



**VARIA  
BERHAD**

**VARIA BERHAD**  
formerly known as Stella Holdings Berhad  
199701004603 (420099-X)

annual report **2024**

# CONTENTS

Corporate Profile	2	Audit Committee Report	65
Corporate Information	3	Statement on Risk Management and Internal Control	68
Corporate Structure	5	Other Compliance Information	73
Financial Highlights	6	Financial Statements	75
Executive Deputy Chairman's Statement	7	List of Properties	153
Management Discussion and Analysis	11	Analysis of Shareholdings	155
Profile of Directors	15	Notice of Twenty-Seventh Annual General Meeting	157
Profile of Key Senior Management	25	Administrative Guide	161
Sustainability Statement	27	Proxy Form	
Corporate Governance Overview Statement	53		





# CORPORATE PROFILE



Varia Berhad (formerly known as Stella Holdings Berhad) (“Varia” or “Company”) is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad on 17 November 1998.

The principal activities of Varia and its subsidiaries (“Group”) can be segregated into construction and property development, which have grown tremendously since its formation.

## CONSTRUCTION

The Group’s construction arm comprises of Mewah Kota Sdn Bhd (“MKSB”) and Pembinaan Teguh Maju Sdn Bhd (“PTM”), which Varia has successfully completed the acquisition on 16 November 2023.

MKSB was established as a construction company more than 40 years ago and was involved in small and medium sized contracts for building of schools, houses, water treatment plants, pipe laying, security fencing and piling works.

MKSB had since gradually progressed to establish itself as a reliable contractor capable of undertaking bigger and more complex engineering and infrastructure projects nationwide. With the years of experience in construction, particularly in water works have added confidence with the existing clients in entrusting MKSB.

Since inception, PTM’s core works done was on building works. With the experience accumulated over the years, PTM has emerged as a specialised contractor in high rise buildings and infrastructure works. This capability has ensured the sustainability of PTM together with the capability and the team of long serving, dedicated, experience and qualified personnel.

Construction undertaken by MKSB and PTM are the main contributor to the Group’s revenue.

## PROPERTY DEVELOPMENT

In 2019, Varia expanded its business into property development which complements its existing businesses of construction. Its property arm, Paramount Ventures Sdn Bhd has been restructured to undertake property development activities for the Group and has since entered into a few joint ventures for residential and mix development projects in Port Dickson, Negeri Sembilan and Kuala Selangor in Selangor.

# CORPORATE INFORMATION



**Dato’ Sri Dr. Mohd Nizom bin Sairi**

Independent Non-Executive Chairman

**Datuk Lau Beng Wei**

Executive Deputy Chairman

**Datuk Lau Beng Sin**

Managing Director

**Datuk Manivannan a/l Ganapathy**

Executive Director

**Dato’ Kamarulzaman bin Jamil**

Senior Independent Non-Executive Director

**Dato’ Jamaluddin bin Sabeh**

Independent Non-Executive Director

**Datuk Wira Roslan bin Ab Rahman**

Non-Independent Non-Executive Director

**Datuk Kok Boon Kiat**

Non-Independent Non-Executive Director

**Encik Shahrizam bin A Shukor**

Independent Non-Executive Director

**Puan Sharifah Rafidah binti Wan Mansor**

Independent Non-Executive Director



**AUDIT COMMITTEE**

**Chairman**

Encik Shahrizam bin A Shukor

**Members**

Dato’ Kamarulzaman bin Jamil  
Dato’ Jamaluddin bin Sabeh

**NOMINATION AND REMUNERATION COMMITTEE**

**Chairman**

Dato’ Kamarulzaman bin Jamil

**Members**

Dato’ Jamaluddin bin Sabeh  
Datuk Wira Roslan bin Ab Rahman  
Encik Shahrizam bin A Shukor  
Puan Sharifah Rafidah binti Wan Mansor

**RISK MANAGEMENT COMMITTEE**

**Chairman**

Encik Shahrizam bin A Shukor

**Members**

Dato’ Kamarulzaman bin Jamil  
Dato’ Jamaluddin bin Sabeh  
Datuk Wira Roslan bin Ab Rahman

**SUSTAINABILITY COMMITTEE**

**Chairman**

Datuk Lau Beng Sin

**Members**

Datuk Lau Beng Wei  
Datuk Manivannan a/l Ganapathy  
Puan Sharifah Rafidah binti Wan Mansor



## Corporate Information (cont'd)

### SHARE ISSUANCE SCHEME COMMITTEE

#### Chairman

Datuk Manivannan a/l Ganapathy

#### Members

Datuk Lau Beng Sin  
Dato' Jamaluddin bin Sabeh

### EXECUTIVE COMMITTEE

#### Chairman

Datuk Lau Beng Sin

#### Members

Datuk Lau Beng Wei  
Datuk Manivannan a/l Ganapathy  
Puan Raizita binti Ahmad @ Harun  
Mr Teo Boon Hing  
Ms Tang Lai Sum  
Mr Koay Xing Boon

### COMPANY SECRETARY

Ms Chin Foong Ping  
(MAICSA 7044276)  
(SSM PC No. 202008002708)

### REGISTERED OFFICE

1105, Block E, Level 11  
Pusat Dagangan Phileo Damansara 1  
No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya, Selangor, Malaysia  
Tel. No. : +603-8309 3841  
Fax. No. : +603-7832 5356  
E-mail : varia@varia.com.my

### SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
11th Floor Menara Symphony  
No. 5 Jalan Prof Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor, Malaysia  
Tel. No. : +603-7890 4700  
Fax. No. : +603-7890 4670  
E-mail : BSR.Helpdesk@boardroomlimited.com

### AUDITORS

Baker Tilly Monteiro Heng PLT  
Chartered Accountants  
Baker Tilly Tower, Level 10  
Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Malaysia  
Tel. No. : +603-2297 1000  
Fax. No. : +603-2282 9980

### BANKERS

Malayan Banking Berhad  
Maybank Islamic Berhad  
AmBank (M) Berhad  
AmBank Islamic Berhad  
Bank Muamalat Malaysia Berhad  
RHB Islamic Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : VARIA  
Stock Code : 5006  
Sector : Construction

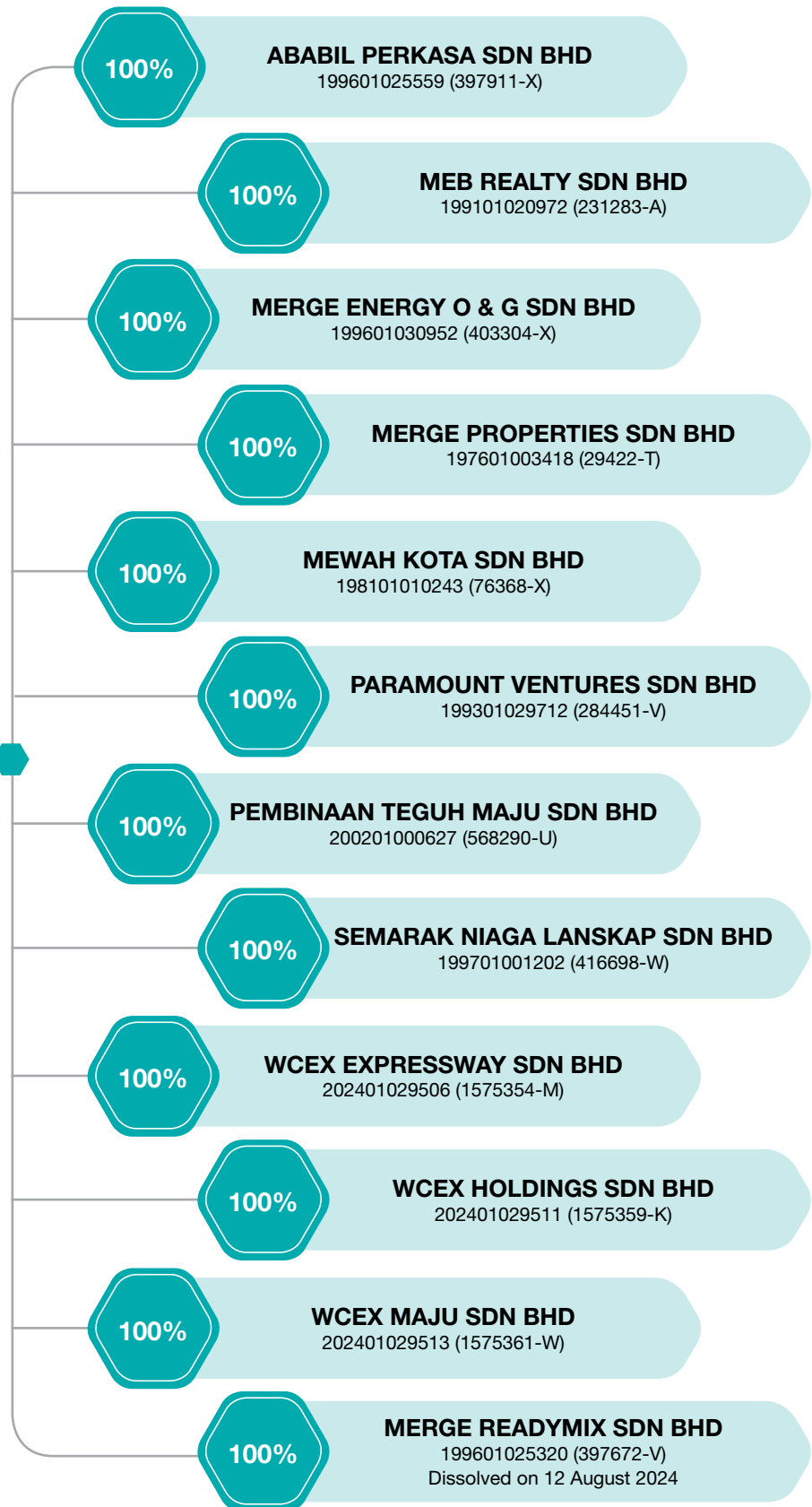
### WEBSITE

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

# CORPORATE STRUCTURE

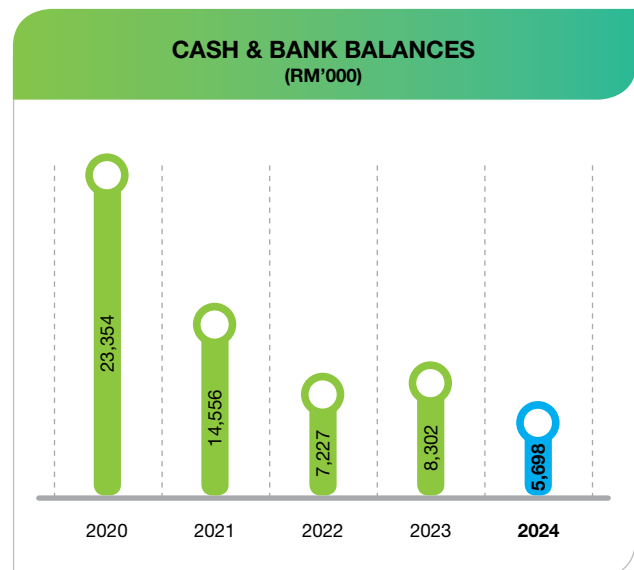
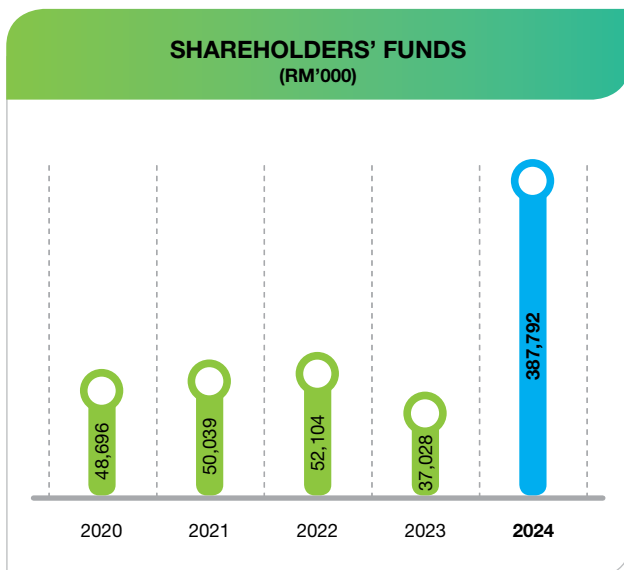
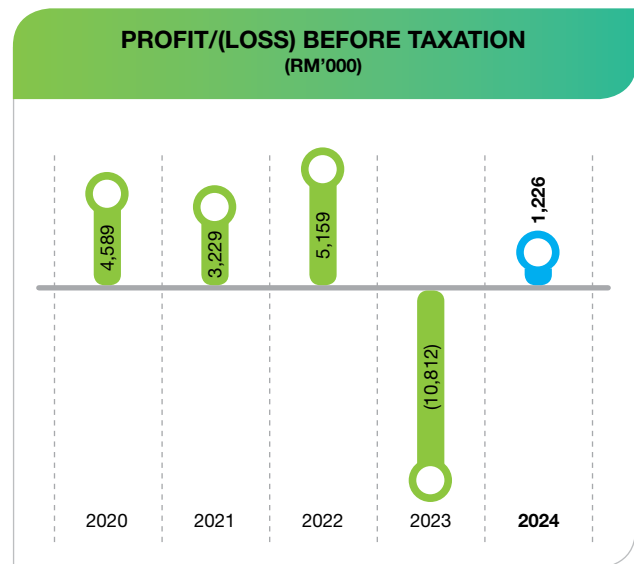
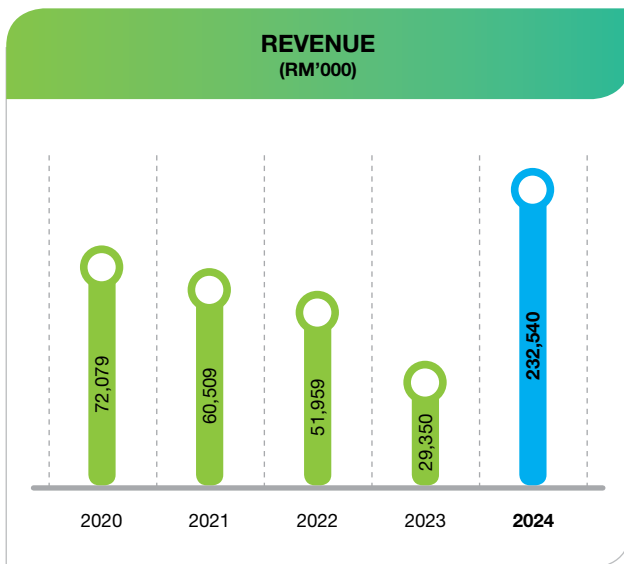


**VARIA BERHAD**  
199701004603 (420099-X)



# FINANCIAL HIGHLIGHTS

	Audited				
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	72,079	60,509	51,959	29,350	<b>232,540</b>
Operating Profit/(Loss)	4,984	3,502	6,017	(9,923)	<b>6,114</b>
Profit/(Loss) before taxation	4,589	3,229	5,159	(10,812)	<b>1,226</b>
Profit/(Loss) after taxation	3,378	3,005	4,534	(11,382)	<b>764</b>
Retained Earnings/(Accumulated losses)	16,983	18,327	20,034	5,315	<b>6,080</b>
Shareholders' Funds	48,696	50,039	52,104	37,028	<b>387,792</b>
Cash & Bank Balances	23,354	14,556	7,227	8,302	<b>5,698</b>





## EXECUTIVE DEPUTY CHAIRMAN'S STATEMENT

### To Our Valued Shareholders

On behalf of the Board of Directors of Varia Berhad (“**Varia**” or “**Group**”), it is my distinct honour to present to you our Annual Report for the extended financial period of 1 April 2023 to 30 June 2024 (“**FYE2024**”). This year marks a significant transformation for our Group, as we embarked on a strategic journey of rebranding and restructuring, transitioning from Stella Holdings Berhad to Varia Berhad, and strengthening our position as a forward-looking entity.

**Datuk Lau Beng Wei**  
Executive Deputy Chairman





## Executive Deputy Chairman's Statement (cont'd)

The name change to Varia Berhad reflects more than just a rebranding. It signifies our renewed focus on strategic growth, innovation, and sustainable development. This transformation aligns with the structural changes that have taken place during the year, particularly our acquisition of Pembinaan Teguh Maju Sdn. Bhd. (“PTM”), which has bolstered our project portfolio and added substantial value to our ongoing operations.

As we look ahead, we remain committed to delivering long-term value to our shareholders, guided by our mission to be a leader in innovative infrastructure development while fostering sustainable growth. I would like to express my deepest appreciation to our shareholders, stakeholders, and partners for their unwavering support during this transformative period.

### Economic Landscape

The global economic environment during our extended financial period was characterised by significant volatility. Geopolitical tensions, inflationary pressures, and aggressive monetary tightening policies by central banks worldwide created a complex operating landscape. Despite these challenges, the Malaysian economy demonstrated resilience, registering a steady growth of 3.7% in 2023, driven primarily by domestic demand and improved employment rates.

In both the construction and property development sectors, we effectively mitigated the impact of cost inflation and supply chain disruptions. By leveraging public sector projects and private sector growth, we drove the Group's strategic growth agenda and expansion plans, enabling it to pursue its core objectives with confidence.

### Financial Performance

The headline figures of our financial performance merit closer review for invaluable insights. Our revenue for this extended period reached RM232.54 million, marking a substantial 692% increase compared to the previous 12-month period (FYE2023: RM29.35 million). Additionally, our profit before tax (“PBT”) showed a marked improvement, swinging from a loss before tax (“LBT”) of RM10.81 million in FYE2023 to a PBT of RM1.23 million in FYE2024, representing a 111% increase. This accelerated gain is a powerful indicator of our momentum, helping us to reflect on our progress and identify areas for continued growth.



Our Earnings Before Interest, Taxes, Depreciation, and Amortisation (“EBITDA”) for FYE2024 stood at RM18.29 million, an increase of 309%, compared to the EBITDA in FYE2023 which was in the red by RM7.52 million. This improvement showcases strong operational performance as we continue to integrate PTM and capitalise on our synergies. This turnaround, achieved against the backdrop of persistent inflationary pressures and interest rate volatility, speaks to the efficacy of our cost management strategies and operational efficiencies.

The main catalyst of this growth was the acquisition and subsequent integration of PTM, completed on 16 November 2023. PTM's contribution of RM164.77 million in revenue and RM21.94 million in PBT underscores the immediate accretive nature of this strategic acquisition.

## Executive Deputy Chairman's Statement (cont'd)



### Financial Performance (cont'd)

Our construction segment emerged as the powerhouse of our operations, generating RM231.65 million in revenue for the 15 months ended 30 June 2024. This figure not only reflects the significant contributions from our subsidiaries but also demonstrates the resilience and adaptability of our existing construction operations in a challenging market environment.

The property development segment, while less dominant in our revenue mix, showed encouraging signs of recovery. The Taman Arowana Phase 1 project, Kuala Selangor, Selangor comprising 106 single-storey units, began to contribute to our top line, generating RM1.40 million in revenue.

However, despite the strong performance by construction segment, the Group's overall PBT was significantly impacted by several key factors. The amortisation of intangible assets amounting to RM10.57 million in FYE2024, combined with losses from the holding company (RM13.46 million) and Paramount Ventures Sdn Bhd (RM4.13 million), led to a marked reduction in overall profitability.

Despite these challenges, in FYE2024, the Group reinforcing its financial foundations through astute balance sheet management. Our total assets expanded significantly to RM650.70 million from RM70.02 million, primarily due to the strategic acquisition of PTM. This added RM369.33 million in goodwill and RM64.27 million in intangible assets, substantially enhancing our market position.

Our liquidity remains strong and with this solid financial foundation, combined with our growing revenue and diverse project portfolio, positions the Group to address market fluctuations effectively and pursue sustainable growth opportunities.

### Corporate Governance

In light of the evolving business and regulatory landscapes, the Group remains committed to enhancing its corporate governance practices to safeguard the interests of stakeholders and the Group. Our steadfast commitment to upholding the highest standards of corporate governance remains central to the Group's continued success. Further details on our governance practices can be found in the subsequent sections of this Annual Report.

### Sustainability

The Group recognises the critical importance of sustainability in driving long-term value for both the Group and the wider community. Throughout FYE2024, we continued to embed sustainability into every aspect of our operations, guided by our commitment to the Bursa Malaysia Sustainability Reporting Guide and the Global Reporting Initiative (GRI) standards. Key initiatives included promoting energy efficiency across our construction projects, reducing waste through innovative building techniques, and prioritising community engagement and environmental stewardship in all developments. Our sustainability efforts reflect our determination to balance corporate responsibility with operational excellence. A more comprehensive insights into our sustainability endeavours is presented in the Sustainability Statement in this Annual Report.

### Positive Outlook Ahead

As we step into 2025, Varia Group remains optimistic amidst a dynamic global and local economic landscape. Global growth is projected to remain stable, aligning with the April 2024 World Economic Outlook forecast of 3.2% for 2024 and 3.3% for 2025. However, progress towards global disinflation is being hampered by persistent services inflation, complicating the normalisation of monetary policies. In this environment, the risks of prolonged higher interest rates have increased due to escalating trade tensions and rising policy uncertainty.

Domestically, Malaysia's economy continues to gain momentum. The nation recorded a 5.9% growth in the second quarter of 2024, bringing the expansion rate for the first half of the year to 5.1% (H1 2023: 4.1%). With a strong performance in the first half, Malaysia is on track to close the year within the upper end of the Government's official forecast of 4%-5% GDP growth. Key drivers of this robust performance include significant Government investment in the construction sector, with RM90 billion allocated for development expenditure in the 2024 budget. Of this, 40% is scheduled to be implemented in the second half of the year, further fueling sector growth.



## Executive Deputy Chairman's Statement (cont'd)

### Positive Outlook Ahead (cont'd)

The Government's strategic emphasis on infrastructure development, backed by substantial budget allocations, is expected to propel the construction industry forward. With RM180 billion dedicated to development works, including RM90 billion for construction, Malaysia is positioned for continued growth. This upward trajectory is further buoyed by the recent strengthening of the Ringgit, signalling renewed foreign confidence in Malaysia's economic resilience.

