sup> Deemed interested by virtue of his shareholdings in ChipSeng Heng Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

### DIRECTORS' SHAREHOLDINGS IN THE COMPANY OR IN A RELATED CORPORATION (INCLUDING NUMBER AND PERCENTAGE) BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings in the Company based on the Register of Directors' Shareholdings as at 1 October 2024 are as follows:-

Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Azman Bin Mat Ali	-	-	-	-
Dato' Chong Mun Phing	-	-	-	-
Krishnan A/L Dorairaju	-	-	-	-
Dato' Kang Chez Chiang	-	-	-	-
Lim Peng Tong	-	-	-	-
Tan Yip Jiun*	-	-	168,174,000	12.17
See Toh Kean Yaw	-	-	-	-

\* Deemed interested by virtue of his shareholding in ChipSeng Heng Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## Analysis of Shareholdings As at 1 October 2024 (Cont'd)

### LIST OF TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares	%
1	Hong Seng Capital Sdn. Bhd. - pledged securities account for Sheng Dar Holding Sdn. Bhd.	229,500,000	16.61
2	Hong Seng Capital Sdn. Bhd. - pledged securities account for ChipSeng Heng Holdings Sdn. Bhd.	168,174,000	12.17
3	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Chan Swee Ying	66,236,200	4.79
4	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Kon Tek Yoong	50,000,000	3.62
5	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Tan Chong Swee	44,000,000	3.19
6	Gadang Holdings Berhad	17,980,000	1.30
7	Velocity Capital Sdn. Bhd. - pledged securities account for Youth Star Sdn. Bhd.	14,000,000	1.01
8	Liew Chee Keong	13,500,200	0.98
9	Tan Swee Ean	10,000,000	0.72
10	Lim Tuan	9,472,400	0.69
11	Tiong Boon Ann	9,200,000	0.67
12	Lee Khim Hwa	9,100,000	0.66
13	Lee Khim Hwa	7,398,100	0.54
14	Lee Khim Hwa	6,398,000	0.46
15	Khaw Chong Jin	5,101,000	0.37
16	Low Lay Ping	5,000,000	0.36
17	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Leow Teik Heng	5,000,000	0.36
18	Chai Kin Sang	5,000,000	0.36
19	Chung Keat Leong	4,900,000	0.35
20	HLIB Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Lee Peng Chong	4,610,000	0.33
21	Lau Kian Tat	4,376,700	0.32
22	Ng Bi Yong	4,350,000	0.31
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - pledged securities account for Teh Swee Heng	4,000,000	0.29
24	Jagdish Singh Pantlia	4,000,000	0.29
25	Lim Chiew Fang	4,000,000	0.29
26	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Yu Chor Wooi	4,000,000	0.29
27	Ang Swee Kim	3,904,200	0.28
28	Fun Yoon Fah	3,763,900	0.27
29	Kok Chee Ming	3,680,000	0.27
30	Wong Soo Chai @ Wong Chick Wai	3,579,400	0.26
		<b>724,224,100</b>	<b>52.41</b>

# ANALYSIS OF WARRANT HOLDINGS FOR WARRANTS B AS AT 1 OCTOBER 2024

<b>Class of Securities</b>	: <b>Warrants B (2022/2027)</b>
Total Number of Outstanding Warrants	: 690,705,280
Total Number of Warrant Holders	: 151
Maturity Date	: 19 January 2027
Voting Rights	: -

## ANALYSIS OF WARRANTHOLDINGS FOR WARRANTS B

Size of Warrant Holdings	No. of Warrant Holders	Total Holdings	%
Less than 100 Warrants B	1	94	0.00
100 - 1,000 Warrants B	12	7,100	0.00
1,001 - 10,000 Warrants B	18	143,800	0.02
10,001 - 100,000 Warrants B	54	2,241,500	0.32
100,001 - less than 5% of issued Warrants B	62	363,613,700	52.64
5% and above of issued Warrants B	4	324,699,086	47.02
<b>Total</b>	<b>151</b>	<b>690,705,280</b>	<b>100.00</b>