While we remain cautious of global uncertainties, including geopolitical tensions and the potential for prolonged higher interest rates, we are confident in our ability to navigate these challenges. Backed by our strong fundamentals and robust order book, Varia Group enters 2025 with a sense of cautious optimism, ready to capitalise on the opportunities ahead.

### Appreciation

On behalf of the Board, I would like to convey our sincere appreciation to Mr Koay Xing Boon who has resigned from the Board, for his valuable contribution and service to the Group.

I also wish to welcome our newly appointed Directors, Dato' Sri Dr. Mohd Nizom bin Sairi and Datuk Kok Boon Kiat, and we look forward to their contribution to the Group going forward.

To our shareholders, employees, partners, and customers, your collective efforts have been the bedrock of Varia's success. As we move forward, each project we undertake is a testament to your trust and hard work. We are not just constructing buildings and infrastructure; we're crafting a future where our shared vision becomes reality.

Lastly, I also wish to express my heartfelt gratitude to our Board members, the dedicated Varia team, and our loyal shareholders. Your unwavering commitment has been crucial to our progress during this transformative period. Together, we are building a sustainable and prosperous future, creating value for all our stakeholders.

**Datuk Lau Beng Wei**  
Executive Deputy Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS

## Introduction

The purpose of this Management Discussion and Analysis (“**MD&A**”) is to provide a comprehensive evaluation of Varia Berhad (“**Varia**” or “**Group**”) financial performance and operational results for the extended 15-month financial period ended 30 June 2024 (“**FYE 2024**”). This in-depth report encapsulates a period of significant change, anchored by the strategic integration of Pembinaan Teguh Maju Sdn Bhd (“**PTM**”) into our operations. This MD&A should be reviewed in conjunction with Varia’s audited annual consolidated financial statements for the same period.

### Strategic Transformation and Corporate Milestones

#### Acquisition of PTM

On 2 November 2023, Varia obtained shareholders’ approval to acquire PTM for RM380 million, a move that has been pivotal in expanding our construction capabilities. The integration of PTM, completed on 16 November 2023, has not only diversified our revenue streams but also enhanced our technical expertise, allowing us to pursue more complex and higher-value projects.

The acquisition process involved comprehensive due diligence and valuation of PTM’s assets and operations, followed by meticulous negotiations of the share sale agreement. After securing approval, we arranged the necessary financing and developed a robust integration plan. This strategic move has yielded immediate benefits, including expanded technical capabilities, particularly in large-scale infrastructure projects, enhanced bidding capacity for high-value contracts, access to PTM’s established client base and industry relationships, and operational synergies in project management and resource allocation.

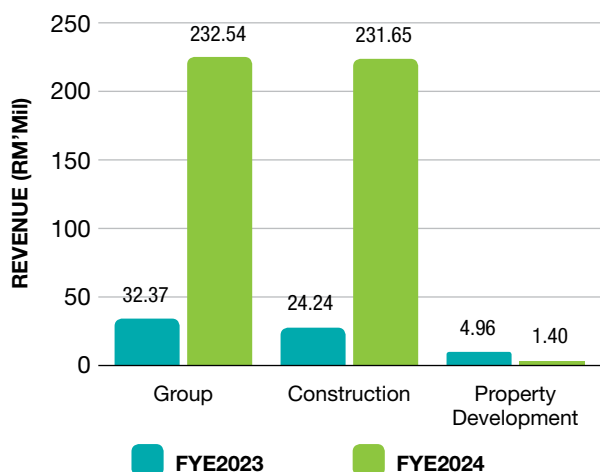
#### Rebranding and Corporate Identity

Our transition from Stella Holdings Berhad to Varia Berhad reflects our evolving corporate identity and our commitment to strategic growth and innovation in the construction and infrastructure sectors and sustainable development. This rebranding initiative encompassed the development of a new corporate logo and visual identity, along with a revision of our mission and vision statements to align with our expanded capabilities.

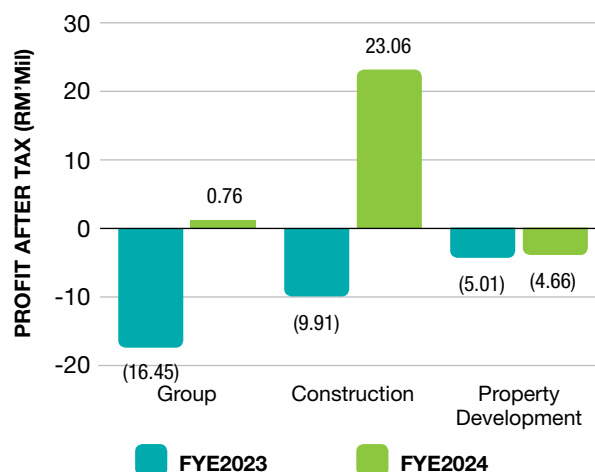
We implemented a comprehensive internal and external communication strategy and aligned our corporate culture to reflect our new identity and aspirations. The rebranding has been well-received by stakeholders, reinforcing our position as a dynamic and forward-thinking player in the industry.

## Financial Performance Review

**FYE2024 Revenue Breakdown by Segment**



**FYE2024 Profit After Tax Breakdown by Segment**





## Management Discussion and Analysis (cont'd)

### Financial Performance Review (cont'd)

FYE2024 marked a significant year of transformation and progress for Varia as we completed our rebranding and restructuring initiatives, transitioning from Stella Holdings Berhad to Varia Berhad. This 15-month financial period also included the successful acquisition of PTM, which was a key contributor to our revenue growth.

The Group recorded revenue of RM232.54 million in FYE2024, a substantial increase from RM29.35 million in FYE2023. This growth was primarily driven by the construction segment, which benefited from PTM's ongoing projects, contributing RM164.77 million in revenue and RM21.94 million in profit before tax ("PBT"). Additionally, Mewah Kota Sdn Bhd ("MKSB") contributed RM66.88 million in revenue and RM3.51 million in PBT, further supporting our positive performance.

Despite the strong contributions from these subsidiaries, the Group's overall PBT was moderated to RM1.23 million due to the amortisation of intangible assets, which amounted to RM10.57 million. Furthermore, losses incurred by the holding company (RM13.46 million) and Paramount Ventures Sdn Bhd ("PVSB") (RM4.13 million) impacted the Group's overall profitability. The property segment, particularly the Taman Arowana Phase 1 development project in Kuala Selangor, Selangor, generated RM1.40 million in revenue but reported a loss before tax of RM4.13 million due to cost escalations and project delay.

Looking back on FYE2024, Varia Group has laid the foundation for sustained growth, driven by its strategic acquisitions and strong performance in the construction sector. As we continue to focus on delivering value through operational excellence and project execution, we remain committed to building a sustainable and profitable future for our shareholders.

### Balance Sheet and Liquidity

Our balance sheet significantly strengthened during this period, with total assets growing to RM650.70 million in FYE2024, an 829% increase from RM70.02 million in the previous year. Total equity rose to RM387.79 million, a 947% increase from RM37.03 million, while net assets per share improved to RM0.93, up 69% from RM0.55. The substantial growth in our asset base was principally due to the acquisition of PTM, which introduced significant goodwill of RM369.33 million and intangible assets of RM64.27 million to our balance sheet. Our liquidity position remained favorable, with healthy cash and cash equivalents, and improved current and quick ratios, providing us with the financial flexibility to pursue new opportunities and manage our operations effectively.

The liabilities of the Group also saw a substantial rise, growing to RM262.91 million from RM32.99 million the previous year. This increase was primarily due to the consolidation of PTM's financial obligations, and the leveraging required to support our expanded operations. Despite this rise, the substantial growth in assets more than compensated, reinforcing our financial stability and supporting our strategic objectives.

### Cash Flow and Capital Structure

Our cash flow statement reflects the significant changes in our operations and strategic investments. We recorded a net cash used in operating activities of RM10.53 million, chiefly due to the timing of project payments and receivables, particularly in the construction segment. Net cash used in investing activities stood at RM86.72 million, reflecting our significant investment in the acquisition of PTM and other strategic initiatives. This was offset by a robust net cash inflow from financing activities of RM97.61 million, largely attributed to the funding arrangements for the PTM acquisition.

As of 30 June 2024, our capital structure comprised total borrowings of RM113.47 million, and shareholders' equity of RM387.79 million. The increase in our equity position highlights our ability to effectively manage debt while maintaining a strong capital foundation.

## Management Discussion and Analysis (cont'd)

### Operational Highlights

In FYE2024, Varia made significant progress on several ongoing projects, demonstrating our commitment to excellence in project delivery. Our approach to project execution has been characterized by strict adherence to timelines and budgets, implementation of stringent quality control measures, and effective management of supply chain and labor challenges. We have also adopted innovative construction techniques to enhance efficiency and overcome site-specific challenges.

### Segment Analysis

#### Construction Segment

Our construction segment, including subsidiaries PTM and MKSB, emerged as our primary revenue driver, contributing a total revenue at RM231.65 million. This segment's performance was particularly robust, achieving a PBT of RM25.46 million.

Our project portfolio in this segment expanded substantially in FYE2024. In July 2023, it saw us win a RM91.36 million contract for a mixed development project in Penang, diversifying our revenue streams. Subsequently, in January 2024, we secured the RM94.86 million Sungai Klang flood mitigation project in Shah Alam, Selangor, reinforcing our expertise in urban flood management.

Further strengthening our market position, on 8 March 2024, we signed a memorandum of understanding with Sungai Klang Link Sdn Bhd for a 52.5km elevated highway project. This initiative aims to provide alternative routes to road users in Klang Valley. All these projects leverage our expertise in construction, project management, traffic management, and flood mitigation.

The integration of PTM significantly enhanced our capabilities in this sector, allowing us to secure and execute larger, more complex projects beyond FYE2024. We have also seen marked improvements in our project management processes, leading to better cost control and margin enhancement. The implementation of advanced project management approach and the adoption of lean construction principles have resulted in improved operational efficiencies across our project portfolio. These enhancements have not only boosted our profitability but have also strengthened our competitive position in the market, allowing us to bid more aggressively on high-value contracts.

We have secured several significant contracts that have not only contributed to our current financial performance but also provide strong revenue visibility for the coming years. The Sungai Johor flood mitigation project, secured in September 2024, is valued at RM334.69 million and involves the construction of a flood control reservoir and related works in Kota Tinggi, Johor. This 60-month project, awarded by Ikatan Harmoni Sdn Bhd, enhances our portfolio in critical infrastructure projects and is expected to be completed by 22 July 2029.

In August 2024, we secured the Sungai Muar flood mitigation project, a RM410.30 million contract awarded by Kator Construction Sdn Bhd. This project, located in Segamat, Johor, involves a series of critical flood mitigation works. With a duration of 60 months and a completion date set for 22 July 2029, this project strengthens our position in large-scale and high-impact flood mitigation initiatives.

We further diversified our project portfolio with the Sultan Idris Education University ("UPSI") facilities project in Tanjong Malim, Perak in August 2024. This RM61.5 million contract, awarded by Kemuncak Pesaka Sdn Bhd, involves the development of educational infrastructure at UPSI over a 31-month period. This project marks our entry into the education construction sector and demonstrates our versatility in handling diverse construction projects.

On 23 July 2024, we received a Letter of Award from Best Metro Builder Sdn. Bhd. for a significant project in Penang, valued at RM555 million. This contract entails the design, construction, and completion of a comprehensive sewage treatment plant, with a timeline of 57 months, expected to complete in March 2029. This initiative not only broadens our presence in the infrastructure sector but also aligns with our commitment to supporting Malaysia's environmental sustainability objectives.





## Management Discussion and Analysis (cont'd)

### Property Development Segment

While smaller in contribution, our property development segment, principally represented by PVSB, showed promising growth, generating revenue of RM1.40 million from our flagship Taman Arowana Phase 1 project. Despite recording a loss before tax of RM4.13 million, we view this segment as a strategic investment with significant future potential. The project has received a positive response from buyers, with strong interest in our single-storey and double-storey units.

The current loss in this segment is mainly due to initial development costs and marketing expenses, which is typical for projects in their early stages. We anticipate that as the project matures and more units are sold, this segment will begin to contribute positively to our bottom line.

### Prospects and Strategic Direction

Varia Group stands at the forefront of a gradually recovering construction and property development sectors. The Government's ongoing infrastructure investments and an anticipated property market rebound present significant opportunities. Our expanded capabilities, augmented by the PTM acquisition, position us to capitalise on these trends effectively.

Our focus will remain on our core operations in construction and property development, ensuring the timely and efficient execution of our projects. Our strategic focus for the coming year includes targeting high-value infrastructure projects in flood mitigation, sewerage treatment, and highway construction. We are also enhancing our property development portfolio, with plans to explore new locations and expand our property development business under PVSB. Additionally, we are investing in sustainable construction and green building technologies, aiming to lead in Malaysia's sustainable development sector.


While our outlook is positive, we remain vigilant of potential risks such as raw material price fluctuations, economic slowdowns, and increased competition. Our risk mitigation strategies include stringent hedging policies, portfolio diversification, and continuous enhancement of our technical capabilities. With a strong track record of success and a clear vision for the future, Varia Group will continue to embrace sustainable practices across all operations, aligning with the government's emphasis on environmental, social, and governance (ESG) factors. We are dedicated to minimising our environmental impact while delivering long-term value to our shareholders, employees, and the communities we serve.

## PROFILE OF DIRECTORS



### DATO' SRI DR. MOHD NIZOM BIN SAIRI

Independent Non-Executive Chairman

Nationality	Gender	Age
		61

#### Date of Appointment

3 October 2024

#### Board Committees Membership

-

#### Academic/Professional Qualification

- Adjunct Professor, UNITAR International University
- Honorary Professor, University of Cyberjaya
- Doctor of Philosophy, Swiss School Management
- Master in Information System Management, Lawrence Technological University Michigan, USA
- Bachelor of Science, Laurentian University Ontario, Canada

#### Board Meeting Attendance

Since he was appointed as a Director subsequent to the financial period ended 30 June 2024, he did not attend any Board meeting held during the said financial period.

#### Experiences

**Dato' Sri Dr. Mohd Nizom**, started his career with the Inland Revenue Board of Malaysia ("IRB") after graduating with a Bachelor of Science degree from Laurentian University, Canada in 1985.

He has a wealth of knowledge on the operations and administration of taxes in Malaysia, having served in IRB for 38 years, rising through the ranks until his last post as the Chief Executive Officer ("CEO")/Director General ("DG") of IRB in 2021 and subsequently retired in December 2023.

While in IRB, Dato' Sri Dr. Mohd Nizom has served in various senior capacities namely Director of Investigation Department, Director of Malaysia Tax Academy, Deputy CEO (Management) and Deputy CEO (Tax Operations) prior to his appointment as CEO/DG of IRB.

During his tenure as the CEO/DG of IRB, he has represented Malaysia as being the Chairman of the Commonwealth Association of Tax Administrators (CATA) from 2021 to 2024, Head of Executive Council Association of Tax Authorities of Islamic Countries (ATAIC) from 2021 to 2023 and Chairman of the Study Group on Asia-Pacific Tax Administration and Research (SGATAR) from 2022 to 2023.

He also sits on the Board of Jati Tinggi Group Berhad.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.



## Profile of Directors (cont'd)



**DATUK LAU BENG WEI**  
Executive Deputy Chairman,  
Non-Independent Executive Director

Nationality	Gender	Age
		58

### **Date of Appointment**

13 January 2023

### **Board Committees Membership**

Sustainability Committee (Member)

### **Academic/Professional Qualification**

- Masters in Business Administration, Universiti Putra Malaysia
- Bachelor of Electrical Engineering, Universiti Teknologi Malaysia

### **Board Meeting Attendance**

During the financial period ended 30 June 2024, he attended 8 out of 9 Board meetings held.

### **Experiences**

Datuk Lau Beng Wei started his career with Tenaga Nasional Berhad (“TNB”) where he had held various positions within TNB from 1990 until 2003. Subsequently, he served as an Independent Non-Executive Director of TNB from December 2021 until March 2023.

He had successfully completed over RM1 billion worth of commercial buildings, schools, road construction and government building projects within Malaysia and is currently a director and shareholder of Varia Engineering & Services Sdn Bhd (“VES”) where he is responsible for the overall strategic business direction and performance of VES.

Datuk Lau Beng Wei is currently the Chairman of Lembaga Pelesenan Eksais Wilayah Persekutuan Kuala Lumpur, Dewan Bandaraya Kuala Lumpur (“DBKL”) and a member of the City Advisory Board, DBKL.

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





## Profile of Directors (cont'd)



### DATUK LAU BENG SIN

Managing Director,  
Non-Independent Executive Director

Nationality	Gender	Age
		53

#### Date of Appointment

9 November 2022

#### Board Committees Membership

Sustainability Committee (Chairman)  
Share Issuance Scheme Committee (Member)

#### Academic/Professional Qualification

Bachelor in Engineering (Majoring in Civil Engineering),  
Universiti Teknologi Malaysia

#### Board Meeting Attendance

During the financial period ended 30 June 2024, he attended 9 out of 9 Board meetings held.

#### Experiences

Datuk Lau Beng Sin is a civil engineer with over 20 years of experience in the construction industry. He is a director of Pembinaan Teguh Maju Sdn Bhd where he is primarily responsible for the development and implementation of project processes ranging from construction, design, purchasing and staff maintenance. He has undertaken various remarkable projects and successfully completed over RM1 billion worth of commercial buildings, schools, road construction and government building projects within Malaysia.

He was recently awarded with the ASEAN Outstanding Business Award 2024 as the Most Recognised Brand CEO of the Year in Sustainability Development Excellence.

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



## Profile of Directors (cont'd)



**DATUK MANIVANNAN  
A/L GANAPATHY**  
Executive Director,  
Non-Independent Executive Director

Nationality	Gender	Age
		59

### **Date of Appointment**

17 January 2023

### **Board Committees Membership**

Share Issuance Scheme Committee (Chairman)  
Sustainability Committee (Member)

### **Academic/Professional Qualification**

Bachelor of Economics (Business Administration),  
University of Malaya

### **Board Meeting Attendance**

During the financial period ended 30 June 2024, he attended 9 out of 9 Board meetings held.

### **Experiences**

Datuk Manivannan Ganapathy started his career in the stockbroking industry at TA Securities Sdn Bhd as a management trainee from 1989 to 1990. He then became a remisier in 1990 and continued for a period of 32 years up until October 2022.

He has experiences in maintaining and serving the institutional client base as well as a group of high-net-worth individuals. His experiences also include underwriting for initial public offering, arranging financing for public listed companies and handling private placements for substantial blocks of shares.

Datuk Manivannan Ganapathy does not hold any directorships in other public companies and listed issuers.

## Profile of Directors (cont'd)



### Date of Appointment

1 September 2015

### Board Committees Membership

Nomination and Remuneration Committee (Chairman)  
Audit Committee (Member)  
Risk Management Committee (Member)

### Academic/Professional Qualification

Bachelor of Economics, Universiti Kebangsaan Malaysia

### Board Meeting Attendance

During the financial period ended 30 June 2024, he attended 8 out of 9 Board meetings held.

### Experiences

Dato' Kamarulzaman has extensive experience and knowledge in areas related to public services, human resource management and land administration as he had held various prominent position in his 35 years of services in various government departments/offices, among others in the Ministry of Transport, District and Land Offices, Public Services Department and Selangor Land and Mines Office. Dato' Kamarulzaman last held position was as the Director of Land and Mines with the Selangor Land and Mines Office where he served until he retired in January 2015.

Presently, he is a board member of Perbadanan Wakaf Selangor and its subsidiaries, namely, WSE 1 Sdn Bhd and WSE 2 Sdn Bhd.

Dato' Kamarulzaman does not hold any directorships in other public companies and listed issuers.





## Profile of Directors (cont'd)



### **DATO' JAMALUDDIN BIN SABEH**

Independent Non-Executive Director

Nationality	Gender	Age
		69

#### **Date of Appointment**

13 January 2023

#### **Board Committees Membership**

Audit Committee (Member)  
Nomination and Remuneration Committee (Member)  
Risk Management Committee (Member)  
Share Issuance Scheme Committee (Member)

#### **Academic/Professional Qualification**

B.A. (Hons) majoring in Mass Communications (Public Relations), Universiti Kebangsaan Malaysia

#### **Board Meeting Attendance**

During the financial period ended 30 June 2024, he attended 9 out of 9 Board meetings held.

#### **Experiences**

Dato' Jamaluddin began his civil service career as an Assistant Director, Registry of Companies in the Ministry of Trade and Industry in 1980.

He then joined the Ministry of Foreign Affairs in 1983 and subsequently served in various capacities in the Malaysian Administrative and Diplomatic Service namely as the Assistant Secretary (Protocol Division); Second Secretary, Permanent Mission of Malaysia to the United Nations, New York; Assistant Director (ASEAN Department), Ministry of Foreign Affairs; Consul, Malaysian Consulate, Pekan Baru, Riau, Indonesia; Assistant Secretary (South-East Asia Division), Ministry of Foreign Affairs; Counsellor, Embassy of Malaysia, Hanoi, Vietnam; Consul General, Consulate General of Malaysia, Ho Chi Minh City, Vietnam; Chargé d Affaires/Counsellor, Embassy of Malaysia, Romania; Deputy Director-General (Socio-Cultural Community), ASEAN-Malaysia National Secretariat, Ministry of Foreign Affairs and High Commissioner of Malaysia to Bangladesh. His last posting was the Ambassador of Malaysia to Poland concurrently accredited to Lithuania from 2012 to 2015.

Dato' Jamaluddin does not hold any directorships in other public companies and listed issuers.

## Profile of Directors (cont'd)



### Date of Appointment

10 May 2023

### Board Committees Membership

Nomination and Remuneration Committee (Member)  
Risk Management Committee (Member)

### Academic/Professional Qualification

- BSc in Electrical Engineering, University of Southampton, England
- Ordinary National Diploma in Engineering, Brighton Technical College, England

### Board Meeting Attendance

During the financial period ended 30 June 2024, he attended 8 out of 8 Board meetings held since his appointment.

### Experiences

Datuk Wira Roslan is an engineer with extensive experience in the electricity supply industry. He started his career with Lembaga Elektrik Negara ("LLN"), now known as Tenaga Nasional Berhad ("TNB"), in 1980 and retired in December 2022.

He has served in the several districts throughout Malaysia and was responsible for the planning, construction, operations and maintenance of the distribution network for east of Pahang, which include Temerloh, Maran and Jerantut, which he led the conversion of more than 50 villages from 12 hours diesel supply to 24 hours grid connected supply under the Rural Electrification Program (Bekalan Elektrik Luar Bandar).

Having served more than 42 years in various management capacities in TNB, he has gained extensive knowledge of the industry, being involved in the transformation and

modernisation of TNB. His strength in industrial relations was an asset to the organisation in enhancing work culture and improving harmony with the unions and employees.

His exposure in customer services and commercial aspect of TNB has enabled him to successfully coordinate efforts with Malaysia Investment Development Authority (MIDA) in facilitating the supply of electricity for big investments and Foreign Direct Investment (FDIs), and other important stakeholders such as Federation of Malaysian Manufacturers (FMM) and Federation of Malaysian Consumers Association (FOMCA). Datuk Wira Roslan was the spokesperson for TNB while serving as the Chief Corporate Officer. His major role was to monitor and advise the CEO and Board of Directors on corporate communication related matters. In the international front, Datuk Wira Roslan represented TNB in various capacities, namely as Country Coordinator in Head of ASEAN Power Utility (HAPUA) and Association of Energy Supply Industry of East Asia and Asia Pacific (AESIEAP).

His last position as the Chief Regulatory and Stakeholder Management Officer saw him working closely with the Ministry of Energy and Natural Resources (KETSA) and Energy Commission (EC) on issues pertaining to energy for the benefit of the country. His service with TNB was extended beyond his retirement age for 6 years, as his services were invaluable to TNB. He brings with him vast knowledge, experience and networking within the industry, which enables him to look after the interest of the various stakeholders.

Datuk Wira Roslan also sits on the Board of Malakoff Corporation Berhad and BM Greentech Berhad.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.

## Profile of Directors (cont'd)



### **DATUK KOK BOON KIAT**

Non-Independent Non-Executive Director

Nationality



Gender



Age

52

#### **Date of Appointment**

2 January 2024

#### **Board Committees Membership**

–

#### **Academic/Professional Qualification**

Malaysian Certificate of Education (SPM)

#### **Board Meeting Attendance**

During the financial period ended 30 June 2024, he attended 2 out of 2 Board meetings held since his appointment.

#### **Experiences**

Datuk Kok has over 25 years of experience in the property development industry as well as property construction, consultancy and general management.

He is involved in property development and property investment projects ranging from masterplan townships and integrated developments with residential, retail, commercial and leisure components including sales-planning and strategy-planning as well as overseeing sales activities to drive business performance and achievements further.

Throughout the years, Datuk Kok has managed and completed housing development projects to cater for the affordable housing scheme for lower income group such as Taman Pertama, Cheras, Kuala Lumpur as well as the development of a 2-acre piece of residential land in Sg Besi, Kuala Lumpur to develop 700 units of condominium with a gross development value of RM215 million.

Datuk Kok is involved in the design and build development at Pasar Cheras, Kuala Lumpur, which consists of a temporary market and 702 units of council homes and markets. He is currently the Executive Chairman of GoodGloves Industries Sdn Bhd.

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

## Profile of Directors (cont'd)



### SHAHORIZAM BIN A SHUKOR

Independent Non-Executive Director

Nationality	Gender	Age
		52

#### Date of Appointment

6 May 2019

#### Board Committees Membership

Audit Committee (Chairman)

Risk Management Committee (Chairman)

Nomination and Remuneration Committee (Member)

#### Academic/Professional Qualification

- Bachelor of Accountancy (Hons), Universiti Putra Malaysia
- Member of the Malaysian Institute of Accountants
- Associate Member of CPA, Australia

#### Board Meeting Attendance

During the financial period ended 30 June 2024, he attended 9 out of 9 Board meetings held.

#### Experiences

Encik Shahrizam started his career in 1996 with Messrs Coopers & Lybrand, and thereafter joined Messrs Azman, Wong Salleh & Co. until 2002, in the areas of auditing and financial advisory.

He is the founder and consultant at Shahrizam Shukor & Co. Prior to that, he was the Chief Financial Officer of Seri Pacific Hotel Corporation Sdn Bhd and was previously the Chief Financial Officer of TH Travel & Services Sdn Bhd, a wholly owned subsidiary of Lembaga Tabung Haji. With his vast experience in corporate finance and accounting areas, he is also an Independent Non-Executive Director of Damansara Holdings Berhad, a strategic investment holding company since 15 December 2015 and KAF-Seagroatt & Campbell Bhd in 2022. He is also a Director of PDT Technique Sdn Bhd, a subsidiary of Permodalan Darul Ta'zim since 19 December 2019.

He also sits on the Board of Damansara Holdings Berhad.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.



## Profile of Directors (cont'd)



### Date of Appointment

1 March 2022

### Board Committees Membership

Nomination and Remuneration Committee (Member)  
Sustainability Committee (Member)

### Academic/Professional Qualification

Degree (L.L.B) Law, National University of Malaysia  
Licensed Company Secretary issued by Companies Commission of Malaysia

### Board Meeting Attendance

During the financial period ended 30 June 2024, she attended 8 out of 9 Board meetings held.

### Experiences

Puan Sharifah Rafidah has more than 20 years of vast experiences in legal and company secretarial works including litigation, regulatory, compliance and corporate advisory.

She is currently the Managing Director of RS Centre Cube Sdn Bhd, which provides services such as company secretarial, business registration and management, accounting, rental of office space and virtual office and other business related facilities.

Puan Sharifah Rafidah has also ventured into other services including setting up a business incubator for business start-up and providing support services for business development and growth which led to collaborations with the Sarawak State Government for various entrepreneur development programmes.

She was the Associate Director, Legal & Secretarial of TERAJU Bumiputera Corporation from 2012 to 2015.

She is the Company Secretary of Bintulu Port Holdings Berhad, Malaysian Institute of Economic Research, Cradle Fund Sdn Bhd, Razak School of Government, Putrajaya Perdana Berhad and TFM Foundation.

Puan Sharifah Rafidah does not hold any directorships in other public companies and listed issuers.

### Note:-

1. Except for Datuk Lau Beng Wei and Datuk Lau Beng Sin who are siblings, none of the other Directors are related to one another, nor with any major shareholder.
2. Except for Datuk Kok Boon Kiat who perceived to have potential conflict of interest with Varia as he is a director and has equity interests in companies where the business activities are property development, similar with one of the subsidiaries of Varia Group, none of the Directors has any conflict of interest or potential conflict of interest including interest in any competing business with Varia or its subsidiaries.
3. None of the Directors has any convictions for offences (other than traffic offences) within the past 5 years and have any public sanction or penalty imposed by any relevant regulatory bodies during the financial period.

## PROFILE OF KEY SENIOR MANAGEMENT



### RAIZITA BINTI AHMAD @ HARUN

Chief Financial Officer

Nationality	Gender	Age
		56

Puan Raizita was re-designated as the Chief Financial Officer of Varia Group on 30 January 2019. She was the Executive Director of Varia from 1 September 2015 until 30 January 2019. Prior to her appointment as Executive Director, she was the Senior General Manager of Finance and Accounts Division, responsible for the overall financial management for the Group. She leads the Group finance as an active strategic financial partner in driving Varia business directions including formulation of policies, corporate finance, treasury, risk management, compliances and best practices of accounting policies for Varia Group.

She graduated with Bachelor of Science in Administration (Accountancy) from California State University, Sacramento in 1990.

Puan Raizita has more than 30 years working experience and 20 years financial leadership position with Varia Group. She has advised the Board on numerous project-financing arrangements, structured debts and schemes of arrangements and represented the Company in several major corporate exercises.

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



### MARC TEO BOON HING

Chief Executive Officer of Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia

Nationality	Gender	Age
		59

Mr Marc Teo was appointed as the Chief Executive Officer of Pembinaan Teguh Maju Sdn Bhd (“PTM”) on 20 December 2023, following the acquisition of PTM by Varia, to continue his role and being responsible over the management and operations as well as overseeing all construction projects undertaken by PTM, including Mewah Kota Sdn Bhd, under the construction division of Varia Group.

He graduated from Tunku Abdul Rahman University in 1989 with a Diploma in Building Technology, majoring in Quantity Surveying & Project Management. Subsequently, he obtained a Master of Science in Project Management (Construction) from the University of Nottingham, United Kingdom in 2013. Mr Marc Teo is also a member of the Chartered Institute of Builders, United Kingdom.

He started his career with Saktukoya Corporation Sdn Bhd as a Contract Officer. Subsequently, he joined Mascon Sdn Bhd (“Mascon”) as a Senior Contract Manager in 1991. His tenure with Mascon ended when he became the Director of Tanjung Teras Sdn Bhd in 1996. In 1999, Mr Marc Teo became the Executive Director for Tanjung Teras Sdn Bhd and has held this position until 2020. With his vast knowledge and experience in project management and contract administration, he has successfully completed construction projects worth more than RM2 billion.

Mr Marc Teo ventured into property development in 2004 along with Premier Consortium Sdn Bhd where he was appointed as the Executive Director, responsible for managing projects and the operations of the company.

With over 30 years of career experience in the construction industry and 23 years in property development, he is proficient in collaborating with clients and subcontractors to meet or exceed design, quality, timeline, and budget limitations and consistently completed projects under budget and ahead of schedule.

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



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



### TRACY TANG LAI SUM

Chief Executive Officer of Paramount Ventures Sdn Bhd, a wholly-owned subsidiary of Varia

Nationality	Gender	Age
		39

Ms Tracy Tang joined Varia Group as Chief Executive Officer of Paramount Ventures Sdn Bhd (“PVSB”) on 27 May 2024, where she is responsible for the management of all projects and operations of PVSB.

She is a Chartered Accountant by profession, graduated with a Bachelor of Commerce (Accounting & Marketing) from Curtin University of Technology, Australia in 2006. She also holds the status of CPA, conferred by CPA Australia and is a registered accountant as well as a chartered accountant, Malaysia.

Ms Tracy Tang has more than 17 years of experience, specialising in property development, construction and auditing encompassing 9 years in managerial roles and 4 years as Chief Financial Officer within top management. Throughout her tenure as Chief Financial Officer, she adeptly directs company strategies and makes substantial contributions to Human Resources, Legal, and Operational facets.

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



### DENNIS KOAY XING BOON

Chief Strategy/Investment Officer

Nationality	Gender	Age
		42

Mr Dennis Koay was appointed as the Chief Strategy/Investment Officer of Varia Group on 1 September 2024. He graduated with a Bachelor in Law, LLB (Second Upper Honors), University of Northumbria, United Kingdom.

He is a self-made entrepreneur who started his career in property investment in 2005. His entrepreneurial journey led him into consulting services for project development and government relations.

Mr Dennis Koay is the co-founder and owner of THB Power Sdn Bhd, which is part of the THB Group of Companies involving in construction, infrastructure, roadwork maintenance and energy sector and also sits on the Board of Technodex Berhad, an ICT company listed on Bursa Malaysia ACE Market which is principally involved in government IT infrastructure projects and communication technologies.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.

#### Note:-

Save as disclosed above, none of the Key Senior Management:

- (i) has any family relationship with any Director and/or major shareholder of Varia;
- (ii) has any conflict of interest or potential conflict of interest including interest in any competing business with Varia or its subsidiaries; and
- (iii) has any convictions for offences (other than traffic offences) within the past 5 years and has any public sanction or penalty imposed by any relevant regulatory bodies during the financial period.

# SUSTAINABILITY STATEMENT

## OVERVIEW

Varia Berhad (“Varia”) proudly presents the Sustainability Statement (“Statement”) for financial period ended 30 June 2024 (“FPE2024”). This extensive Statement exemplifies our resolute determination to incorporate sustainable practices into our business strategies and policies. It provides valuable insights into our sustainable development and management practices, catering to the interests of the investment community and our stakeholders. This annual Statement not only provides a snapshot of our Group’s Economic, Environmental, Social and Governance (“EESG”) initiatives but also showcases some of the notable achievements from the past year.

At Varia, sustainability is not just a concept but a fundamental aspect of responsible corporate citizenship. Sustainability is an ongoing journey of growth, innovation, and continuous improvement. We are committed to integrating the latest guidance and best practices into our sustainability priorities, positively transforming our work and operation practices. We are also committed to embracing the principles and ideals of sustainable development and embedding them within our operational workflows. We firmly believe that sustainable development is an integral component of our business achievements, serving as the bedrock for generating value for our stakeholders. Our sustainability approach at Varia is deeply rooted in our core values of prioritising safety, creating opportunities, fostering collaboration, and leading with integrity. These values guide every aspect of our operations, ensuring we deliver sustainable value to our clients, employees, shareholders, and communities.

To shape our EESG Program, we rely on extensive research, industry best practices, stakeholder materiality, specialised teams’ expertise, and external guidance. This holistic approach enables us to optimise our positive social and environmental impact while upholding a robust corporate governance framework that ensures accountability and responsible stewardship across all our activities.

As we progress towards the end of 2024, we have taken proactive steps to conduct a sustainability materiality assessment to ensure our focus remains aligned with the most significant sustainability issues affecting our operations.

## REPORTING GUIDELINES AND STANDARDS

This Statement is prepared in accordance with the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and guided by the Sustainability Reporting Guide and Toolkits (3rd Edition). The methodology employed for data preparation, calculation, collection and consolidation is adhering to the reporting principles and requirements outlined in the Sustainability Reporting Guide by Bursa Securities.

This Statement should be read in conjunction with other sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control as well as Corporate Governance Report, as our sustainability efforts may be better contextualised and narrated in the respective sections.

Additionally, we have undergone FTSE4Good assessment and we remain as a constituent of the FTSE4Good Bursa Malaysia (“F4GBM”) Index series. Based on the June 2024 review, we have been included in the 2-star Environmental, Social and Governance (“ESG”) Grading Band, representing the top 51%-75% by ESG ratings amongst Public Listed Companies in FBM EMAS that have been assessed by FTSE Russell.



FTSE4Good

## REPORTING DURATION

This Statement encompasses the Group’s sustainability performance and achievements spanning from 1 April 2023 to 30 June 2024. We will also include data, where relevant, from the previous years to track year-on-year progress and provide comparative data. The data for FYE 2022 and FYE 2023 were re-stated as our financial year end has been revised from March to June. The change of financial year end was announced on 23 November 2023.





## Sustainability Statement (cont'd)

### REPORTING SCOPE AND BOUNDARIES

This Statement covers the holding group and business operations of three (3) business entities within our Group:

1. Pembinaan Teguh Maju Sdn Bhd (Construction Segment)
2. Mewah Kota Sdn Bhd (Construction Segment)
3. Paramount Ventures Sdn Bhd (Property Development Segment)

These entities, over which Varia exercises direct managerial control, form the primary focus of this Statement.

### ASSURANCE

This Statement has not been externally assured. Nevertheless, to ensure compliance, we have thoroughly reviewed our internal procedures related to report preparation and the performance data published have been reviewed by the Management. This Statement has also been reviewed by the Sustainability Committee (“SC”) and subsequently endorsed by the Board of Directors.

### AVAILABILITY

This Statement is available on our Company’s website at <https://www.varia.com.my/>.

### FEEDBACK

We welcome and encourage our stakeholders to provide valuable feedback pertaining to this Statement at [varia@varia.com.my](mailto:varia@varia.com.my).

### SUSTAINABILITY GOVERNANCE

The SC is responsible for the sustainability matters of the Group and discusses sustainability matters, including evaluating Material Matters for their relevance and up-to-date significance. All Heads of Departments across the Group are responsible for implementing the Group’s sustainability activities, which the Board of Directors (“Board”) carefully reviews.

Our esteemed Board is committed to advancing our sustainability agenda and setting the strategic course to ensure that sustainability remains a top priority and that our initiatives align with current trends and precedence. This contributes to the overall efficacy of evaluating EESG risks and opportunities, thereby safeguarding the robustness of the Group’s business model.

Ensuring solid and robust sustainability governance is of paramount importance to Varia. This entails establishing clear lines of accountability, defining roles and responsibilities, and adhering to our sustainability policy. By taking these measures, we can actively propel our journey towards achieving sustainability goals with resolute dedication.

The structure of our sustainability governance is outlined as follows:-

Role	Responsibilities
<b>Board</b>	<p>The Board holds accountability for the Group’s sustainability practices and performance:</p> <ul style="list-style-type: none"> <li>• Oversees sustainability initiatives, addressing material matters</li> <li>• Approves sustainability strategies, policies, and initiatives</li> <li>• Reviews sustainability strategy and progress, setting goals</li> </ul>

## Sustainability Statement (cont'd)

### SUSTAINABILITY GOVERNANCE (CONT'D)

Role	Responsibilities
<b>SC</b>	<p>The SC comprises four (4) members from the Board is assigned the responsibility of supporting the Board in handling sustainability-related matters:-</p> <ul style="list-style-type: none"> <li>• Integrates sustainability and manages EESG risks in the Group's business</li> <li>• Aligns sustainability initiatives with business strategies and operations.</li> <li>• Reports to the Board on key sustainability decisions and resource allocation</li> <li>• Monitors sustainability for compliance and development</li> </ul>
<b>Management Committee</b>	<p>The Management Committee, comprising Heads of Departments or subsidiaries, provides support to the SC:-</p> <ul style="list-style-type: none"> <li>• Implements and monitors sustainability and EESG risk management in daily operations</li> <li>• Oversees daily sustainability management for Group integration</li> <li>• Executes sustainability initiatives, tracks progress, and reports to the SC</li> <li>• Gathers and monitors data to evaluate sustainability progress</li> </ul>

### STAKEHOLDER ENGAGEMENT

Our ongoing interactions with stakeholders have consistently provided valuable insights, reinforcing our understanding of the Group's EESG priorities and enabling us to stay ahead of global developments. Establishing and nurturing strong relationships with stakeholders is our core focus at Varia.

To this end, we have implemented stakeholder engagement processes at all levels, including project-specific engagements. This collaborative effort ensures that our extended value chain comprehends and meets Varia's expectations regarding this critical matter.

In our pursuit of comprehensive stakeholder engagement, our Group employs diverse communication channels to facilitate two-way dialogue and gather valuable feedback. This commitment was particularly evident during the pandemic, as we utilised various online technologies to enhance communication with our stakeholders. To ensure effective communication, we utilise a range of internal and external channels:-

#### 1. Internal Communication:

- Employee engagement through memos and dedicated group messaging platforms, such as WhatsApp.
- Internal bulletins to disseminate important information within the organisation.

#### 2. External Communication:

- Our Group's official website at <https://www.varia.com.my/>, is a reliable source of information for stakeholders.
- Annual reports provide comprehensive overview of our performance, progress, and strategic direction.
- Group announcements, enabling us to share important updates and news with our external stakeholders.

The Group values stakeholder input in assessing the quality and relevance of this Statement, enhancing our sustainability achievements and reporting practices. We encourage stakeholders to share their thoughts and recommendations by contacting us through our official website.



## Sustainability Statement (cont'd)

### STAKEHOLDER ENGAGEMENT (CONT'D)

The following table highlights our key stakeholders, areas of concern, type of engagement and frequency of engagement:-

Stakeholder Group	Areas of Concern	Type of Engagement	Frequency of Engagement
Project Clients	<ul style="list-style-type: none"> <li>- Project quality</li> <li>- On-time delivery</li> <li>- Client support</li> </ul>	<ul style="list-style-type: none"> <li>- Correspondence</li> <li>- Site visits</li> <li>- Meetings</li> <li>- Corporate website</li> </ul>	Ongoing
Employees	<ul style="list-style-type: none"> <li>- Welfare and benefits</li> <li>- Skills enhancement through training and development</li> <li>- Performance rewards and recognition</li> <li>- Occupational health and safety</li> <li>- Conducive workplace</li> <li>- Career growth and stability</li> </ul>	<ul style="list-style-type: none"> <li>- Performance appraisal</li> <li>- Open communication via WhatsApp and email</li> <li>- Staff and management meetings</li> <li>- Sports club activities</li> <li>- Feedback sessions</li> <li>- Trainings, presentations, and initiatives</li> </ul>	Ongoing / As required
Shareholders and Investors	<ul style="list-style-type: none"> <li>- Financial performance</li> <li>- Corporate governance</li> <li>- Sustainable growth</li> <li>- Shareholder value</li> <li>- Public perception</li> <li>- Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate communications</li> <li>- Quarterly updates</li> <li>- Online presence</li> <li>- General meetings</li> <li>- Performance evaluations</li> </ul>	Annually / Quarterly
Contractors, Suppliers, and Consultants	<ul style="list-style-type: none"> <li>- Reliable operations</li> <li>- Ethical procurement</li> <li>- Timely payments</li> <li>- Business continuity</li> <li>- Regulatory compliance</li> <li>- Transparent tender processes</li> <li>- Ethical business practices</li> <li>- Punctual and quality deliveries</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings and interactions</li> <li>- Written communications</li> <li>- Assessments and evaluations</li> <li>- Site visits</li> </ul>	Ongoing
Regulatory Authorities	<ul style="list-style-type: none"> <li>- Eco-friendly development</li> <li>- Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Statutory reporting</li> <li>- Audits and inspections</li> <li>- Meetings</li> <li>- Consultation</li> <li>- Written correspondence</li> </ul>	As required
Communities	<ul style="list-style-type: none"> <li>- Community welfare</li> <li>- Environmental impact</li> <li>- Safety and health</li> <li>- Sustainability and CSR</li> <li>- Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Community involvement through events</li> <li>- Active participation in CSR programs</li> <li>- Donations and sponsorships</li> <li>- Internship opportunities</li> </ul>	Ongoing / As required

## Sustainability Statement (cont'd)

### SUSTAINABILITY MATERIALITY ASSESSMENT

We carefully considered topics directly impacting our business model and the various forms of capital involved. We evaluated topics that directly influence our economic, environmental, social and governance (“EESG”) performance, encompassing financial and non-financial aspects, intending to generate sustainable value.