## DIRECTORS' WARRANT HOLDINGS IN THE COMPANY OR IN A RELATED CORPORATION (INCLUDING NUMBER AND PERCENTAGE) BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

The Directors' warrant holdings for Warrants B in the Company based on the Register of Directors' Shareholdings as at 1 October 2024 are as follows:-

Directors	Direct Interest		Deemed Interest	
	No. of Warrants B Held	%	No. of Warrants B Held	%
Azman Bin Mat Ali	-	-	-	-
Dato' Chong Mun Phing	-	-	-	-
Krishnan A/L Dorairaju	-	-	-	-
Dato' Kang Chez Chiang	-	-	-	-
Lim Peng Tong	-	-	-	-
Tan Yip Jiun*	-	-	84,087,000	12.17
See Toh Kean Yaw	-	-	-	-

\* Deemed interested by virtue of his shareholding in ChipSeng Heng Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## Analysis of Warrantholdings for Warrants B As at 1 October 2024 (Cont'd)

### LIST OF TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS

No.	Name of Warrant Holders	No. of Warrants	%
1	Velocity Capital Sdn. Bhd. - pledged securities account for Newfront Ventures Sdn. Bhd.	102,635,400	14.86
2	Hong Seng Capital Sdn. Bhd. - pledged securities account for ChipSeng Heng Holdings Sdn. Bhd.	84,087,000	12.17
3	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Tan Chong Swee	75,332,200	10.91
4	Velocity Capital Sdn. Bhd. - pledged securities account for Lee Heen Ming	62,644,486	9.07
5	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Kon Tek Yoong	30,000,000	4.34
6	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Choo Peng Hung	28,229,500	4.09
7	Velocity Capital Sdn. Bhd. - pledged securities account for Grazio Dynasty Sdn. Bhd.	24,037,500	3.48
8	Metasmile Sdn. Bhd.	23,900,000	3.46
9	Lunarvyse Sdn. Bhd.	22,440,000	3.25
10	Millensium Sdn. Bhd.	20,880,000	3.02
11	Erebus Light Sdn. Bhd.	20,000,000	2.90
12	Silvernic Sdn. Bhd.	20,000,000	2.90
13	Everport Sdn. Bhd.	20,000,000	2.90
14	Twilight Ventures Limited	17,373,600	2.52
15	Velocity Capital Sdn. Bhd. - pledged securities account for Mysticmekka Sdn. Bhd.	16,250,000	2.35
16	Hera Trading Sdn. Bhd.	15,499,900	2.24
17	In Lay Sdn. Bhd.	12,700,000	1.84
18	Yap Bee Kian	7,181,800	1.04
19	Kenanga Investment Bank Berhad - IVT Yuen Chun Hong	6,000,000	0.87
20	Kenanga Investment Bank Berhad - IVT Seo Soon Yi	5,950,000	0.86
21	Loh Mun Ling	5,645,000	0.82
22	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Cheok Kuang Yi	5,507,800	0.80
23	Tee Shao Wei	5,444,000	0.79
24	Kenanga Investment Bank Berhad - IVT Wong Min Jun	4,800,000	0.69
25	Kenanga Nominees (Tempatan) Sdn. Bhd. - pledged securities account for Leong Seng Wui	4,700,000	0.68
26	Subramanian A/L Sundaram	4,300,100	0.62
27	Grazio Dynasty Sdn. Bhd.	3,805,100	0.55
28	Cheah Min Lly	3,490,000	0.51
29	Lunarvyse Sdn. Bhd.	3,000,000	0.43
30	In Lay Sdn. Bhd.	3,000,000	0.43
		<b>658,833,386</b>	<b>95.39</b>

# NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Fourth (“24<sup>th</sup>”) Annual General Meeting (“AGM”) of Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) (“Velocity” or “Company”) will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 10:00 a.m., or any adjournment thereof, for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon. [Please refer to Note (a)]
2. To approve the payment of Directors’ fees of up to RM350,000.00 for the financial year ending 30 June 2025 and thereafter, which is payable quarterly in arrears. (Ordinary Resolution 1)
3. To approve the payment of Directors’ benefits of up to RM40,000.00 from 4 December 2024 until the date of the next AGM of the Company. (Ordinary Resolution 2)
4. To re-elect the following Directors, who are due to retire in accordance with Clause 120 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) En. Azman Bin Mat Ali; (Ordinary Resolution 3)
  - (b) Mr. See Toh Kean Yaw; (Ordinary Resolution 4)
  - (c) Mr. Krishnan A/L Dorairaju; and (Ordinary Resolution 5)
  - (d) Dato’ Kang Chez Chiang. (Ordinary Resolution 6)
5. To re-elect the following Directors, who are due to retire in accordance with Clause 121 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Mr. Lim Peng Tong; and (Ordinary Resolution 7)
  - (b) Mr. Tan Yip Jiun. (Ordinary Resolution 8)
6. To appoint Crowe Malaysia PLT as auditors of the Company in place of the retiring auditors, Messrs. ChengCo PLT and to authorise the Directors to fix their remuneration. (Ordinary Resolution 9)

## Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

### As Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolutions:-

7. **ORDINARY RESOLUTION** (Ordinary Resolution 10)  
**AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approvals of the relevant governmental and/or regulatory authorities, where necessary, the Directors be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit always 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 (excluding treasury shares, if any) as stipulated under Paragraph 6.03(1) of the MMLR of Bursa Securities;

**THAT** pursuant to Section 85 of the Act to be read together with Clause 15 of the Constitution of the Company, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

8. **ORDINARY RESOLUTION** (Ordinary Resolution 11)  
**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE”)**

“**THAT** subject to the provisions of MMLR of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Existing Shareholders’ Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature (“**RRPTs**”) from time to time with the related party as described in Section 2.2 of the Circular to Shareholders dated 30 October 2024, **PROVIDED THAT:-**

- (i) the RRPTs are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (ii) disclosure is made in the annual report with a breakdown of the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year necessary for the Company’s day-to-day operations;

## Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

8. **ORDINARY RESOLUTION (CONT'D)  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE  
FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE  
OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING  
SHAREHOLDERS' MANDATE") (CONT'D)**

**AND THAT** the authority conferred by such mandate shall commence immediately upon the passing of this Ordinary Resolution and continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse unless, by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is to be held pursuant to Section 340(2) of the Act (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act);  
or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

whichever is the earlier;

**AND THAT** the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised under this resolution."

9. To transact any other ordinary business of which due notice has been given.

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)  
YEOW SZE MIN (SSM PC NO. 201908003120) (MAICSA 7065735)**  
Company Secretaries

Kuala Lumpur  
30 October 2024

### **Explanatory Notes:-**

**1. Ordinary Resolution 1 – Directors' Fees for the Financial Year Ending 30 June 2025**

The proposed Ordinary Resolution 1, if passed, will allow the Company to pay Directors' fees of RM5,000/- and RM3,000/- per month to the Chairman of the Board and the Directors of the Company respectively for the financial year ending 30 June 2025, and it shall be payable quarterly in arrears after each quarter of completed service of the Directors of the Company.

**2. Ordinary Resolution 2 – Directors' Benefits Payable from 4 December 2024 until the date of the next AGM of the Company**

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits to all Directors up to an amount of RM40,000/- with effect from 4 December 2024 until the date of the next AGM of the Company.

The Directors' benefits payable shall comprise solely meeting allowances.



## Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

### Explanatory Notes (Cont'd):-

#### 3. Ordinary Resolutions 3, 4, 5, 6, 7 and 8 – Re-election of Directors

En. Azman Bin Mat Ali, Mr. See Toh Kean Yaw, Mr. Krishnan A/L Dorairaju and Dato' Kang Chez Chiang who are retiring pursuant to Clause 120 of the Constitution of the Company, and Mr. Lim Peng Tong and Mr. Tan Yip Jiun who are retiring pursuant to Clause 121 of the Constitution of the Company ("**Retiring Directors**"), are eligible for re-election and hence, they have offered themselves for re-election at the 24<sup>th</sup> AGM of the Company.