To ascertain the significance of our key concerns, we undertake an annual materiality assessment to prioritise significant matters that impact Varia’s business across economic, environmental, and social dimensions. The Group conducts the material assessment through the following comprehensive methodology:

- 1. Identification of sustainability matters:** We evaluate our current sustainability matrix and topic list to identify gaps and improvement areas, ensuring our approach aligns with both local and global standards. This includes reviewing the list of topics, considering global and industry trends and developments to stay congruent with the ever-evolving landscape. We also identify key stakeholders and understand their needs and expectations pertaining to sustainability-related impacts. To gather valuable insights, we organise meetings and surveys where necessary to gather diverse perspectives.
- 2. Prioritisation of material sustainability matters:** We apply materiality concept and undertake stakeholder engagement in prioritisation. We also present the preliminary material matters to the management team for review and input. Through focus groups, meetings, and interviews, we facilitate meaningful discussions to refine our understanding. We disclose the prioritised material sustainability matters in a manner which illustrates the relative importance of each material sustainability matter.
- 3. Review and validation of process and outcome:** The final stage involves seeking confirmation from the Board for the Materiality Matrix, which represents the prioritised material matters. Their endorsement ensures the robustness and credibility of our approach.

In FYE2023, our focus was on 18 material topics across 3 sustainability pillars – Economic, Environmental and Social (“EES”). For FPE2024, we conducted a thorough evaluation across all functional groups in Varia to conduct a comprehensive materiality assessment. Based on the assessment, we refined our focus to 12 material topics that are of utmost importance to our stakeholders. Additionally, we have introduced a new sustainability pillar – Governance, further enhancing our commitment to comprehensive and responsible management practices.

Sustainability Pillars	Material Sustainability Matters
Economic	Economic Performance
	Supply Chain Control
Environmental	Energy
	GHG Emissions
	Water Management
Social	Waste & Effluents
	Labour Practices & Standards
	Diversity & Equal Opportunity
	Occupational Health & Safety
Governance	Community Engagement
	Corporate Governance & Ethics
	Data Privacy

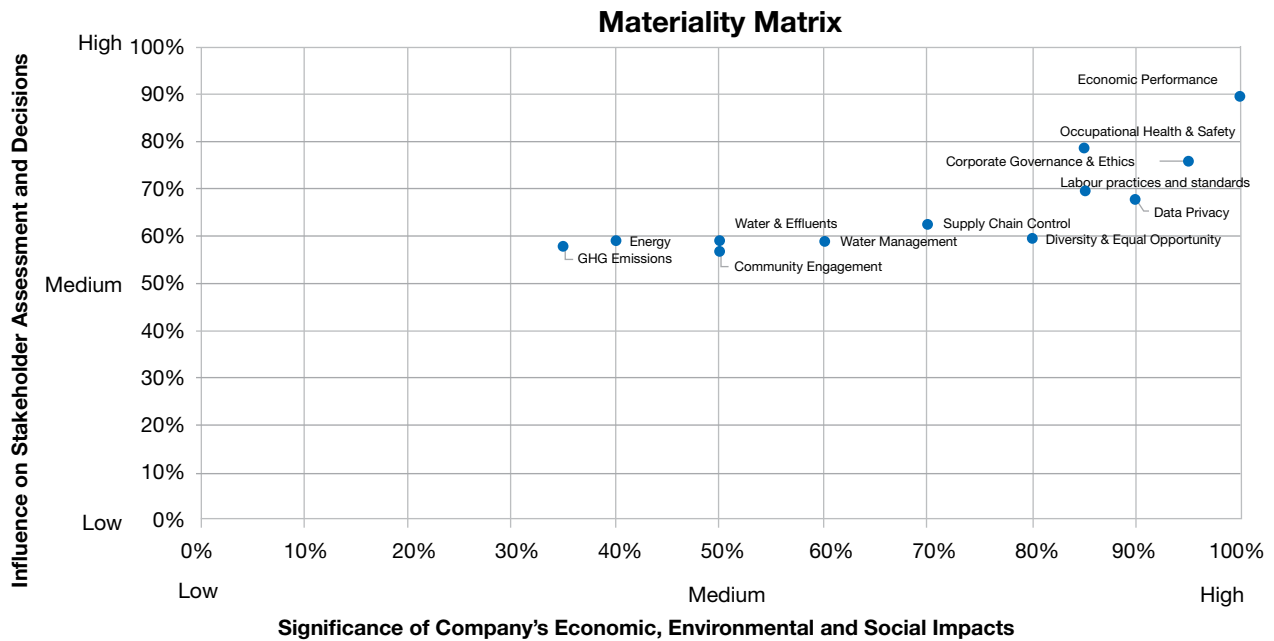
These topics not only wield influence over the strategic direction of our Group but also serve as critical inputs for our decision-making processes, both in the short and long term.



## Sustainability Statement (cont'd)

### SUSTAINABILITY MATERIALITY ASSESSMENT (CONT'D)

Below, we present our Materiality Matrix for FPE2024:



The summary of revision on material sustainability matters was summarised as follows:-

Categories	Previous	Current
Grouping <i>(organise multiple impacts into a single topic to enhance focus and management)</i>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Ethical Business Conduct</li> <li>Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance &amp; Ethics</li> </ul>
	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Economic Impacts Customer Satisfaction</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> </ul>
Change of name - Material Topics' name <i>(revise to encompass a broader scope)</i>	<ul style="list-style-type: none"> <li>Employee Welfare &amp; Development</li> </ul>	<ul style="list-style-type: none"> <li>Labour Practices &amp; Standards</li> </ul>
Removal <i>(transfer from material sustainability matters to a key element within the Statement under Stakeholder Engagement)</i>	<ul style="list-style-type: none"> <li>Stakeholder Relation</li> </ul>	–

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE

Sustainability Pillars	Targets/Goals	FPE 2024 Performance
<b>Economic</b> <ul style="list-style-type: none"> <li>Economic Performance</li> <li>Supply Chain Control</li> </ul>	<ul style="list-style-type: none"> <li>Deliver financial values to our shareholders</li> <li>Promote local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>694% of revenue growth</li> <li>100% spending with local suppliers</li> </ul>
<b>Environmental</b> <ul style="list-style-type: none"> <li>Greenhouse Gas (“GHG”) Emissions</li> <li>Energy</li> <li>Water Management</li> <li>Waste &amp; Effluents</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with local regulatory requirements and promote efficiency in energy, water and waste management</li> </ul>	<ul style="list-style-type: none"> <li>114.68tCO<sub>2</sub>e for Scope 1, 393.49tCO<sub>2</sub>e for Scope 2 and 0.77 tCO<sub>2</sub>e for Scope 3 GHG Emissions</li> <li>Consumed 16,851 m<sup>3</sup> of water</li> <li>99.68 ton SW204 and 1.06 ton domestic waste</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li>Labour Practices &amp; Standards</li> <li>Diversity &amp; Equal Opportunity</li> <li>Occupational Health &amp; Safety</li> <li>Community Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Zero substantiated complaints concerning human rights violation</li> <li>Promote diversity and inclusion</li> <li>Zero work-related fatalities</li> <li>Support local communities through corporate social responsibility programs</li> </ul>	<ul style="list-style-type: none"> <li>Zero substantiated complaints concerning human rights violation</li> <li>34% workforce is represented by female</li> <li>Zero work-related fatalities</li> </ul>
<b>Governance</b> <ul style="list-style-type: none"> <li>Corporate Governance &amp; Ethics</li> <li>Data Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> <li>Zero substantiated complaints concerning breaches of customer privacy and losses of customer data</li> </ul>	<ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> <li>Zero substantiated complaints concerning breaches of customer privacy and losses of customer data</li> </ul>

### ECONOMIC

#### Economic Performance

Our Group strives to foster sustainable economic growth and generate long-term value for our stakeholders and is actively seeking sustainable innovative green recurring business which we believe is one of the business of the future and in line with our EESG objectives.

Customer satisfaction is our top priority. We aim to deliver exceptional work while optimising procurement and construction costs as well as maximising shareholder value. Through engaging local suppliers and contractors, we contribute to the growth of the domestic economy, generating economic activities that benefit local traders and small businesses.

#### 1) Direct Economic Impacts

##### a) Achieving Economic Performance and Sustainable Growth

The Group is committed to sustainable growth, ensuring a reliable revenue source. Our restructuring strategy by divesting from healthcare and oil and gas businesses in FYE 2023 has enabled us to focus on property and construction projects, enhancing our regular revenue streams. Our priority in these sectors promotes stability, long-term profitability, and overall Group growth.



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Economic (Cont'd)

##### Economic Performance (Cont'd)

###### b) Enhancing Capital Structure and Maximising Capital Efficiency

At Varia, we continuously optimise and strategically manage our capital structure to maximise efficiency and value. Through a balanced combination of domestic and foreign equity and capital debt, we make prudent financial decisions that drive sustainable growth and success.

###### 2) Indirect Economic Impacts

Varia is deeply committed to responsible investment and cultivating progress in economic, social, environmental, and cultural aspects, improving the quality of life in the communities where our projects are located. Our focus on balanced development aligns with regional growth strategies, creating vibrant ecosystems that bring exceptional value to our customers, partners, and the community.

At Varia, we undertake development and construction projects with functional and practical designs, revitalising local areas into desirable destinations. Through active engagement in public-private dialogues, we ensure direct benefits to the local community, increasing property values and enhancing infrastructure with world-class facilities.

Varia actively promotes local economic growth through strategic partnerships with local businesses, establishing a sustainable supply chain and creating new regional opportunities.

Furthermore, Varia takes pride in advancing essential infrastructure systems in Malaysia, fulfilling our commitments to enhance transportation networks and seamless connectivity between areas. Our dedication to responsible investment and transformative development positions us as a leader driving positive change for the communities we serve.

### SUPPLY CHAIN CONTROL

#### Procurement Protocols

Within our construction arm, Pembinaan Teguh Maju Sdn Bhd and Mewah Kota Sdn Bhd, we prioritise excellence in procurement. We are proud to have achieved ISO 9001:2015 certification for our Quality Management System, ensuring that our material and service acquisitions conform to specified requirements.

To maintain this high standard, we maintain a meticulously curated list of approved suppliers and subcontractors, rigorously evaluating potential additions based on their ability to meet our specific needs. Furthermore, we assess subcontractors based on their on-site performance.

At Varia, we are dedicated to fostering relationships with suppliers and subcontractors who align with our competitiveness, efficiency, and ethical conduct values. Our procurement department operates within well-defined standard operating procedures to ensure fairness and transparency which conducts comprehensive evaluations encompassing quality, supply specifications, pricing, and other essential factors.

We require suppliers and contractors to provide an Anti-Bribery and Corruption Declaration to fortify our resolute dedication to upholding ethical business practices. By signing this declaration, they affirm their commitment to complying with relevant laws, rules, and regulations and adopting robust measures against corruption. This aligns with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and MACC (Amendment) Act 2018. We expect our suppliers and contractors to proactively prevent corruption when engaging in business activities with our Group.

By adhering to stringent procurement practices and cultivating strong partnerships with ethical suppliers and contractors, we maintain the highest standards of quality and integrity throughout our operations.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Supplier Selection and Environmental Compliance at Varia

At Varia, the careful selection of suppliers aligns with our commitment to environmental protection and sustainable development. We value collaboration with numerous reputable domestic and international suppliers, recognising that managing these partnerships is crucial to our long-term success.

When choosing suppliers and partners, we prioritise their adherence to a range of criteria, encompassing legal compliance, quality standards for materials and components, capacity, and sustainability measures such as labour practices, social impacts, and environmental protection.

Varia's procurement department conducts a rigorous evaluation process during supplier selection to ensure the highest standards. For industrial production activities, particular emphasis is placed on safety, health, and environmental assessments. We hold our suppliers accountable for maintaining controlled and traceable supplies while actively promoting clean energy, reducing emissions, and eradicating child labour.

Through these stringent measures, Varia remains dedicated to upholding ethical and environmentally responsible practices across our supply chain, fostering a sustainable future for all stakeholders.

The proportion of spending with both local and foreign suppliers are detailed as follows:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Local Suppliers	Percentage (%)	100%	100%	100%
Foreign Suppliers	Percentage (%)	0%	0%	0%

### ENVIRONMENTAL

We are committed to reducing the environmental impact of our business activities and protecting natural surroundings. To uphold this commitment, we adhere to environmental management plans and ensure compliance with environmental impact assessments for all our construction projects .

We recognise the importance of addressing environmental challenges and fulfilling our obligations as a construction and property development company. Our approach involves managing our operations responsibly and focusing on both medium and long-term objectives focus. These objectives include minimising the adverse effects of our site planning and development, creating a safe environment, and reducing our ecological footprint.

Varia fully commits to complying with Malaysia's environmental protection laws in all project phases. We prioritise adherence to regulations and standards related to wastewater discharge, emissions, waste management, and noise control. Our comprehensive sustainability policy includes annual environmental monitoring reports to track our progress. We proactively implement various initiatives to ensure sustainable and eco-friendly project execution.

Varia has proactively adopted new policies in alignment with the Environmental Quality Act 1974, incorporating effective solutions throughout the construction, operation, and business processes. We prioritise using green building materials, implementing energy-saving lighting systems, promoting water efficiency, and harnessing renewable energy sources.

#### Energy and Greenhouse Gas ("GHG") Emissions

The impacts of climate change are increasingly apparent with each passing day, with carbon emissions emerging as pivotal factor in this global challenge. Given the property development and construction-related nature of our operations, energy usage primarily stems from construction activities, transportation, and system operations equipment.





## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### ENVIRONMENTAL (Cont'd)

##### Energy and Greenhouse Gas (“GHG”) Emissions (Cont'd)

We are committed to ongoing initiatives designed to minimise our carbon footprint and optimising electricity consumption, thereby contributing to effective climate change management. Among these initiatives are:-

- √ **Efficient operations:** Our Group diligently manages operating time and material movement distances and employs high-efficiency equipment to minimise material loss and conserve energy.
- √ **Sustainable practices:** At our project sites and office, we prioritise energy management across our diverse portfolio by implementing sustainable practices. These practices include incorporating solar panels, transitioning to energy-efficient LED lighting, adopting environmentally friendly cooling solutions, and leveraging automated and intelligent technologies to optimise energy efficiency.
- √ **Awareness:** At Varia, we are committed to fostering a culture of sustainability by raising awareness and encouraging active participation in sustainable practices to safeguard our planet for future generations. We prioritise the importance of environmental protection through a range of carefully curated programmes aimed at promoting a strong commitment to sustainability and climate action.
- √ **Environmental sustainability:** Varia integrates environmental sustainability into its projects by implementing low construction density in residential constructions. This approach allows ample land allocation for natural surroundings, including trees and public facilities. The goal is to create a desirable living environment that promotes environmental friendliness and enhances the well-being of residents and surrounding communities.

	Unit	FYE 2022	FYE 2023	FPE 2024
Electricity	kWh	403,432	457,424	504,475
Petrol	Litre	152,230.71	76,058.02	35,734.84
Diesel	Litre	68,616.73	39,056.71	11,591.73

	Unit	FYE 2022	FYE 2023	FPE 2024
Scope 1 <sup>(a)</sup>	tCO <sub>2</sub> e	541.10	283.39	114.68
Scope 2 <sup>(b)</sup>	tCO <sub>2</sub> e	314.68	356.79	393.49
Scope 3 <sup>(c)</sup>	tCO <sub>2</sub> e	–	–	0.77

Note:-

- a) The GHG emission for Scope 1 is calculated using the emission factor obtained from US EPA 2021AR5.
- b) The GHG emission for Scope 2 is calculated using the emission factor obtained from MY Energy Commission 2019 Grid EF based on EPA (Environmental Protection Agency, US).
- c) The GHG emission for Scope 3 is calculated using the emission factor obtained from UK Government Conversion Factors for GHG reporting. Scope 3 emissions in this context include employee commuting and business travel. For employee commuting, we applied a sampling method that represents approximately 81% of our workforce.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### ENVIRONMENTAL (Cont'd)

##### Water Management

Varia places a strong emphasis on the efficient utilisation of water resources by implementing various water-saving practices during the construction phase and these initiatives are as follows:-

- √ **Regulatory compliance:** Our on-going construction projects strictly adhere to regulations governing groundwater exploitation, water resource utilisation, and wastewater treatment, operating within the prescribed limits stated in the approved construction plans. We prioritise using clean water from local supply plants, carefully adjusting the flow to suit each project's requirements.
- √ **Inspections and monitoring:** We conduct comprehensive inspections and enforce strict control measures at raw water supply points throughout our construction projects. In the operation of our buildings, we are committed to managing water usage and re-use responsibly, ensuring efficient consumption.
- √ **Water-saving solutions:** We implement water-saving solutions at our project sites and offices and closely monitor raw water supply points using electronic devices. Our technical designs incorporate water-conserving features such as automatic sensor faucets, dual flush toilets, low-flow plumbing fixtures, water-efficient irrigation systems, and recycled water for non-potable purposes.

	Unit	FYE 2022	FYE 2023	FPE 2024
Water consumption	m <sup>3</sup>	1,634	1,290	16,851
Petrol	m <sup>3</sup>	200.9	202.5	0
Diesel	%	12.3%	15.73	0

##### Waste and Effluents

As a responsible construction and property development organisation, Varia prioritises effective waste and effluent management and environmental stewardship throughout the construction process.

We actively embrace innovative initiatives like utilising recycled materials in construction, implementing wastewater treatment systems, and establishing waste sorting practices. Our Group implemented comprehensive waste management practices involving employees, contractors, and all relevant parties at our sites and offices. Waste is sorted, stored, and transported according to regulations, with recycling as a key focus. Initiatives are in place to reduce plastic waste, promote environmentally-friendly production practices, and optimise costs.

Additionally, we have established waste collection contracts with certified suppliers who comply with all the requirements for waste treatment activities as mandated by the law and stringent environmental standards.

To ensure proper disposal, domestic solid waste and scheduled waste are handed over to qualified contractors specialising in waste management and disposal methods. This approach guarantees the responsible and environmentally sound handling of these waste streams.



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Environmental (Cont'd)

##### Waste and Effluents (Cont'd)

	Unit	FYE 2022	FYE 2023	FPE 2024
Total waste generated	Metric ton	61.56	63.48	100.74
Total waste diverted from disposal	Metric ton	60.60	62.40	99.68
Total waste directed to disposal	Metric ton	0.96	1.08	1.06
Scheduled Waste - SW204(a)	Ton	60.60	62.40	99.68
Domestic Solid Waste	Ton	0.96	1.08	1.06

Note:-

- a) SW204 are sludges containing various metals such as chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium, and beryllium.

#### SOCIAL

##### Diversity & Equal Opportunity

We are committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. We expect that all relationships among persons in the office will be business-like and free of explicit bias, prejudice and harassment.

We have established Anti-Discrimination and Harassment Policy and it is the policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, colour, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law.

We believe our diverse workforce brings fresh perspectives and innovative ideas, ensuring our Group remains agile and forward-thinking. Investing in their development is crucial as they represent the future leaders who will drive our continued success.

As of FPE 2024, our workforce consisted of 147 employees, with a gender distribution of 66% male and 34% female.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Diversity & Equal Opportunity (Cont'd)

	FYE 2022		FYE 2023		FPE 2024	
	Number	%	Number	%	Number	%
<b>Total Employee</b>	63	100%	140	100%	147	100%
<b>By Gender</b>						
Male	32	51%	93	66%	97	66%
Female	31	49%	47	34%	50	34%
<b>By Age</b>						
Below 30	13	21%	39	28%	39	27%
30-50	31	49%	69	49%	78	53%
Above 50	19	30%	32	23%	30	20%
<b>By Employee Category</b>						
Executive	30	48%	79	56%	83	56%
Non-Executive	20	32%	35	25%	39	27%
Manager and above	13	21%	26	19%	25	17%
<b>Gender By Employee Category</b>						
Executive – Male	7	23%	47	59%	50	60%
Executive – Female	23	77%	32	41%	33	40%
Non-Executive – Male	17	85%	27	77%	30	77%
Non-Executive – Female	3	15%	8	23%	9	23%
Manager and above – Male	8	62%	19	73%	17	68%
Manager and above – Female	5	38%	7	27%	8	32%
<b>Age By Employee Category</b>						
Executive – Below 30	9	30%	25	31%	25	30%
Executive – 30-50	16	53%	43	54%	46	55%
Executive – Above 50	5	17%	12	15%	12	14%
Non-Executive – Below 30	4	20%	13	38%	14	36%
Non-Executive – 30-50	10	50%	14	41%	18	46%
Non-Executive – Above 50	6	30%	7	21%	7	18%
Manager and above – Below 30	0	0%	1	4%	0	0%
Manager and above – 30-50	4	31%	12	46%	13	52%
Manager and above – Above 50	9	69%	13	50%	12	48%

The percentage of employees that are contractors or temporary staffs are detailed as follows:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Contractor or temporary staff	%	49%	56%	53%
Permanent staff	%	51%	44%	47%



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Diversity & Equal Opportunity (Cont'd)

Our Board diversity is illustrated in table below:-

	FYE 2022		FYE 2023		FPE 2024	
	Number	%	Number	%	Number	%
<b>By Gender</b>						
Male	7	78%	8	89%	9	90%
Female	2	22%	1	11%	1	10%
<b>By Age</b>						
Below 30	0	0%	0	0%	0	0%
30-50	1	14%	2	22%	2	10%
Above 50	6	86%	7	78%	8	90%

Concerning the diversity of our Board, our sustainability approach emphasises our dedication to fostering a workplace culture that embraces diversity and inclusivity. This commitment extends to the composition of our Board, where we currently have a 10% representation of women.

We recognise the significance of having a diverse group of directors who bring a range of perspectives to inform Varia's decision-making and drive the attainment of our strategic goals. To further enhance diversity at the highest level, we aim to achieve a minimum representation of 30% women on the Board.

#### Labour Practices & Standards

Varia recognises the paramount importance of upholding human rights. We strictly prohibit modern slavery, child labour, forced labour, harassment, inhumane working conditions, human trafficking, both within our Group and throughout our supply chain. We remain diligent in our supplier due diligence efforts, ensuring strict adherence to relevant legislation regarding human rights.

Our dedication to fostering a diverse, inclusive and ethical workplace is unwavering. We prioritise fair employment practices and creation of a healthy and safety working environment for all employees. We have implemented a strong culture of respect within our workplace, prioritising detecting and promptly rectifying any human rights violations. Additionally, we place particular emphasis on fostering diversity among our employees.

Outlined below are key policies that form part of our Code of Ethics, reflecting our commitment to fair employment practices:-

- √ **Equal Employment Opportunity:** We take pride in being an employer that provides equal opportunities to all individuals, irrespective of their race, religion, gender, sexual orientation, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law. This commitment extends across all areas of our working environment.
- √ **Workforce Diversity:** We believe in actively engaging our employees, empowering them to reach their full potential and fostering fulfilling careers. Furthermore, we strive to maintain a balanced representation of female employees within our organisation. We actively promote the recruitment of local talents from the communities in which we operate, contributing to the local economies.
- √ **Adherence to Minimum Wages:** We strictly adhere to the Minimum Wages Order 2023, ensuring that our employees receive fair remuneration in compliance with the prevailing regulations.



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

##### Labour Practices & Standards (Cont'd)

- √ **Prohibition of Harassment:** Creating a safe and conducive working environment free from any form of harassment or unlawful discrimination is of utmost importance to us. We view sexual harassment as a severe violation and have implemented a sexual harassment policy along with a grievance procedure. These measures are communicated to all employees to prevent and address any incidents of discrimination.
- √ **Prevention of Child Labour and Forced Labour:** In alignment with the Children and Young Persons (Employment) (Amendment) Act 2010, we only employ individuals aged 18 years and above, strictly prohibiting the employment of minors. This commitment aligns with the standards set by the International Labour Organisation.

Our grievance mechanism allows our employees to report any breach of the Company's policies which include the human rights violations. The number of substantiated complaints concerning human rights violations:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Substantiated complaints concerning human rights violations	Number	0	0	0

##### Employee Learning and Development

At Varia, we are committed to developing our employees' skills and knowledge to drive success. We focus on their growth through training programmes and workshops, ensuring they have the tools needed to excel in the industry. We promote continuous learning and encourage employees to take on new challenges and responsibilities.

Investing in their professional development benefits their individual growth and contributes to our Group's overall success. By staying well-informed and adaptable, our employees are empowered to deliver exceptional results and drive our collective growth.

**24 November 2023 – 25 November 2023**  
Staff Development, Team Building at Tambun, Ipoh, Perak





## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Employee Learning and Development (Cont'd)

**6 October 2023**

Employment Act – Audit Preparation, Concorde Hotel, Shah Alam, Selangor



**21 May 2024**

E-Invoicing Program, Varia Berhad



**5 June 2024**

Sustainability Reporting Training, Varia Berhad



Total hours of training by employee category is summarised as follows:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Executive	Hour	-*	-*	432
Non-Executive	Hour	-*	-*	872
Manager and above	Hour	-*	-*	136
<b>Total</b>	<b>Hour</b>	<b>-*</b>	<b>-*</b>	<b>1,440</b>

Note:-

\*Data was tracked since FPE 2024.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

##### Talent Attraction and Retention

We prioritise creating a supportive environment that fosters the well-being of our employees, enabling them to unlock their full potential. At our Group, we prioritise the well-being of our employees and foster a culture of adaptability and growth in line with the evolving business landscape. To achieve this, we strive to enhance the efficacy of our personnel management strategies, encompassing various aspects such as recruitment, retention, training, and professional development.

We underscore performance management, actively engage our employees, and implement internal social initiatives. Furthermore, we are committed to upholding respect, equality, and equal opportunities for all workforce members, implementing measures to ensure their well-being and success.

We deeply value the contributions of our diverse workforce and strive to attract talented individuals by providing a supportive work environment and growth opportunities. Our comprehensive welfare system ensures that all employees receive fair treatment across all our sites. We also comply with local statutory requirements, including minimum wages, employees' provident fund, and social security contributions. We prioritise financial and non-financial incentives and create a conducive work environment to foster employee motivation. Below are the details of our approach:-

- √ **Financial Motivation:** To remain relevant and attractive in today's market, we continuously update our pay scale system and are committed to improving our remuneration structure further. Our bonus system is based on a comprehensive evaluation methodology, and bonus distribution is at the discretion of management. We consistently evaluate industry best practices to refine our remuneration framework.

We provide various employee welfare bonuses such as travel allowances, subsidies for hospitalisation and surgical insurance coverage, group personnel accident insurance, communication expenses, uniforms, personal protective equipment, festive gifts, and events. These initiatives underscore our commitment to promoting work-life integration and personal effectiveness.

- √ **Non-Financial Motivation:** As a socially responsible corporate, we provide our employees with a comprehensive non-financial compensation package that aligns with employment regulations and is integral to their total remuneration. Our employees receive medical benefits and entitlements as outlined in our Human Resource Policy Handbook. We offer various types of leave, including annual leave, sick leave, compassionate leave, maternity and paternity leave, and marriage leave. Additionally, all employees are covered by group personal accident and hospitalisation insurance.

We have established the Kelab Sukan dan Kebajikan to strengthen the bond with our employees. This club organises a wide range of activities, including sports and games, community programmes, local fruits festival, and festive celebrations. These initiatives promote camaraderie and enhance the overall employees' experience.

8 July 2023

Bowling Tournament, KLGCC, Kuala Lumpur







## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Talent Attraction and Retention (Cont'd)

**28 August 2023**  
CSR – Kg Jetty Kedah



**8 September 2023**  
Local Fruits Feast, Varia Berhad



**22 February 2024**  
Chinese New Year Open House



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Talent Attraction and Retention (Cont'd)

**22 March 2024**  
Majlis Berbuka Puasa



**25 April 2024**  
Hari Raya Open House



**29 June 2024**  
Bowling Tournament, Petaling Jaya, Selangor





## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

##### Talent Attraction and Retention (Cont'd)

√ **Enhancing Social and Labour Conditions:** Ensuring the well-being of our employees is paramount to us. At Varia, we are deeply dedicated to fostering an empowering work environment that enables our employees to reach their maximum potential. Central to this commitment is providing contemporary and ergonomic office spaces, ensuring our employees have a comfortable and conducive setting to excel in their roles.

Furthermore, our operations and service teams are equipped with comprehensive resources, including high-quality uniforms, vehicles, and essential safety gear. These provisions adhere to the highest health and safety standards, guaranteeing the well-being and security of our valued employees.

By prioritising their needs and creating an environment that nurtures their growth, we empower our workforce to thrive and contribute to our collective success. Over the past 3 years, we observed a decline in our employee turnover. Total number of employee turnover by employee category is summarised as below:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Executive	Number	11	15	13
Non-Executive	Number	8	12	1
Manager and above	Number	2	6	3
<b>Total</b>	<b>Number</b>	<b>21</b>	<b>33</b>	<b>17</b>

##### Occupational Health & Safety

Ensuring a safe and conducive working environment is a top priority for our Group. Occupational Health and Safety (“OHS”) is deeply integrated into our sustainability efforts and long-term success, strongly focusing on preventing work-related injuries, illnesses, and fatalities.

We adhere to high safety standards in all our construction work with thorough safety training and compliance at all times.

**24 May 2024**

Fire Drill Management, Pulau Indah, Selangor



We prioritise compliance with OHS legislation, monitor risk factors, and promote safety culture among employees and contractors. Our health and safety management system is continually improving. Employees and workers at project sites are equipped with Personal Protective Equipment (“PPE”) for their well-being. Regular safety briefings and training sessions raise awareness and enable swift responses to emergencies.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Occupational Health & Safety (Cont'd)

To maintain strict safety standards, our Safety and Health Officer conducts regular inspections at project sites, noting any observations that require attention and providing recommendations to the Safety and Health Committee for further enhancements. We are proud to report no accidents at any of our construction or project sites during the reporting period. The number of work-related fatalities and lost time incident rate are summarised as follows:-

	Unit	FYE 2022	FYE 2023	FPE 2024
Work-related fatalities	Number	0	0	0
Lost time incident rate	Rate	0	0	0

Note:-

- A work-related fatality is an occupational injury leading to death within one year of the day of the occupational accident.
- Lost time incident rate ("LTIR") refers to the loss of productivity associated with accidents or injury arising out of or in the course of work. LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period.

	Unit	FYE 2022	FYE 2023	FPE 2024
Employees trained on health and safety standards	Number	1	1	29

#### Community Engagement

Varia strives to cultivate positive and sustainable partnerships with the local communities in which we operate. We are committed to upholding the highest international sustainable development standards and actively engage with the local community.

By actively engaging with the local communities in which we operate, we contribute to their economic prosperity through job creation and uphold our corporate social responsibility ("CSR") commitments.

All our social investments are made voluntarily, and we strictly adhere to Anti-Bribery and Corruption Policy in our social and gifts investment guidelines. Through our Kelab Sukan dan Kebajikan, we have undertaken various community activities during the reporting period, including Bubur Lambuk distribution during Ramadhan and Hari Raya assistance for widows of deceased employees.

Through these initiatives, we demonstrate our commitment to supporting and uplifting the local community, contributing positively to their well-being and creating a sustainable and harmonious environment for all.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Social (Cont'd)

#### Community Engagement (Cont'd)

**21 March 2024**

Bubur Lambuk Distribution to orphanages



**21 March 2024**

Hari Raya assistance to widows of deceased employees



	Unit	FYE 2022	FYE 2023	FPE 2024
Amount invested in the community	MYR	0	30,000	0
Beneficiaries of the investment in communities	Number	0	20	0

### GOVERNANCE

#### Corporate Governance & Ethics

We are deeply committed to upholding integrity and business ethics as the foundation of our business practices. Our Group strictly adheres to the highest ethical standards and fully complies with relevant laws, rules, and regulations. We believe in fostering a culture of accountability among our employees and stakeholders, reinforcing our dedication to integrity and ethical conduct. To effectively communicate this core principle, we have established a comprehensive set of policies and codes, which include the following:-

- Code of Conduct and Ethics
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy
- Anti-Discrimination and Harassment Policy
- Child Labour and Forced Labour Policy
- Corporate Social Responsibility Policy
- Data Privacy Policy

These policies are available on our corporate website at <https://www.varia.com.my/>, specifically under the “Investor Relations - Policy” section. We ensure that our stakeholders, including employees and subsidiaries, fully understand and comply with these policies through various communication channels, such as internal memos and emails.

#### Code of Conduct and Ethics

The Varia Code of Conduct and Ethics sets the standard and provides clear guidelines for ethical conduct, ensuring that our operations align with all relevant laws, rules, and regulations.

## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### Governance (Cont'd)

##### Code of Conduct and Ethics (Cont'd)

This code is effectively communicated to all employees through our website and during the onboarding process, and they are expected to adhere to it strictly. Any violations or non-compliance may result in disciplinary measures, including termination of employment.

All our employees are comprehensively educated about the Code of Conduct and Ethics. There have been no cases of violations among our workforce in FPE 2024.

##### Whistleblowing Policy

The Whistleblowing Policy outlines comprehensive guidelines for individuals affiliated with our Group to report concerns regarding potential violations or inappropriate behaviour confidentially. We encourage all stakeholders to use our whistleblowing channels to report suspicious activities.

Stakeholders who have suspicions of any corporate misconduct are encouraged to raise their concerns via our dedicated medium:-

**Attention:** Chairman of Audit Committee

**Address:** 1105, Block E, Phileo Damansara 1, Jalan 16/11, Seksyen 16, 46350 Petaling Jaya, Selangor, Malaysia

Upon receipt, all reports will undergo meticulous analysis by the Internal Auditor designated by the Independent Director of the Audit Committee. Subsequently, the findings will be deliberated with the Audit Committee or the Board of Directors to ascertain the most appropriate steps.

The investigation results will be presented during the Audit Committee Meeting, and any reports or findings necessitating attention and approval will be reported to the Board of Directors.

As outlined in the Whistleblowing Policy, we shall treat all reports or disclosures as sensitive and will only reveal information on a "need to know" basis or if required by law, court or authority. We will make every effort to treat report or disclosures in a confidential and sensitive manner. The identity and particular of the whistleblower shall also be kept private and confidential unless the whistleblower chose to reveal his/her identity.

##### Anti-Bribery and Corruption Policy

At Varia, we are committed to conducting business in a legal and ethical manner. We have established and implemented our Anti-Bribery and Corruption Policy, which is in compliance with Section 17A of the MACC Act 2009, reinforces the Group's firm commitment against bribery and corruption. The Board will monitor compliance with the Policy and review the Policy at least once every 3 years to assess their effectiveness and ensure that it continues to remain relevant and appropriate.

It is mandatory for all employees, both new and existing, permanent, probationary, contract and temporary, to adhere to this policy, with thorough briefings provided upon employment. Failure to comply with this policy may result in disciplinary measures, including the possibility of termination. In FPE 2024, all newly hired employees received comprehensive information on the Anti-Bribery and Corruption Policy and there was no non-adherence among them. Detailed briefings of the policy were conducted subsequent to FPE 2024.

	Unit	FYE 2022	FYE 2023	FPE 2024
Executive	Percentage (%)	20%	52%	0%
Non-Executive	Percentage (%)	5%	14%	0%
Manager and above	Percentage (%)	46%	33%	0%



## Sustainability Statement (cont'd)

### OUR SUSTAINABILITY GOALS AND PERFORMANCE (CONT'D)

#### GOVERNANCE (Cont'd)

##### Anti-Bribery and Corruption Policy (Cont'd)

Our commitment to anti-bribery and corruption also extends to our supply chains. It is stated in the policy that our personnel must carry out proper due diligence process and comply with all applicable Varia's standard operating procedures before on-boarding any business partners. This include informing them of our Group's Anti-Bribery and Corruption Policy and with effect from the date of this policy, all business partners must submit an Anti-Bribery & Corruption Declaration. Our personnel must monitor our business partners' performance from time to time to be in compliance with this policy, and where breach or suspected breach arises, immediate action must be taken. Failure to comply with this policy by our business partners may lead to immediate termination of contract and claim for damages.

While we have not conducted a specific corruption risk assessment for our operations, we do evaluate corruption risk as part of our broader annual enterprise risk management process.

	Unit	FYE 2022	FYE 2023	FPE 2024
Operations assessed for corruption-related risks	Percentage (%)	0%	0%	0%

We provide avenues for reporting any corruption activities via our whistleblowing channel. In the past 3 financial years, we have zero confirmed incidents of corruptions.

	Unit	FYE 2022	FYE 2023	FPE 2024
Confirmed incidents of corruption	Number	0	0	0

##### Data Privacy

At Varia, we are committed to upholding the principles outlined in the Personal Data Protection Act 2010, prioritising the utmost confidentiality of personal information. Our Group collects personal data exclusively with the explicit consent of individuals, ensuring that it is used solely for legitimate business purposes. We guarantee that this data will never be shared or sold to any third parties.

To ensure the security of this valuable information, Varia employs a robust IT-based data protection system. Access to the data is strictly limited to authorised employees who require it for legitimate business use, thereby maintaining the highest level of confidentiality.

The Group utilises a centralised document server to streamline and facilitate day-to-day operations by securely storing scanned documents. Additionally, our meeting rooms have conference PCs to enable efficient collaboration. To ensure network security, we employ a Firewall, and staff working remotely can securely access office files through a VPN. Daily backups are conducted, explicitly focusing on the Document Server and Finance Server, to safeguard crucial data. Access to files and folders within the document server is meticulously managed through our active directory system.

Throughout the financial period, Varia demonstrated its unremitting dedication to protecting personal information by maintaining an impeccable track record of zero data breaches. This accomplishment reinforces our commitment to safeguarding personal data's privacy and security, solidifying our stakeholders' trust in us.

	Unit	FYE 2022	FYE 2023	FPE 2024
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0



Sustainability Statement  
(cont'd)

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Manager and above	Percentage	0.00
Executive	Percentage	0.00
Non-executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	29
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Manager and above	Hours	136 *
Executive	Hours	432
Non-executive	Hours	872 *
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	53.00
Bursa C6(c) Total number of employee turnover by employee category		
Manager and above	Number	3 *
Executive	Number	13
Non-executive	Number	1 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Manager and above Under 30	Percentage	0.00
Manager and above Between 30-50	Percentage	52.00 *
Manager and above Above 50	Percentage	48.00 *
Executive Under 30	Percentage	30.00
Executive Between 30-50	Percentage	55.00
Executive Above 50	Percentage	14.00
Non-executive Under 30	Percentage	36.00 *
Non-executive Between 30-50	Percentage	46.00 *
Non-executive Above 50	Percentage	18.00 *
Gender Group by Employee Category		
Manager and above Male	Percentage	68.00 *
Manager and above Female	Percentage	32.00 *
Executive Male	Percentage	60.00
Executive Female	Percentage	40.00
Non-executive Male	Percentage	77.00 *
Non-executive Female	Percentage	23.00 *



## Sustainability Statement (cont'd)

Indicator	Measurement Unit	2024
<b>Bursa (Diversity)</b>		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	90.00
Female	Percentage	10.00
Above 50	Percentage	90.00
Under 30	Percentage	0.00
Between 30-50	Percentage	10.00
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	16.851000
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Energy management)</b>		
Bursa C6(a) Total energy consumption	Megawatt	504.48

Internal assurance    External assurance    No assurance

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Varia Berhad (formerly known as Stella Holdings Berhad) (“Varia” or “Company”) acknowledges the importance of good corporate governance and is committed in ensuring the Company and its subsidiaries (“Group”) practise good corporate governance in line with the Malaysian Code on Corporate Governance (Revision 2021) (“MCCG”).

This statement, which is made pursuant to Paragraph 15.25 and guided by Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), sets out the extent to which the Group has applied the principles and best practices of the MCCG during the financial period ended 30 June 2024.

The detailed application by Varia Group for each practice as set out in the MCCG during the financial period ended 30 June 2024 is disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s corporate website, [www.varia.com.my](http://www.varia.com.my). This statement is to be read together with the CG Report.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES

#### 1.1 Roles and responsibilities

The Board plays a key role in the governance process through its review and approval of the Group’s direction and strategy, monitoring of business performance and review of the adequacy and integrity of the Group’s internal control system. The Board believes that commitment to its fiduciary duties and responsibilities is critical to its goal of driving long term shareholders’ value.

The Board, together with Management, reviewed the Group’s strategy and the Board had satisfied itself that all appropriate considerations have been taken into account in the formulation of the Group’s strategy.

In addition to strategic matters, the Board, amongst others, is also responsible for the following key matters:-

- (a) Reviewing and adopting strategic plans for the Group to support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- (b) Overseeing and evaluating the conduct of the Group’s business as well as supervise and assess Management’s performance to determine whether the business is being properly managed.
- (c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- (d) Review the adequacy and integrity of the management information and internal controls systems of the Group.
- (e) Ensure ethical behaviour and compliance with the relevant laws and regulations, audit and accounting principles, and the Group’s own governing documents and codes of conduct which include appropriate communication and feedback channels which facilitate whistleblowing and ensure the compliance of the codes of conduct.
- (f) Reviewing and approving the financial results, quarterly and annually and ensuring the Company’s financial statements are true and fair and conform with the accounting standards and laws.
- (g) Promoting a good corporate culture within the Company and the Group which reinforces ethical, prudent and professional behaviour.

The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its economic, environment and social impact when developing and implementing the corporate strategies and business plans of the Group.

#### 1.2 Separation of roles between Chairman and Managing Director

The roles of the Chairman and Managing Director (“MD”) are separately held with each having distinct authority and responsibilities. The Board realises the importance in the separation of roles and responsibilities of the Chairman and the MD as this will ensure that there is a balance of power and authority, such that there is no excessive concentration of power in the Chairman or the MD.



## Corporate Governance Overview Statement (cont'd)

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

#### **1. BOARD RESPONSIBILITIES (CONT'D)**

##### **1.2 Separation of roles between Chairman and Managing Director (Cont'd)**

The Chairman of the Board provides strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process.

The MD is responsible for the effective running of the Group's operations and implementation of the Board's policies and decisions. The Board also has an effective working partnership with the Management in establishing the strategic direction of the Group. The Management is responsible for supporting and assisting the MD in implementing and running the Group's day to day business.

##### **1.3 Company Secretary**

The Company Secretary, who is qualified and experienced, advises the Board on regulatory requirements and corporate governance matters to ensure that the Board discharges their duties and responsibilities effectively.

##### **1.4 Supply and access to information**

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. The Directors have access to information through the following means:-

- (a) Members of senior management attend Board and Board Committees meetings by invitation to report areas of business within their responsibilities including financial, operational, corporate, regulatory, business development and audit matters updates, for the Board's decision making and effective discharge of the Board's responsibilities.
- (b) The Board and Board Committees papers, which include agenda and reports relevant to the issues of the meetings are prepared and forwarded to the Directors within reasonable period before the respective meetings to enable them to receive the information in a timely manner.
- (c) The Audit Committee meets with the Management, Internal Auditors and External Auditors regularly to review the reports regarding internal control system, financial reporting and risk management. The Audit Committee Chairman then will report to the Board.

In the furtherance of their duties, the Directors, collectively and individually, may seek independent professional advice and information on specific matters, if necessary, at the Company's expense to enable them to make independent and informed decisions as well as to discharge their functions in the decision-making process.

##### **1.5 Board Charter, Code of Ethics for Company Directors, Whistleblowing Policy, Anti-Bribery & Corruption Policy and others**

The objectives of the Board Charter are to ensure that all Directors are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of, the Company. The Board Charter is periodically reviewed to ensure that the content is kept contemporaneous with the latest regulations imposed by regulators and best practices whilst at the same time maintaining its relevance to the evolving circumstances of the Group.

The Board Charter was reviewed and updated in August 2024 to be in line with the requirements and recommendations outlined in the MCCG and Listing Requirements.

The Board has adopted its Code of Ethics based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility aiming to establish a standard of ethical behaviour for directors and to uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines administering a company.

## Corporate Governance Overview Statement (cont'd)

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

#### 1. BOARD RESPONSIBILITIES (CONT'D)

##### 1.5 Board Charter, Code of Ethics for Company Directors, Whistleblowing Policy, Anti-Bribery & Corruption Policy and others (Cont'd)

The Company has in place its Whistleblowing Policy which was formulated as an avenue for all the Group's staff and stakeholders as well as members of the public to report any concerns or disclose any misconduct and wrongdoing that may adversely impact the Group.