In determining the eligibility of the Directors to stand for re-election at the 24<sup>th</sup> AGM, and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021, the Nomination Committee ("**NC**") had reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors for the financial year ended 30 June 2024.

The Retiring Directors had undergone a performance evaluation and provided their declaration of fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy of the Company. The Retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings of the Company, where applicable.

The Board, through the NC's recommendation, being satisfied with the performance/contribution of the Retiring Directors and the independence of the Independent Directors. Therefore, the Board would like to recommend the same be tabled to the shareholders for approval at the 24<sup>th</sup> AGM under Ordinary Resolutions 3, 4, 5, 6, 7 and 8 respectively.

#### 4. Ordinary Resolution 9 – Change of Auditors

ChengCo PLT has indicated that they do not wish to seek re-appointment as auditors at the forthcoming 24<sup>th</sup> AGM of the Company.

The Company's retiring auditor, ChengCo PLT was re-appointed auditors of the Company at the Twenty-Third ("**23<sup>rd</sup>**") AGM of the Company held on 30 November 2023 to hold office until the conclusion of the forthcoming 24<sup>th</sup> AGM. ChengCo PLT has been the auditors of the Company since 2022.

The Board has nominated Crowe Malaysia PLT as new auditors in place of the retiring auditors, ChengCo PLT. Crowe Malaysia PLT has accordingly given their consent to act as auditors of the Company pursuant to Section 264(5) of the Companies Act 2016.

#### 5. Ordinary Resolution 10 – Authority to Issue Shares pursuant to the Act and Waiver of Pre-emptive Rights

The Company had been granted a general mandate for the issuance of new shares at the 23<sup>rd</sup> AGM of the Company held on 30 November 2023 (hereinafter referred to as the "**Previous Mandate**"). As at the date of this Notice, the Company did not issue any shares pursuant to the Previous Mandate. The Company wishes to renew the Previous Mandate at the 24<sup>th</sup> AGM of the Company (hereinafter referred to as "**Proposed General Mandate**") and seek waiver of pre-emptive rights under Section 85 of the Act to be read together with Clause 15 of the Constitution of the Company.

The purpose of the Proposed General Mandate is to provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

The proposed Ordinary Resolution 10, if passed, the shareholders of the Company shall agree to waive their statutory pre-emptive right and thus, will allow the Directors to issue new shares to any person under the Proposed General Mandate without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance of new shares.

## Notice Of Twenty-Fourth Annual General Meeting (Cont'd)

### Explanatory Notes (Cont'd):-

#### 6. Ordinary Resolution 11 – Proposed Renewal of Existing Shareholders' Mandate

The proposed adoption of Ordinary Resolution 11 is to renew the shareholders' mandate for RRPTs granted by the Company's shareholders at the 23<sup>rd</sup> AGM of the Company held on 30 November 2023. The Proposed Renewal of Existing Shareholders' Mandate will enable the Company and its subsidiaries to enter into the RRPTs which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 October 2024 for further information.

#### Notes to the Notice of the 24<sup>th</sup> AGM:-

- (a) *This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
- (b) *In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 26 November 2024 shall be eligible to attend the Meeting.*
- (c) *The shareholder of the Company shall be entitled to appoint up to two (2) persons as his proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
- (d) *Where the shareholder appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy appointed to attend the Meeting of the Company shall have the same rights as the shareholder.*
- (e) *The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the shareholder or of his attorney, and in the case of a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
- (f) *Where the shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (g) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar at Mega Corporate Services Sdn. Bhd., Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, or via electronic means through email to **mega-sharereg@megacorp.com.my** or via facsimile at 03-2732 5388 at least forty-eight (48) hours before the time set for holding the meeting, i.e., on or before 10:00 a.m., on Sunday, 1 December 2024 or at any adjournment thereof at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default, the instrument of proxy shall not be treated as valid.*
- (h) *All the resolutions set out in this Notice are to be voted by poll.*