The Board has adopted the Anti-Bribery & Corruption Policy under the new corporate liability provision provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 aiming to prevent the occurrence of corruption and bribery practice in relation to the businesses of the Group. The Group conducts its business in a legal and ethical manner and every directors, employees and any person who performs services for and on behalf of the Group, which includes contractors, sub-contractors, consultants, suppliers, agents, intermediaries and representatives of the Group are responsible in conducting themselves and the business honestly and professionally.

The Board Charter, Code of Ethics for Company Directors, Whistleblowing Policy, Anti-Bribery & Corruption Policy and other policies are made available at the Group's website, [www.varia.com.my](http://www.varia.com.my).

##### 1.6 Sustainability

The Board together with the Management undertake to promote a sustainable and responsible business practices in order to deliver a positive impact to the economy, environment and to create values to the communities in which Varia Group operates in.

An update on the Group's approach towards sustainability is presented in the Sustainability Statement section of this Annual Report.

#### 2. BOARD COMPOSITION

##### 2.1 Board composition and balance

During the financial period under review, the Board has 10 Directors, comprising the Executive Deputy Chairman, 2 Non-Independent Executive Directors, 5 Independent Non-Executive Directors and 2 Non-Independent Non-Executive Directors, which complies with Paragraph 15.02(1)(a) of the Listing Requirements that states that at least 2 directors or one-third of the Board members, whichever is higher, are Independent Directors. Mr Koay Xing Boon, an Independent Non-Executive Director, had since 30 July 2024 resigned from the Board of Directors and subsequently on 3 October 2024, Dato' Sri Dr. Mohd Nizom bin Sairi was appointed as the Company's Independent Non-Executive Chairman.

Currently, Pn Sharifah Rafidah binti Wan Mansor is the only woman Director sitting on the Board in compliance with Paragraph 15.02(1)(b) of the Listing Requirements which states that at least 1 director on the Board must be a woman. The Board supports the aspiration to achieve at least 30% women directors on the board of public listed companies and where new appointments are to be made to the Board, priority will be given to suitable women candidates to achieve at least 30% women directors on the Board.

Board balance is achieved with the contribution of the Independent Non-Executive Directors and the fair representation of the shareholders' interests. The Independent Non-Executive Directors are able to exercise their unbiased independent judgment and views freely and do not have any business or other relationships that could interfere with their duties.

As part of the Company's ongoing effort to strengthen Board independence, the Company currently has 5 Independent Directors and all of them have served for a cumulative term of less than 12 years, in compliance with the Listing Requirements which limits the tenure of an independent director to not more than a cumulative period of 12 years from the date of first appointment as an independent director.



## Corporate Governance Overview Statement (cont'd)

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

#### 2. BOARD COMPOSITION (Cont'd)

##### 2.1 Board composition and balance (Cont'd)

The Board is satisfied that the current composition of Directors provides the right balance and size between Executive Directors and Non-Executive Directors with appropriate mix of relevant skills, knowledge and industry experience required to promote shareholders' interests and to govern the Company effectively.

##### 2.2 Board Committees

The Board has delegated certain responsibilities and duties to the following Board Committees to assist the Board in the efficient and effective discharge of its duties. Meetings of the Board Committees provide an avenue for members of the respective Committees to focus on specific issues to enable a full and in-depth discussion on specific issues within their respective terms of reference approved by the Board of Directors:-

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Risk Management Committee
- (d) Sustainability Committee
- (e) Share Issuance Scheme Committee

The Board Committees exercise transparency and full disclosure in their proceedings and where applicable, issues are reported to the Board with the appropriate recommendations by the Board Committees.

##### 2.3 Board of Directors' meetings

The Board meets regularly, at least once every quarter and additional meetings are convened, when necessary, with due notice of issues to be discussed and the relevant board papers which contain management and financial information and other matters provided to the Board prior to the meetings to enable the Directors to obtain further explanations and/or clarifications in order to ensure the effectiveness of the proceeding of the meetings. Senior Management as well as professional advisers are invited to attend the Board meetings to provide the Board with their views and clarifications on issues raised by Directors.

The proceedings, deliberations and conclusions made by the Board were properly recorded in the minutes of meetings kept by the Company Secretary and confirmed by the Board and signed by the Chairman of the meeting.

During the financial period ended 30 June 2024, there were 9 Board meetings held and the details of attendance of each Director are as follows:-

Name of Directors	No. of meetings attended
Dato' Sri Dr. Mohd Nizom bin Sairi ( <i>appointed on 3 October 2024</i> )	#
Datuk Lau Beng Wei	8/9
Datuk Lau Beng Sin	9/9
Datuk Manivannan a/l Ganapathy	9/9
Dato' Kamarulzaman bin Jamil	8/9
Dato' Jamaluddin bin Sabeh	9/9
Datuk Wira Roslan bin Ab Rahman ( <i>appointed on 10 May 2023</i> )	8/8*
Datuk Kok Boon Kiat ( <i>appointed on 2 January 2024</i> )	2/2*
En Shahrizam bin A Shukor	9/9
Pn Sharifah Rafidah binti Wan Mansor	8/9
Mr Koay Xing Boon ( <i>appointed on 10 May 2023 and resigned on 30 July 2024</i> )	7/8*

\* Number of Board meetings held since his appointment as Director.

# Not applicable as the appointment was made after the financial period ended 30 June 2024.

## Corporate Governance Overview Statement (cont'd)

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

#### 2. BOARD COMPOSITION (Cont'd)

##### 2.3 Board of Directors' meetings (Cont'd)

In between Board meetings, approval on matters requiring decision of the Board are sought by way of circular resolution enclosing all relevant information to enable the Board to make an informed decision. The resolutions passed by way of such circular resolutions were then noted in the next immediate Board meeting. Directors are required to inform the Board of any conflict or potential conflict of interest they may have in relation to particular matters of business transacted by the Company and/or the Group.

The Directors are to allocate sufficient time to the Company to perform their duties effectively including being prepared for meetings and contributing effectively to the business of the Company. All Directors are expected to notify the Board on any new directorships in other listed issuer and the Directors of the Company do not hold more than 5 directorships in listed issuers, in compliance with the Listing Requirements.

##### 2.4 Policy on diversity

The Board recognises the importance of having diversity on its Board and Senior Management. Diversity is vital to ensure that members of the Board and Senior Management provide the necessary range of perspectives, experience and expertise required to achieve the Company's objectives and goals.

The Company's overriding objective in any new appointment is to select a suitable candidate with a view to achieving a high-performing Board and Senior Management team. Appointments to the Board and Senior Management are based on merit, in the context of character, skills, experience, expertise and competency the Board and the Senior Management as a whole requires to be effective.

The Company believes that such merit-based appointment helps the Company to achieve effective stewardship and management of the Group.

Appointments to the Board and Senior Management team are considered without any bias or discrimination. The Company adopts the policy of not only considering the skills, experience, expertise and competency of a candidate, but also other factors, including gender, ethnicity, cultural background and age to ensure that the Board and the Senior Management will function as a diverse team.

In respect of gender diversity, the Board supports the representation of women and targets a 30% women composition on the Board of Varia. The Company acknowledges the important role of women in contributing to the performance of the Board. Moving forward, the Board will work towards achieving the 30% women composition on the Board of Varia.

As for Senior Management level, the Company has not set any specific target for gender diversity but will actively work towards having more female senior position in the Group.

To promote the objective of diversity on the Board and Senior Management level, the following would be practiced for the selection process for Board and Senior Management appointment:-

- (a) Making appropriate efforts to include women on the list of candidates to be considered for Board and Senior Management positions.
- (b) Conducting all Board and Senior Management appointment processes in a manner that promotes diversity.

Other than relying on recommendations from Board members, Management and/or major shareholders in identifying, considering and recommending suitable persons for appointment on Director or Senior Management positions, the Board will also explore independent sources to identify and search for suitable qualified candidates.

In furtherance, as for employment gender diversity, the Board is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Group during the period under review.



## Corporate Governance Overview Statement (cont'd)

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

#### **2. BOARD COMPOSITION (Cont'd)**

##### **2.5 Nomination and Remuneration Committee (“NRC”)**

As at the date of this statement, the NRC comprises of the following 5 members, the majority being Independent Directors:-

- (a) Dato' Kamarulzaman bin Jamil (Chairman)
- (b) Dato' Jamaluddin bin Sabeh
- (c) Datuk Wira Roslan bin Ab Rahman
- (d) En Shahrizam bin A Shukor
- (e) Pn Sharifah Rafidah binti Wan Mansor

The key functions and responsibilities, amongst others, of the NRC are as follows:-

- (a) To recommend to the Board, candidates for directorships to be filled. In making its recommendations, the NRC shall consider the candidates' skills, knowledge, expertise and experience, professionalism and integrity. In the case of candidate for the position of Independent Director, the NRC shall evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Director.
- (b) To recommend to the Board, Directors to fill the seats on Board Committees.
- (c) To assess the effectiveness and balance of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- (d) To review the terms of office and performance of the Audit Committee and its members annually.
- (e) To recommend the re-election of Directors retiring in accordance with the Company's Constitution at each annual general meeting of the Company.
- (f) To recommend to the Board, the remuneration of each Director in all its form, with the respective Directors abstain from deliberating their own remuneration.
- (g) To establish and review the level of remuneration packages of each individual Executive Director such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Group successfully.

##### **2.5.1 Summary of activities of NRC**

The NRC met twice during the financial period to carry out the following activities:-

- (a) assessed, reviewed and nominated new appointment to the Board and Board Committees;
- (b) recommended the re-election of Directors retiring in accordance with the Company's Constitution;
- (c) reviewed and assessed the mix of skills, experience and size of the Board, contribution of each Director and effectiveness of the Board as a whole and Board Committees;
- (d) reviewed and assessed the independence of the Independent Directors; and
- (e) reviewed the performance and effectiveness of the Audit Committee and its members.

In the process for new appointment to the Board, the fit and proper assessment of the candidate was conducted by the NRC in accordance with the Directors' Fit and Proper Policy. In assessing the candidate's fitness and propriety, the Board through the NRC had considered all relevant factors based on the criteria set out in the Directors' Fit and Proper Policy.

All assessments and evaluations carried out by the NRC were properly documented.

## Corporate Governance Overview Statement (cont'd)

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

#### 2. BOARD COMPOSITION (Cont'd)

##### 2.5 Nomination and Remuneration Committee (“NRC”) (Cont'd)

###### 2.5.2 Annual Board evaluation

With regards to Board evaluation, the NRC had reviewed and assessed the following for the financial period 2024:-

- (a) The effectiveness and performance of the Board and Board Committees.
- (b) The character, integrity, competence, time commitment, contribution and performance of each individual Director.
- (c) The mix of skill and experience of each individual Director.
- (d) The independence of the Independent Directors.

The criteria on the evaluation of the effectiveness and performance of the Board related to, amongst others, the appropriate composition and committees in correspondence to the Board's oversight duties, the right mix of skills and experience to optimise the Board performance and strategy, clear definition of roles and responsibilities of the Board and individual Director.

Meanwhile, the criteria on the evaluation of the effectiveness and performance of the Board Committees related to, amongst others, whether the Board Committees have the right composition, sufficient knowledge on financial and related laws and regulations, whether the Board Committee properly discharges their responsibilities and provides appropriate report and recommendations to the Board.

Based on the evaluation carried out, the NRC and the Board concluded that overall the Board's size is conducive for effective discussion and decision making and are satisfied that it has an appropriate balance of expertise, skill and attributes among the Director including relevant core competencies. The Board has been able to discharge its duties professionally and effectively and all Directors continue to uphold the governance standards in discharging their duties and responsibilities.

The Directors are also able to devote sufficient time commitment to their roles and responsibilities as documented by their attendance records.

During the financial period under review, the Independent Directors carried out a self-evaluation of their independence based on the criteria of independence as set out in the Listing Requirements. The Board, who obtained confirmation of independence from the Independent Directors and having assessed their independence, is satisfied with their level of independence.

##### 2.6 Re-election and re-appointment

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the Annual General Meeting (“AGM”) following their appointment, where one-third of the Directors shall retire from office at each AGM. All Directors shall retire from office at least once in every three (3) years and the retiring Directors are eligible to offer themselves for re-election at the AGM.

The NRC had also conducted the fit and proper assessment on the Directors who were recommended for re-election at the AGM of the Company.

## Corporate Governance Overview Statement (cont'd)

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

#### 2. BOARD COMPOSITION (Cont'd)

##### 2.7 Directors' training

The Directors, to keep themselves abreast with the latest industry developments as well as new statutory and regulatory requirements, are strongly encouraged to attend and participate in various training programmes, seminars and/or conferences to enable them to discharge their duties effectively. The Group acknowledges that continuous education is vital for the Directors to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

The training programmes attended by the Directors during the financial period ended 30 June 2024 are as follows:-

Directors	Title of programmes
Dato' Sri Dr. Mohd Nizom bin Sairi (appointed on 3 October 2024)	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme I</li> <li>• Mandatory Accreditation Programme II</li> </ul>
Datuk Lau Beng Wei	Seminar on Understanding the Fundamentals of ESG
Datuk Lau Beng Sin	Seminar on Understanding the Fundamentals of ESG
Datuk Manivannan a/l Ganapathy	Seminar on Understanding the Fundamentals of ESG
Dato' Kamarulzaman bin Jamil	Seminar on Understanding the Fundamentals of ESG
Dato' Jamaluddin bin Sabeh	Seminar on Understanding the Fundamentals of ESG
Datuk Wira Roslan bin Ab Rahman	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme I</li> <li>• Seminar on Understanding the Fundamentals of ESG</li> </ul>
Datuk Kok Boon Kiat	Mandatory Accreditation Programme I
En Shahrizam bin A Shukor	<ul style="list-style-type: none"> <li>• Overview of Malaysia Taxation for Business and Multinationals</li> <li>• Seminar on Understanding the Fundamentals of ESG</li> </ul>
Pn Sharifah Rafidah binti Wan Mansor	<ul style="list-style-type: none"> <li>• Seminar on Understanding the Fundamentals of ESG</li> <li>• MIA Webinar on Corporate Tax Strategy – Capitalising The Right Tax Opportunities For Your Business</li> <li>• MIA Webinar on Understanding Requirements of Bank Negara Malaysia &amp; Suruhanjaya Syarikat Malaysia on Beneficial Ownership of Legal Persons</li> <li>• MAICSA Webinar on Minutes Writing</li> <li>• MAICSA Webinar on the Importance of Ascertaining the Beneficial Ownership of companies, Benefits of having a Company's Constitution and Shareholders' Agreement</li> <li>• SSM Webinar on Coaching using G.R.O.W.T.H.</li> <li>• SSM Webinar on Preference Shares</li> <li>• SSM Webinar on Dividends</li> </ul>
Koay Xing Boon (Resigned on 30 July 2024)	Mandatory Accreditation Programme I



## Corporate Governance Overview Statement (cont'd)

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

#### 3. REMUNERATION

The remuneration for the Non-Executive Directors is decided by the Board as a whole. The Board recommends the Directors' fee and benefits payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

The Group has in place a remuneration policy and procedures which sets out the criteria to be used in recommending the remuneration package for Directors and Senior Management to ensure that the Directors and Senior Management are adequately remunerated for the services they render. A copy of the remuneration policy and procedures is available for viewing at the Company's website, [www.varia.com.my](http://www.varia.com.my)

Detailed information on the Directors' remuneration for the financial period ended 30 June 2024 on a named basis are disclosed under Practice 8.1 of the CG Report.

Meanwhile, the Board is of the view that disclosing the remuneration of the Key Senior Management would not be in the best interest of the Group due to confidentiality and sensitivity of the remuneration packages as well as the competitive nature of the industries in which the Group operates that may give rise to recruitment and talent retention issues.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 1. Audit Committee

##### 1.1 Composition

As at the date of this statement, the Audit Committee comprises of 3 members, all of whom are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Listing Requirements.

The Audit Committee provides independent oversight of the Group's financial reporting and internal control system and ensures that checks and balances are in place within the Group.

Details of the composition and a summary of activities carried out by the Audit Committee during the financial period ended 30 June 2024 are set out in the Audit Committee Report section of this Annual Report.

##### 1.2 External Auditors

###### 1.2.1 Relationship with External Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with its External Auditors in seeking their professional advice towards ensuring compliance with the applicable accounting standards. The External Auditors are invited to attend Audit Committee meetings to brief the Audit Committee on audit issues where they present the audit plan and highlight observations and findings made during the course of audit to the Audit Committee members.

###### 1.2.2 Assessment of External Auditors

The Audit Committee is responsible for the assessment of the suitability and independence of the External Auditors. Having assessed their performance, the Audit Committee tabled the summary of the assessment to the Board for review. All assessment and evaluation carried out were properly documented.

###### 1.2.3 Independence of External Auditors

The External Auditors are required to declare their independence to the Audit Committee in accordance with the independence criteria set out by the Malaysia Institute of Accountants. The External Auditors have provided the declaration in their annual audit plan presented to the Audit Committee.



## Corporate Governance Overview Statement (cont'd)

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

#### **2. Risk Management and Internal Control**

The Board acknowledges its overall responsibility of the Group's system of internal control as well as risk management to safeguard shareholders' investment and the Group's assets. The effectiveness of the Group's internal control is reviewed by the Audit Committee during its quarterly meetings. This review covers the governance, risk and compliance controls as well as the process for the identification, evaluation and management of the significant risks faced by the Group.

Details on the internal control and risk management framework are set out in the Statement on Risk Management and Internal Control section in this Annual Report.

##### **2.1 Internal audit function**

The Board has an established Internal Audit Department which assists the Audit Committee in the discharge of its duties and responsibilities.

The internal audit function is effective and able to function independently where the Internal Auditor reports directly and functionally to the Audit Committee. The internal audit function and activities are set out in the Statement of Risk Management and Internal Control section and Audit Committee Report section in this Annual Report.

The internal audit function was performed in-house during the financial period under review.

##### **2.2 Risk Management Committee**

As at the date of this statement, the Risk Management Committee comprises of 4 members, the majority being Independent Directors. The Risk Management Committee assists the Board in overseeing the risk management process within the Group.

During the financial period, the Risk Management Committee met twice to review and evaluate the risk exposures of the Group.

#### **3. Accountability and audit**

##### **3.1 Financial reporting**

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects in its financial reporting to shareholders and other interested parties by means of quarterly results announcement and the annual financial statements.

The Group's performance and prospects in the Annual Report and financial results on a quarterly basis, prepared based on appropriate accounting standards and accounting policies, will be reviewed and deliberated by the Audit Committee prior to recommendation for adoption by the Board. The Audit Committee ensures that the information disclosed is accurate, adequate and in compliance with the various disclosure requirements imposed by the regulatory authorities.

The Board takes responsibility in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Group and the Company in accordance with the Companies Act 2016, the applicable approved accounting standards in Malaysia and the Listing Requirements. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

## Corporate Governance Overview Statement (cont'd)

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

#### 3. Accountability and audit (Cont'd)

##### 3.2 Statement of Directors' Responsibilities in respect of the Annual Audited Financial Statements

The Board of Directors do hereby state that the preparation of financial statements for the financial period ended 30 June 2024 is the responsibility of the Directors. They are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flow for the financial year then ended. In preparing those financial statements, the Directors have:-

- (a) adopted appropriate accounting policies and then applied them consistently;
- (b) made judgements and estimates that are prudent and reasonable;
- (c) ensured applicable accounting standards have been followed and complied with.

The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and its subsidiaries and to enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors also have the overall responsibilities to take all steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

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

#### 1. Communication with stakeholders

The Board believes in clear communication with the Company's stakeholders. The Group continuously ensures that it maintains a high level of disclosure and communication with its stakeholders through various practicable channels. The annual reports and announcements made quarterly and otherwise, are the primary modes of communication to report on the Group's business, activities and financial performance to all its stakeholders. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides stakeholders with an overview of the Group's performance and operations.

Varia's website, [www.varia.com.my](http://www.varia.com.my) also provides an avenue for stakeholders and members of the public to assess information pertaining to the Group, which is being updated regularly.

The general meetings are opportunities to meet shareholders, to encourage them to interact and participate in getting to know the Company and the Group's progress and performance.

#### 2. Conduct of general meetings

The notice and agenda of AGM are made available to shareholders of the Company at least 28 days prior to the date of AGM to enable shareholders to have sufficient time to read the Annual Report and the resolutions proposed. Each item of special business included in the notice of AGM will be accompanied by an explanation of the effects of a proposed resolution.

Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to participate and vote at general meeting. Shareholders are encouraged to participate in general meeting and those who are unable to participate are advised to appoint proxy to participate and vote on their behalf.



## Corporate Governance Overview Statement (cont'd)

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

#### **2. Conduct of general meetings (Cont'd)**

Shareholders are given the opportunity to seek and clarify any pertinent and relevant issues raised in the meeting in relation to the operations and performance of the Group and to exchange views with the Board. At AGM, the External Auditors are also present to provide their professional and independent clarification on issues and concerns raised by the shareholders.

In line with Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the notice of general meeting will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meeting.

The outcome of the general meeting will then be announced to Bursa Malaysia on the same meeting day while the minutes will be posted on the Company's website after the conclusion of general meeting.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 23 October 2024.

# AUDIT COMMITTEE REPORT

The report of the Audit Committee (“AC”) of Varia for the financial period ended 30 June 2024 is presented as follows:-

## COMPOSITION

The current composition of the AC comprised of the following Directors:-

### Chairman

En Shahrizam bin A Shukor - Independent Non-Executive Director

### Members

Dato’ Kamarulzaman bin Jamil - Senior Independent Non-Executive Director

Dato’ Jamaluddin bin Sabeh - Independent Non-Executive Director

The AC is made up of no fewer than 3 members, who are all Independent Non-Executive Directors. En Shahrizam bin A Shukor is a member of the Malaysian Institute of Accountants and Associate member of Certified Public Accountant Australia.

## TERMS OF REFERENCE

In fulfilling its duties and objectives, the AC is guided by its Terms of Reference which is made available on the Company’s website at [www.varia.com.my](http://www.varia.com.my).

## MEETINGS AND ATTENDANCE

All AC members are provided with an agenda together with relevant reports and papers which are issued prior to the AC Meeting to enable the members to review the reports and papers as well as to obtain further information or explanation.

At the Board Meeting, the Chairman of the AC reports and highlights to the Board any pertinent issues discussed and deliberated by the AC during its meeting.

The AC held 7 meetings during the financial period ended 30 June 2024. Details of attendance of each AC member is as follows:-

Name of AC Member	No. of AC Meetings Attended
En. Shahrizam bin A Shukor	7/7
Dato’ Kamarulzaman bin Jamil	7/7
Dato’ Jamaluddin bin Sabeh	7/7

## ACTIVITIES AND WORK OF THE AC

During the financial period under review, the AC had discharged its duties and responsibilities by carrying out the following work and activities:-

1. Reviewed the quarterly financial reports before tabling to the Board for approval and release to Bursa Malaysia Securities Berhad. The review is to ensure the Company’s quarterly financial reporting and disclosures presented a true and fair view of the Group’s financial position and performance and are in compliance with the applicable accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
2. Reviewed the audited financial statements of the Group and the Company together with the external auditors to ensure that it presented a true and fair view of the Company’s financial position and performance for the year and is in compliance with all disclosure and regulatory requirements prior to submission to the Board for their consideration and approval;





## Audit Committee Report (cont'd)

### ACTIVITIES AND WORK OF THE AC (CONT'D)

3. Met with the external auditors, reviewed and discussed the audit plan 2024 on the scope of their audit to ensure it adequately covered the activities of the Group including its independence policies and procedures, consideration of fraud, related party disclosure and procedures, statutory timeline and audit activities, risk assessment and audit approach, review of statement on risk management and internal control, communication of key audit matters, reading of other information and accounting development;
4. Held a private session with the external auditors once during the financial period without the presence of the executive directors and Management to ensure there were no restriction in their scope of audit and to discuss any matters that the auditors wish to raise without the presence of the Management. During the private session, no critical issues were raised;
5. Reviewed the audit findings by the external auditors arising from the interim audit as well as the final audit and their resolution of the issues highlighted;
6. Reviewed, discussed and assessed the suitability, performance and independence of the external auditors for the financial period covering areas such as calibre, performance, audit team, audit scope and planning, independence and objectivity, audit communications as well as audit fees prior to submission to the Board for their approval. The AC is satisfied with the suitability, performance and independence of the external auditors;
7. Reviewed and considered all relevant aspects of the acquisition of Pembinaan Teguh Maju Sdn Bhd and the private placement including but not limited to the rationale, terms and conditions, the basis and justification for the purchase consideration as well as the evaluation by the independent adviser;
8. Reviewed and approved the internal audit plan for 2024 presented by the internal auditor to ensure there is adequate scope and comprehensive coverage over the activities of the operating subsidiaries of the Company;
9. Reviewed the internal audit reports which highlighted the audit issues, recommendation and the Management's responses and directed actions to be taken by the Management to improve the system of internal control;
10. Followed up on corrective actions taken by the Management on audit issues raised by the external auditors and the internal auditor to ensure that all key risks and control weaknesses are properly addressed;
11. Reported to and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made the necessary recommendation to the Board; and
12. Reviewed the Statement on Risk Management and Internal Control and the AC Report before tabling to the Board for approval to be published in the Annual Report.

During the financial period ended 30 June 2024, there was no conflict of interest or potential conflict of interest situation involving Directors and Senior Management of the Group (excluding related party transactions) identified and/or disclosed to the AC.

An annual assessment on the performance and effectiveness of the AC and its members for the financial period ended 2024 has been carried out by the Nomination and Remuneration Committee ("NRC"). The NRC and the Board are satisfied that the AC and its members had carried out their duties in accordance with the AC Terms of Reference.

## Audit Committee Report (cont'd)

### INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function is performed in-house and is independent from the main activities and operations of the Group. The internal auditors provides an independent assurance on risk management and internal control and it focuses on regular and systematic review of the internal control and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines. The internal auditors' activities were conducted using a risk-based approach and were guided by the International Professional Practice Framework.

The internal auditors provides quarterly reports of the audit undertaken to the AC, reporting on the outcome of its audits. The results of the audit reviews were discussed with Management and subsequently, the audit findings including the recommendations for improvement were presented to the AC. The AC reviews and evaluates the key issues raised by the internal auditors and ensures that appropriate and prompt remedial actions are taken by the Management.

In addition, the internal auditors function carried out follow-up reviews to ensure that corrective actions have been implemented in a timely manner by Management and the results of such reviews are also periodically reported to the AC.

During the financial period ended 30 June 2024, the activities and work of the internal auditors included the review of the Group and subsidiaries' functional areas, as follows:-

No.	Reporting Timeline	Division / Subsidiary	Audited functional areas
1.	Quarter 1 from April 2023 to June 2023  Internal Audit Review for reporting in August	Mewah Kota Sdn Bhd	Safety, Environment and Quality
2.	Quarter 2 from July 2023 to September 2023  Internal Audit Review for reporting in November 2023	Paramount Ventures Sdn Bhd	(a) Project Management (b) Procurement
		Mewah Kota Sdn Bhd	Construction and Project Management
3.	Quarter 3 from October 2023 to December 2023  Internal Audit Review for reporting in February 2024	Pembinaan Teguh Maju Sdn Bhd	Construction and Project Management
4.	Quarter 4 from January 2024 to March 2024  Internal Audit Review for reporting in May 2024	Mewah Kota Sdn Bhd	Construction and Project Management



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), a listed issuer must ensure that its Board of Directors (“Board”) includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance (“MCCG”) also stipulates that the Board should maintain a sound system of internal controls, including a review of its effectiveness to safeguard shareholders’ investments and the Group’s assets.

Set out below is Varia Berhad’s Statement on Risk Management and Internal Control, in compliance with the MMLR of Bursa Malaysia.

## 1. ACCOUNTABILITY

The Board recognises its vital role in developing strong risk management processes to protect the Group’s interests from potential risk events that could impede the execution of its business strategy and action plan. To maintain continuous relevance and effectiveness, the Group’s risk management and internal control systems are regularly assessed in light of structural changes and the changing business environment. The Board is committed to an ongoing process of identifying, evaluating, and managing important risks, and it is confident in the current risk management framework’s adequacy and integrity. This oversight is supported by the Risk Management Committee and Audit Committee.

## 2. RISK MANAGEMENT

The Varia risk management framework governs all risk management activities within the Group. It involves systematic processes that range from risk identification to reporting on hazards that could threaten the achievement of company objectives. Close monitoring and controlled procedures, including the use of relevant risk indicators, ensure that risk profiles are managed according to the criteria outlined in our risk management framework. All efforts aim to reduce uncertainties in both internal and external environments, enabling us to maximize opportunities and build a successful and sustainable company. These processes remain in effect for the year under review.

The implementation of risk management in the Group is supported by the following committees:



### I. Risk Management Committee (“RMC”)

RMC was established by the Board to promote and create the necessary risk awareness and cultivate an intra-group risk and control culture. RMC is responsible to provide assistance to the Board in discharging its fiduciary responsibilities in safeguarding shareholders’ investment and the Group’s assets through structured and proactive approach of risk management. The RMC comprises of a Senior Independent Non-Executive Director, 2 Independent Non-Executive Directors and a Non-Independent Non-Executive Director.

## Statement on Risk Management and Internal Control (cont'd)

### 2. RISK MANAGEMENT (CONT'D)

#### II. Risk Management Working Committee ("RMWC")

RMWC was formed to serve as a platform to assist the RMC and are responsible for group-wide risk activities, such as evaluation and formulation of effective mitigation controls. RMWC conducts the following activities to assist the RMC in discharging its duties and responsibilities:

- Identify, deliberate, prioritise, rank and communicate to the RMC, the critical risks (present or potential), the subsidiary or department faces, their changes and the management's action plans to manage the risks;
- Communicate risk management requirements in the subsidiaries or departments;
- Review risk profiles and performance for the department;
- Periodically report on the status of internal controls and related matters to the RMC for review and further action; and
- Significant risk issues evaluated by the RMWC and/or major changes proposed by the RMWC will be discussed at meeting convened by the RMC.

#### III. Audit Committee ("AC")

To provide independent assessment on the adequacy and reliability of the risk management processes and internal control, as well as compliance with the policies and regulatory requirements. Further information and update on details of the activities undertaken by the AC during the financial period are set out in the AC Report section of this Annual Report.

### 3. INTERNAL CONTROL

The Board is dedicated to upholding an effective Internal Control Structure and a controlled environment for the proper execution of business operations. The following essential Internal Control Structures have been implemented to ensure effective oversight and provide the key elements necessary for maintaining robust internal control:

#### A. CONTROL ENVIRONMENT

Varia established structures that provide the basis for carrying out internal control across the organisation. The Board and Senior Management set the tone at the top regarding the importance of internal control including the expected standards of conduct.

##### i) Board Committees

The Board recognizes that sound governance necessitates effective collaboration among the Board, Management, and auditors. The Board reviews and deliberates on the entire range of the Group's business strategies, directions, challenges, and financial statements. In fulfilling its responsibilities, the Board is supported by the following Board Committees, which operate under defined terms of reference:-

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Sustainability Committee
- Share Issuance Scheme Committee

## Statement on Risk Management and Internal Control (cont'd)

### 3. INTERNAL CONTROL (CONT'D)

#### A. CONTROL ENVIRONMENT (CONT'D)

##### ii) Management meetings

The following are the various types of Management meetings conducted in Varia:

Type of Management meetings	Frequency
<b>Executive Committee (EXCO) meetings</b> Attending to Group operational matters, improving business performance, and assisting the Board of Directors in fulfilling fiduciary responsibilities. It also reviews and formulates policies for approval, evaluates investment opportunities, and ensures smooth management and administration of the Group.	Quarterly
<b>Risk Management Working Committee (RMWC) meetings</b> Provide assistance to the RMC in dealing with the risk areas at the respective department level and communicate upwards to the RMC.	Half Yearly
<b>Management Committee (MC)</b> Strategizing the implementation of directives from the Board, Audit Committee, and EXCO, recommending improvements, monitoring operations, and keeping Department Heads informed.	Monthly

#### B. CONTROL ACTIVITIES

Varia established a set of policies, procedures and standards that provide the whole organisation with proper guidance for decision making and streamlining the internal processes:

##### i) Policies and Procedures

The Group has documented policies and procedures in place which are structured in a way to promote consistency and governance as well as to assist daily business operations. Policies and procedures have been approved by the Board to set the tone of control consciousness within the Group.

##### ii) Certifications

Varia is dedicated to progressively improving its service quality by maintaining the ISO 9001:2015 Quality Management System ("QMS") by Mewah Kota Sdn Bhd ("MKSB") and Pembinaan Teguh Maju Sdn Bhd ("PTM") with the following certification:

- a. MKSB obtained its certificate since 2009 covering on project Management for Building Construction and Civil Engineering Works; and
- b. PTM was certified since 2023 covering the Provision of Construction Services for Building and Infrastructure Project.

MKSB and PTM certificates are valid until 2 March 2027 and 19 June 2026 respectively. The internal and external ISO audits are scheduled and performed on yearly basis.

##### iii) Discretionary Authority Limit ("DAL")

DAL outlines a strong governance system, address legal aspects, protect assets, ensure consistent approval routing, and compile governance for matters reserved for Board approval.



## Statement on Risk Management and Internal Control (cont'd)

### 3. INTERNAL CONTROL (CONT'D)

#### B. CONTROL ACTIVITIES (CONT'D)

##### v) Anti-Bribery and Corruption Policy (“ABCP”)

The Group has established an ABCP as a commitment to prevent all forms of bribery and corruption in its daily business activities which are in line with the Group’s core value to promote good governance.

The ABCP applies to all Directors, Management and employees of the Group and business associates who are performing works or services the Group. In addition, Section 17A MACC Act 2009 (Amendment 2018) has been addressed in the policy.

Related information and documentation are available on Varia’s website, [www.varia.com.my](http://www.varia.com.my).

##### vi) Whistleblowing Policy

The Group has established a Whistleblowing Policy to provide a clear direction for whistle-blowers to raise concerns with regard to any suspected wrongdoing and bribery or corruption.

The Whistleblowing Policy provide assurance to the whistle-blowers who are employees of the Group that they will be protected against reprisal and/or retaliation from their immediate superiors or head of departments/divisions, in line with the Whistleblower Protection Act 2010.

The Whistleblowing Policy is made available to all employees, external parties and stakeholder via Varia website, [www.varia.com.my](http://www.varia.com.my).

##### vii) Key Performance Index (“KPI”)

The Group has an established and quantifiable KPI that reflects the critical success factors of an organisation and also enhance the Group’s performance.

#### C. INFORMATION AND COMMUNICATION

IT system and communication channels are put in place to enable effective decision-making by providing Management with timely and accurate information.

#### D. MONITORING

##### i. Internal Audit

The internal audit function is carried out by in-house Internal Audit Department (“IAD”), which report to AC with the objective providing independent, objective assurance and consulting activities designed to add value and improve an organisation’s operation. The IAD assists the Group in accomplishing its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The responsibilities and scope of work of IAD are defined in the Internal Audit Charter’s Term of Reference, approved by the Audit Committee. The IAD undertakes regular reviews of the Group’s operation and its system of internal controls based on an approved audit plan presented to the AC. The results for all audit exercises including follow-up audit reports will be tabled and deliberated in the Audit Committee Meeting.

The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Group’s Risk Management Framework and input from the Senior Management and the Board. This application conforms to Practice 11.2 of the MCCG 2021.

The IAD has a clear line reporting to the AC and the AC determines the remit of the IA function as conforming to the Practice 11.1 of the MCCG 2021. Details on the activities undertaken by IA are set out in the Audit Committee Report. Thus, the IAD is independent of the activities being audited and is performed with impartiality, proficiency and due professional care.



## Statement on Risk Management and Internal Control (cont'd)

### **4. ASSURANCE**

The Board is of the view that the system of internal control instituted throughout the Group is sound and effective and provide a level of confidence on which the Board relies for assurance. The Board ensures that the internal control system and risk management practice of the Group are reviewed regularly to meet the changing and challenging operating environment.

The Managing Director and Executive Director assure the Board that the Group's internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

The Board is satisfied that the system of risk management and internal control was generally satisfactory. Based on the assessment of the Group's internal control system for the year under review and up to date of approval of this statement, no significant control failures or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Company's annual report were noted.

### **5. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, this Statement on Risk Management and Internal Control has been reviewed by the External Auditors for inclusion in the Annual Report for the financial period ended 30 June 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors has 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 process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls system of the Group.

This statement has been approved by the Board of Directors at its meeting on 23 October 2024.

## OTHER COMPLIANCE INFORMATION

### 1. Utilisation of proceeds raised from corporate proposal

Bursa Malaysia Securities Berhad had approved the Company's application for an extension of time of 6 months until 3 October 2024 and subsequently vide its letter dated 26 September 2024 further approved for another extension of time of 6 months until 3 April 2025 to complete the implementation of the Private Placement of up to 50,000,000 new ordinary shares.

As at the date of Annual Report, the Company had issued 15,500,000 out of 50,000,000 new ordinary shares under the Private Placement. The status of utilisation of the proceeds raised from the Private Placement is as follows:-

Purpose	Proposed utilisation (RM)	Actual utilisation (RM)
Purchase of construction materials and labour cost	15,000,000	330,191
Payment to sub-contractors	25,000,000	1,884,570
Total	40,000,000	2,214,761

### 2. Audit and Non-Audit Fees

During the financial period ended 30 June 2024, the amount of audit and non-audit fees paid/payable to external auditors were as follows:-

	Company (RM)	Group (RM)
Audit Fees	114,000	269,500
Non-Audit Fees	232,512	254,279

### 3. Material Contracts or Loans

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, chief executive who is not a Director or major shareholders, either still subsisting at the end of the financial period ended 30 June 2024 or entered into since the end of the previous financial year:-

- (a) Share Sale Agreement ("SSA") dated 31 July 2023 with Datuk Lau Beng Wei ("DLBW"), Datuk Lau Beng Sin ("DLBS"), Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khooon Chiang (collectively, "the Vendors") and as amended by a Supplemental Agreement dated 2 October 2023 with the Vendors and Varia Engineering & Services Sdn Bhd ("VES"), to amongst others, vary, amend, and/or alter certain provisions, terms and conditions of the SSA and to provide for accession by VES as a party to the SSA as one of the vendors in respect of the acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn Bhd, for a total purchase consideration of RM380.0 million ("Acquisition"). DLBW and DLBS are the interested Directors and major shareholders and VES being the interested major shareholder pursuant to the Acquisition.

### 4. Recurrent Related Party Transactions

The Group did not enter into any significant recurrent related party transactions which require shareholders' mandate during the financial period under review.

### 5. Internal Audit Function

The Company's internal audit function is performed in-house for the financial period under review and the total cost incurred for the internal audit function for the financial period under review was RM136,326.70.



## Other Compliance Information (cont'd)

### 6. Share Issuance Scheme ("SIS")

- (a) The Company has a SIS in existence during the financial period under review which was implemented on 5 May 2021 for a period of 5 years and may be extended for a further period of 5 years or such shorter period, at the sole and absolute discretion of the Board upon the recommendation of the SIS Committee provided that the total duration of the SIS shall not in aggregate exceed 10 years from the effective date of implementation of the SIS.

All options granted and outstanding under the SIS had since lapsed following the take-over offer by Varia Engineering & Services Sdn Bhd, Datuk Lau Beng Wei and Datuk Lau Beng Sin during the financial year ended 31 March 2023.

- (b) There was no options granted under the SIS during the financial period ended 30 June 2024.
- (c) Percentage of options applicable to Directors and Senior Management under the SIS are set out below:-

	During the financial period ended 30 June 2024	Since commencement up to 30 June 2024
<b>Directors and Senior Management</b>		
Aggregate maximum allocation	-	Lapsed
Actual options granted	-	-

- (d) During the financial period ended 30 June 2024, there was no SIS options offered and exercised by the Non-Executive Directors pursuant to the SIS.



# FINANCIAL STATEMENTS

Directors' Report	76
Statements of Financial Position	82
Statements of Comprehensive Income	84
Statements of Changes in Equity	86
Statements of Cash Flows	88
Notes to the Financial Statements	92
Statement by Directors	147
Statutory Declaration	147
Independent Auditors' Report	148





# DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2024.

## CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 March to 30 June and made up their financial statements for the 15 months period from 1 April 2023 to 30 June 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include business of general contractors, construction of buildings, residential, roads and other construction activities, contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works, property development and property investments.

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

## RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial period	764,299	(13,455,175)
<hr/>		
Attributable to: Owners of the Company	764,299	(13,455,175)
<hr/>		

## DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial period ended 30 June 2024.

## RESERVES OR PROVISIONS

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

## BAD AND DOUBTFUL DEBTS

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

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

## Directors' Report (cont'd)

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### VALUATION METHODS

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

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### CHANGE OF CIRCUMSTANCES

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

### ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

### AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company during the financial period were RM269,500 and RM114,000 respectively.

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



## Directors' Report (cont'd)

### ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company increased its issued and paid-up share capital from RM31,712,508 comprising 67,000,000 ordinary shares to RM381,712,508 comprising 417,000,000 ordinary shares by way of issuance of 350,000,000 ordinary shares pursuant to the Share Sale Agreement dated 31 July 2023 in respect of the acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn. Bhd. The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

No new issue of debentures was made by the Company.

### DIRECTORS

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

Dato' Sri Dr. Mohd Nizom bin Sairi	(Appointed on 3 October 2024)
Datuk Lau Beng Wei	
Datuk Lau Beng Sin*	
Datuk Manivannan A/L Ganapathy*	
Dato' Kamarulzaman bin Jamil	
Dato' Jamaluddin bin Sabeh	
Datuk Wira Roslan bin Ab Rahman	
Datuk Kok Boon Kiat	(Appointed on 2 January 2024)
Shahrizam bin A Shukor	
Sharifah Rafidah binti Wan Mansor	
Koay Xing Boon	(Resigned on 30 July 2024)

\* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Teo Boon Hing	
Raizita binti Ahmad @ Harun	
Datuk Fariz Nazrul bin Che Noh	(Appointed on 2 October 2023)
Mahathir bin Mohamad Tahir	(Appointed on 15 August 2024)
Ir. Yusfi bin Mohamed Yusof	(Resigned on 31 December 2023)

### DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.4.2023	Allotted/ Bought	Sold	At 30.6.2024
<b>Interests in the Company</b>				
<b>Direct interests:</b>				
Datuk Lau Beng Wei	15,008,000	116,000,000	–	131,008,000
Datuk Lau Beng Sin	11,547,000	84,375,000	–	95,922,000
<b>Indirect interests:</b>				
Datuk Lau Beng Wei*	8,113,100	21,000,000	–	29,113,100
Datuk Lau Beng Sin*	8,113,100	21,000,000	–	29,113,100
Datuk Manivannan A/L Ganapathy^	20,000	–	–	20,000

\* Shares held through company in which the director has substantial financial interests.

^ Shares held through spouse.

## Directors' Report (cont'd)

### DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Datuk Lau Beng Wei and Datuk Lau Beng Sin are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares or debentures of the Company and its related corporations during the financial period.

### DIRECTORS' BENEFITS

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

The directors' benefits of the Group and of the Company were as follows:

	<b>Group RM</b>	<b>Company RM</b>
<b>Directors of the Company</b>		
Executive directors		
- Other emoluments	1,206,916	1,206,916
	1,206,916	1,206,916
<b>Non-executive directors</b>		
- Fees	295,258	295,258
- Other emoluments	89,000	89,000
	384,258	384,258
	1,591,174	1,591,174

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

### INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, no indemnity was given to or insurance effected for any directors or officers of the Company.



## Directors' Report (cont'd)

### SUBSIDIARIES

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

<b>Name of company</b>	<b>Principal place of business/ Country of incorporation</b>	<b>Ownership interest 30.6.2024 %</b>	<b>Principal activities</b>
Pembinaan Teguh Maju Sdn. Bhd.	Malaysia	100	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Mewah Kota Sdn. Bhd.	Malaysia	100	Contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works.
Paramount Ventures Sdn. Bhd.	Malaysia	100	Property development and the business of general civil and structural, mechanical and electrical works and project management.
Merge Properties Sdn. Bhd.	Malaysia	100	Property investment.
MEB Realty Sdn. Bhd.	Malaysia	100	Property investment.
Merge Energy O&G Sdn. Bhd.	Malaysia	100	Inactive.
Ababil Perkasa Sdn. Bhd.	Malaysia	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	Inactive.
Merge Readymix Sdn. Bhd.	Malaysia	100	Inactive.