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**VELOCITY CAPITAL PARTNER BERHAD**  
(FORMERLY KNOWN AS CSH ALLIANCE BERHAD)  
[Registration No. 200001002113 (504718-U)]  
(Incorporated in Malaysia)

CDS Account No.
No. of ordinary shares held

**FORM OF PROXY**

\*I/We (full name in block), \_\_\_\_\_  
bearing \*NRIC/Passport/Registration No. \_\_\_\_\_  
of (full address) \_\_\_\_\_

being shareholder(s) of Velocity Capital Partner (formerly known as CSH Alliance Berhad) ("**the Company**") hereby appoint:-

**First Proxy "A"**

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact		

\*and/or failing \*him/her,

**Second Proxy "B"**

Full Name (in block)	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact		

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 10:00 a.m., or any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

No.	Agenda	Resolution	For	Against
<b>Ordinary business</b>				
1.	To approve the payment of Directors' fees of up to RM350,000.00 for the financial year ending 30 June 2025 and thereafter, which is payable quarterly in arrears	Ordinary Resolution 1		
2.	To approve the payment of Directors' benefits of up to RM40,000.00 from 4 December 2024 until the date of the next Annual General Meeting of the Company	Ordinary Resolution 2		
3.	To re-elect En. Azman Bin Mat Ali, who is due to retire in accordance with Clause 120 of the Company's Constitution	Ordinary Resolution 3		
4.	To re-elect Mr. See Toh Kean Yaw, who is due to retire in accordance with Clause 120 of the Company's Constitution	Ordinary Resolution 4		
5.	To re-elect Mr. Krishnan A/L Dorairaju, who is due to retire in accordance with Clause 120 of the Company's Constitution	Ordinary Resolution 5		
6.	To re-elect Dato' Kang Chez Chiang, who is due to retire in accordance with Clause 120 of the Company's Constitution	Ordinary Resolution 6		
7.	To re-elect Mr. Lim Peng Tong, who is due to retire in accordance with Clause 121 of the Company's Constitution	Ordinary Resolution 7		
8.	To re-elect Mr. Tan Yip Jiun, who is due to retire in accordance with Clause 121 of the Company's Constitution	Ordinary Resolution 8		
9.	To appoint Crowe Malaysia PLT as auditors of the Company in place of the retiring auditors, Messrs. ChengCo PLT and to authorise the Directors to fix their remuneration	Ordinary Resolution 9		
<b>Special Business</b>				
10.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights	Ordinary Resolution 10		
11.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 11		

As witness my/our hand(s) this day \_\_\_\_\_ of \_\_\_\_\_ 2024.

\_\_\_\_\_  
\*Signature/Common Seal of Shareholder(s)

\*Strike out whichever is not applicable



Notes:

- (a) In respect of deposited securities, only shareholders whose names appear in the Record of Depositors on 26 November 2024 shall be eligible to attend the Meeting.
- (b) The shareholder of the Company shall be entitled to appoint up to two (2) persons as his proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (c) Where the shareholder appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy appointed to attend the Meeting of the Company shall have the same rights as the shareholder.
- (d) The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the shareholder or of his attorney, and in the case of a corporation, shall be executed under its common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (e) Where the shareholder is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (f) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar at Mega Corporate Services Sdn. Bhd., Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, or via electronic means through email to **mega-sharereg@megacorp.com.my** or via facsimile at 03-2732 5388 at least forty-eight (48) hours before the time set for holding the meeting, i.e., on or before 10:00 a.m., on Sunday, 1 December 2024 or at any adjournment thereof at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default, the instrument of proxy shall not be treated as valid.
- (g) All the resolutions set out in this Notice are to be voted by poll.

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AFFIX  
STAMP

SHARE REGISTRAR OF VELOCITY CAPITAL PARTNER BERHAD  
(FORMERLY KNOWN AS CSH ALLIANCE BERHAD)  
**Mega Corporate Services Sdn. Bhd.**  
Level 15-2, Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan

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Fold This Flap For Sealing

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