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

### SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 31 July 2023, the Company entered into a Share Sale Agreement ("SSA") with Datuk Lau Beng Wei, Datuk Lau Beng Sin, Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khoon Chiang (collectively, "the Vendors") and as amended by a Supplemental Agreement ("SA") dated 2 October 2023 with the Vendors and Varia Engineering & Services Sdn. Bhd. in respect of the acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn. Bhd. for a total purchase consideration of RM380 million via cash consideration of RM100 million and the balance of RM280 million by way of issuance of 350,000,000 new ordinary shares in the Company.

The acquisition was completed in accordance with the terms of the SSA and SA on 16 November 2023.



Directors' Report  
(cont'd)**SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD**

- (a) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. ("WMSB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WMSB was provision of highway maintenance services.
- (b) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Holdings Sdn. Bhd. ("WHSB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WHSB was investment holding and engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (c) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WESB was engaged in the design, construction, management, operation and development of expressway and managing its toll operations.

**AUDITORS**

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

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

.....  
**DATUK LAU BENG SIN**

Director

.....  
**DATUK MANIVANNAN A/L GANAPATHY**

Director

Date: 23 October 2024



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group		Company	
		30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	9,198,826	6,499,303	115,480	157,055
Investment properties	6	11,550,000	11,330,000	–	–
Inventories	9	11,308,389	8,834,522	–	–
Intangible assets	7	433,600,660	–	–	–
Investment in subsidiaries	8	–	–	496,201,210	46,201,210
Other investment	10	–	–	–	–
<b>Total non-current assets</b>		<b>465,657,875</b>	<b>26,663,825</b>	<b>496,316,690</b>	<b>46,358,265</b>
<b>Current assets</b>					
Inventories	9	9,002,278	6,026,277	–	–
Current tax assets		895,017	30,148	–	–
Contract assets	14	29,393,401	4,264,686	–	–
Contract costs	15	146,369	–	–	–
Trade receivables	11	115,347,635	11,194,109	–	–
Other receivables, deposits and prepayments	12	24,561,383	7,736,110	1,453,625	26,249
Amounts due from subsidiaries	13	–	–	601,282	6,931,259
Deposits, cash and bank balances	16	5,697,532	8,302,456	599,925	15,047
<b>Total current assets</b>		<b>185,043,615</b>	<b>37,553,786</b>	<b>2,654,832</b>	<b>6,972,555</b>
Non-current asset classified as held for sale	17(a)	–	5,800,000	–	–
<b>TOTAL ASSETS</b>		<b>650,701,490</b>	<b>70,017,611</b>	<b>498,971,522</b>	<b>53,330,820</b>

## Statements Of Financial Position (cont'd)

	Note	Group		Company	
		30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	18	381,712,508	31,712,508	381,712,508	31,712,508
Retained earnings/ (Accumulated losses)		6,079,514	5,315,215	(14,716,826)	(1,261,651)
<b>TOTAL EQUITY</b>		<b>387,792,022</b>	<b>37,027,723</b>	<b>366,995,682</b>	<b>30,450,857</b>
<b>Non-current liabilities</b>					
Loans and borrowings	20	91,443,206	3,739,484	86,984,947	117,199
Deferred tax liabilities	21	15,777,031	221,447	–	–
<b>Total non-current liabilities</b>		<b>107,220,237</b>	<b>3,960,931</b>	<b>86,984,947</b>	<b>117,199</b>
<b>Current liabilities</b>					
Loans and borrowings	20	22,027,200	11,643,081	14,497,395	28,739
Provision	22	–	2,573,787	–	–
Trade payables	23	75,108,972	8,458,770	–	–
Other payables, accruals and deposits	24	15,342,449	3,300,637	135,300	98,576
Amounts due to subsidiaries	13	–	–	30,358,198	22,635,449
Contract liabilities	14	43,210,610	3,052,682	–	–
<b>Total current liabilities</b>		<b>155,689,231</b>	<b>29,028,957</b>	<b>44,990,893</b>	<b>22,762,764</b>
<b>TOTAL LIABILITIES</b>		<b>262,909,468</b>	<b>32,989,888</b>	<b>131,975,840</b>	<b>22,879,963</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>650,701,490</b>	<b>70,017,611</b>	<b>498,971,522</b>	<b>53,330,820</b>

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



# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group		Company	
		Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Continuing operations</b>					
Revenue	25	232,539,607	29,350,438	–	–
Cost of sales	26	(199,195,816)	(35,792,217)	–	–
Gross profit/(loss)		33,343,791	(6,441,779)	–	–
Other income		854,277	5,691,282	–	–
Administrative expenses		(17,510,948)	(10,046,925)	(5,473,015)	(1,859,326)
Amortisation of intangible assets		(10,573,193)	–	–	–
Gain/(Loss) on disposal of subsidiaries		–	874,231	–	(3,069,257)
Impairment losses on amount due from a subsidiary		–	–	(3,761,412)	–
<b>Operating profit/(loss)</b>		6,113,927	(9,923,191)	(9,234,427)	(4,928,583)
Finance income		263,619	111,887	–	13,125
Finance costs	27	(5,151,738)	(1,000,833)	(4,220,748)	(8,820)
<b>Profit/(Loss) before tax</b>	28	1,225,808	(10,812,137)	(13,455,175)	(4,924,278)
Tax expense	30	(461,509)	(570,202)	–	(319)
<b>Profit/(Loss) for continuing operations</b>		764,299	(11,382,339)	(13,455,175)	(4,924,597)
Loss for the financial year from discontinued operations, net of tax	17(b)	–	(5,063,856)	–	–
<b>Profit/(Loss) for the financial period/year</b>		764,299	(16,446,195)	(13,455,175)	(4,924,597)
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		764,299	(14,391,847)	(13,455,175)	(4,924,597)
- From continuing operations		764,299	(9,327,991)	(13,455,175)	(4,924,597)
- From discontinued operations		–	(5,063,856)	–	–
Non-controlling interests		–	(2,054,348)	–	–
- From discontinued operations		–	(2,054,348)	–	–
		764,299	(16,446,195)	(13,455,175)	(4,924,597)

## Statements Of Comprehensive Income (cont'd)

	Note	Group		Company	
		Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Total comprehensive income/ (loss) attributable to:</b>					
Owners of the Company		764,299	(14,391,847)	(13,455,175)	(4,924,597)
- From continuing operations		764,299	(9,327,991)	(13,455,175)	(4,924,597)
- From discontinued operations		-	(5,063,856)	-	-
Non-controlling interests					
- From discontinued operations		-	(2,054,348)	-	-
		764,299	(16,446,195)	(13,455,175)	(4,924,597)
<b>Basic earnings/(loss) per share (sen):</b>					
	31				
- From continuing operations		0.32	(13.92)		
- From discontinued operations		-	(7.56)		
		0.32	(21.48)		
<b>Diluted earnings/(loss) per share (sen):</b>					
	31				
- From continuing operations		0.32	(13.92)		
- From discontinued operations		-	(7.56)		
		0.32	(21.48)		

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





## Statements Of Changes In Equity (cont'd)

	Note	Share capital RM	Share option reserve RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
<b>Company</b>					
<b>At 31 March 2022</b>		31,712,508	357,230	4,896,025	36,965,763
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(4,924,597)	(4,924,597)
<b>Transactions with owners</b>					
Share options issued	19	-	84,691	-	84,691
Lapsed share options	19	-	(441,921)	441,921	-
Dividends paid on shares		-	-	(1,675,000)	(1,675,000)
Total transactions with owners		-	(357,230)	(1,233,079)	(1,590,309)
<b>At 31 March 2023</b>		31,712,508	-	(1,261,651)	30,450,857
<b>Total comprehensive loss for the financial period</b>					
Loss for the financial period, representing total comprehensive loss		-	-	(13,455,175)	(13,455,175)
Transaction with owners Issuance of ordinary shares, representing total transaction with owners	18	350,000,000	-	-	350,000,000
<b>At 30 June 2024</b>		381,712,508	-	(14,716,826)	366,995,682

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



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024	Financial year from 1.4.2022 to 31.3.2023	Financial period from 1.4.2023 to 30.6.2024	Financial year from 1.4.2022 to 31.3.2023
Note	RM	RM	RM	RM
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax				
- Continuing operations	1,225,808	(10,812,137)	(13,455,175)	(4,924,278)
- Discontinued operations	-	(5,063,856)	-	-
	1,225,808	(15,875,993)	(13,455,175)	(4,924,278)
Adjustments for:				
Amortisation of intangible assets	10,573,193	-	-	-
Bad debts written off	-	500	-	-
Depreciation of property, plant and equipment	1,352,043	2,288,970	41,575	33,259
Fair value gain on investment properties	(220,000)	(360,000)	-	-
(Gain)/Loss on disposal of:				
- non-current asset held for sale	(200,000)	-	-	-
- property, plant and equipment	(116,737)	(4,799,916)	-	-
- subsidiaries	-	(874,231)	-	3,069,257
Gain on unrealised foreign exchange	-	(703)	-	-
- amounts due from subsidiaries	-	-	-	-
Gain on lease modification	(403)	-	-	-
Impairment losses on amount due from a subsidiary	-	-	3,761,412	-
Interest expense	5,151,738	1,904,224	4,220,748	8,820
Interest income	(263,619)	(111,887)	-	(13,125)
Property, plant and equipment written off	13,384	19	-	-
Provision for onerous contract	500,000	2,573,787	-	-
Share-based payments	-	1,111,644	-	335,977
<b>Operating profit/(loss) before changes in working capital</b>	<b>18,015,407</b>	<b>(14,143,586)</b>	<b>(5,431,440)</b>	<b>(1,490,090)</b>
Changes in working capital:				
Inventories	(5,449,868)	(3,715,683)	-	-
Receivables	(81,847,509)	(1,127,875)	(1,427,376)	2,227
Contract assets	3,822,391	22,769,917	-	-
Contract costs	22,672,480	107,590	-	-
Payables	31,777,417	(11,559,084)	36,724	10,077
Provision	(3,073,787)	-	-	-
Contract liabilities	16,373,230	(352,935)	-	-
Net cash generated from/ (used in) operations	2,289,761	(8,021,656)	(6,822,092)	(1,477,786)
Interest paid	(5,151,738)	(1,904,224)	(4,220,748)	(8,820)
Real property gain tax	(553,700)	-	-	-
Tax paid	(7,113,678)	(1,017,659)	-	(319)
Net cash used in operating activities	(10,529,355)	(10,943,539)	(11,042,840)	(1,486,925)

## Statements Of Cash Flows (cont'd)

	Note	Group		Company	
		Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Cash flows from investing activities</b>					
Acquisition of a subsidiary	8(a)	(93,885,011)	–	(100,000,000)	–
Purchase of property, plant and equipment	5(a)	(783,751)	(707,605)	–	–
Proceeds from disposal of non-current asset held for sale		6,000,000	–	–	–
Proceeds from disposal of subsidiaries	8(b)	–	12,129,247	–	14,400,000
Proceeds from disposal of property, plant and equipment		185,300	5,411,000	–	–
Change in pledged deposits		1,496,664	(865,862)	–	–
Repayments from/(Advances to) subsidiaries		–	–	2,568,565	(8,147,370)
Repayments from a related company		–	1,193,176	–	–
Interest received		263,619	111,887	–	13,125
Net cash (used in)/from investing activities		(86,723,179)	17,271,843	(97,431,435)	6,265,755
<b>Cash flows from financing activities</b>					
Advances from/(Repayments to) subsidiaries	(a)	–	–	7,722,749	(3,093,123)
Dividend paid		–	(1,675,000)	–	(1,675,000)
Repayment of revolving credit		(6,000,000)	–	–	–
Repayments of hire purchase		(352,985)	(364,894)	–	–
Payments of lease liabilities		(257,847)	(293,220)	(36,177)	(27,177)
Drawdown of term loans		104,342,435	–	101,498,581	–
Repayments of term loans		(126,000)	(30,345)	(126,000)	–
Net cash from/(used in) financing activities		97,605,603	(2,363,459)	109,059,153	(4,795,300)
Net increase/(decrease) in cash and cash equivalents		353,069	3,964,845	584,878	(16,470)
<b>Cash and cash equivalents at the beginning of the financial period/year</b>		(1,469,225)	(5,434,070)	15,047	31,517
Cash and cash equivalents at the end of the financial period/year	16	(1,116,156)	(1,469,225)	599,925	15,047



## Statements Of Cash Flows (cont'd)

(a) Reconciliation of liabilities arising from financing activities:

	At 1.4.2023 RM	Cash flows RM	<----- Non-cash -----> Acquisition of a subsidiary RM	Acquisition RM	At 30.6.2024 RM
<b>Group</b>					
Hire purchase payables	217,110	(352,985)	490,706	1,160,760	1,515,591
Lease liabilities	3,711,711	(257,847)	231,835	60,266	3,745,965
Revolving credit	6,000,000	(6,000,000)	-	-	-
Term loans	-	104,216,435	-	-	104,216,435
	9,928,821	97,605,603	722,541	1,221,026	109,477,991

	At 1.4.2022 RM	Cash flows RM	<----- Non-cash -----> Disposal of subsidiaries RM	Acquisition RM	At 31.3.2023 RM
<b>Group</b>					
Hire purchase payables	857,252	(364,894)	(6,834,458)	6,559,210	217,110
Lease liabilities	17,392,694	(293,220)	(13,387,763)	-	3,711,711
Revolving credit	6,000,000	-	-	-	6,000,000
Term loans	1,049,744	(30,345)	(1,019,399)	-	-
	25,299,690	(688,459)	(21,241,620)	6,559,210	9,928,821

	At 31.3.2023 RM	Cash flows RM	At 30.6.2024 RM
<b>Company</b>			
Term loans	-	101,372,581	101,372,581
Amounts due to subsidiaries	22,635,449	7,722,749	30,358,198
Lease liabilities	145,938	(36,177)	109,761
	22,781,387	109,059,153	131,840,540

	At 1.4.2022 RM	Cash flows RM	At 31.3.2023 RM
<b>Company</b>			
Amounts due to subsidiaries	25,728,572	(3,093,123)	22,635,449
Lease liabilities	173,115	(27,177)	145,938
	25,901,687	(3,120,300)	22,781,387



## Statements Of Cash Flows (cont'd)

(b) Total cash outflows for leases

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Included in net cash from operating activities:</b>				
Payment relating to short-term leases	39,106	23,560	-	-
Interest paid in relation to lease liabilities	261,994	201,648	8,823	8,820
<b>Included in net cash from/ (used in) financing activities:</b>				
Payment of lease liabilities	274,578	293,220	36,177	27,177
<b>Total cash outflows for leases</b>	<b>575,678</b>	<b>518,428</b>	<b>45,000</b>	<b>35,997</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Varia Berhad (formerly known as Stella Holdings Berhad) (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company is located at 1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2024.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

### 2.2 Adoption of new MFRS and amendments to MFRSs

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

#### New MFRS

MFRS 17	Insurance Contracts
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#### Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

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

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

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

## Notes to the Financial Statements (cont'd)

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

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

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

<u>New MFRSs</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
 <u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. The initial application of the applicable new MFRSs and amendments to MFRSs is not expected to have impact to the current and prior periods financial statements.

#### 2.4 Functional and presentation currency

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

#### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.



## Notes to the Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

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

#### 3.1 Basis of consolidation

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

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

#### 3.2 Separate financial statements

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

#### 3.3 Financial instruments

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

###### Debt instrument at amortised cost

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

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

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

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

#### 3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	<b>Useful lives (years)</b>
Plant and machinery	5 – 10
Motor vehicles	5 – 10
Furniture, fittings and office equipment	3 – 20
Office renovation	20

## Notes to the Financial Statements (cont'd)

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

#### 3.5 Leases

##### (a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 20.

##### Short-term leases

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

##### Right-of-use assets

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

##### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

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

##### (b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from leasing properties is recognised as other income.

#### 3.6 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

#### 3.7 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	<b>Method</b>	<b>Useful lives (years)</b>
Customer contracts	Cost incurred	2 – 4

## Notes to the Financial Statements (cont'd)

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

#### 3.8 Inventories

##### Property under development

The cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

#### 3.9 Revenue and other income

##### (a) Construction contracts

The Group's construction services under long term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

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

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

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

##### (b) Property development

The Group develops and sells residential and commercial properties.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do 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. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

For residential properties, as part of the statutory requirements, the Group's obligation is to rectify any defects that become apparent within the defect liability period of 24 months after the customer takes vacant possession of the building are recognised as a provision.



## Notes to the Financial Statements (cont'd)

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

#### 3.9 Revenue and other income (Cont'd)

##### (c) Interest income

Interest income is recognised using the effective interest method.

##### (d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

#### 3.10 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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

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

#### (a) Business combination

When the Group acquired Pembinaan Teguh Maju Sdn. Bhd. ("PTM"), a judgement was made as to whether the transaction should be accounted for as a business combination. In making this judgement, the Group assessed the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business in MFRS 3. The Group assessed that the acquisition of PTM qualifies as a business combination by applying the definition in MFRS 3.

In accounting for the PTM under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed is based on directors' judgement. Any changes in these assumptions will have an impact on the carrying amounts of the acquired assets and liabilities assumed.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 8(a).



## Notes to the Financial Statements (cont'd)

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

#### (b) Impairment of intangible assets

Goodwill and customer contracts are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which intangible assets and goodwill are allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's intangible assets and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 7.

#### (c) Construction revenue

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

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects.

The Group's construction revenue recognised during the financial period is disclosed in Notes 14 and 25.

#### (d) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Company uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including future sales, profit margins and operating expenses. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

The carrying amount of the investment in subsidiaries are disclosed in Note 8.

Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Office renovation RM	Right- of-use assets RM	Total RM
<b>Group</b>						
<b>30.6.2024</b>						
<b>Cost</b>						
At 1 April 2023	326,785	1,762,267	2,028,964	4,124,274	3,843,796	12,086,086
Additions	58,460	1,357,825	233,578	294,648	76,997	2,021,508
Disposals	-	(460,546)	(8,515)	-	-	(469,061)
Acquisition of a subsidiary (Note 8(a))	138,789	1,039,608	708,899	282,818	271,681	2,441,795
Lease modification	-	-	-	-	(35,625)	(35,625)
Written off	(326,785)	-	(591,151)	-	-	(917,936)
At 30 June 2024	197,249	3,699,154	2,371,775	4,701,740	4,156,849	15,126,767
<b>Accumulated depreciation</b>						
At 1 April 2023	324,471	1,327,812	1,742,548	1,769,136	422,816	5,586,783
Depreciation charge for the financial period	17,017	328,824	228,371	349,582	428,249	1,352,043
Disposals	-	(394,045)	(6,453)	-	-	(400,498)
Acquisition of a subsidiary (Note 8(a))	897	193,415	63,862	11,558	43,730	313,462
Lease modification	-	-	-	-	(19,297)	(19,297)
Written off	(326,761)	-	(577,791)	-	-	(904,552)
At 30 June 2024	15,624	1,456,006	1,450,537	2,130,276	875,498	5,927,941
<b>Net carrying amount</b>						
At 30 June 2024	181,625	2,243,148	921,238	2,571,464	3,281,351	9,198,826

Notes to the Financial Statements  
(cont'd)

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

Group	Long term leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and office equipment	Office renovation	Medical equipment	Right-of-use assets	Assets under construction	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Cost</b>									
At 1 April 2022	814,424	326,785	2,689,510	2,493,241	4,240,441	-	17,612,395	8,400,000	36,576,796
Additions	-	-	17,500	522,936	167,169	6,559,210	-	-	7,266,815
Derecognition *	-	-	-	-	-	-	(129,935)	-	(129,935)
Disposals	(814,424)	-	(157,473)	(649)	-	-	-	-	(972,546)
Disposal of subsidiaries (Note 8(b))	-	-	(787,270)	(929,958)	(283,336)	(6,559,210)	(13,638,664)	(8,400,000)	(30,598,438)
Written off	-	-	-	(56,606)	-	-	-	-	(56,606)
At 31 March 2023	-	326,785	1,762,267	2,028,964	4,124,274	-	3,843,796	-	12,086,086
<b>Accumulated depreciation</b>									
At 1 April 2022	214,388	319,807	1,385,993	1,903,672	1,574,488	-	756,008	-	6,154,356
Depreciation charge for the financial year	-	4,664	341,124	199,007	291,992	683,715	768,468	-	2,288,970
Derecognition *	-	-	-	-	-	-	(111,440)	-	(111,440)
Disposals	(214,388)	-	(146,966)	(108)	-	-	-	-	(361,462)
Disposal of subsidiaries (Note 8(b))	-	-	(252,339)	(303,436)	(97,344)	(683,715)	(990,220)	-	(2,327,054)
Written off	-	-	-	(56,587)	-	-	-	-	(56,587)
At 31 March 2023	-	324,471	1,327,812	1,742,548	1,769,136	-	422,816	-	5,586,783
<b>Net carrying amount</b>									
At 31 March 2023	-	2,314	434,455	286,416	2,355,138	-	3,420,980	-	6,499,303

\* Derecognition of the right-of-use asset during the financial year was as a result of termination of certain leases.

Notes to the Financial Statements  
(cont'd)

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

	Furniture, fittings and office equipment RM	Office renovation RM	Right-of- use assets RM	Total RM
<b>Company</b>				
<b>30.6.2024</b>				
<b>Cost</b>				
At 1 April 2023/30 June 2024	39,763	2,273,906	184,001	2,497,670
<b>Accumulated depreciation</b>				
At 1 April 2023	35,373	2,261,799	43,443	2,340,615
Depreciation charge for the financial period	1,400	1,841	38,334	41,575
At 1 April 2023/30 June 2024	36,773	2,263,640	81,777	2,382,190
<b>Net carrying amount</b>				
At 30 June 2024	2,990	10,266	102,224	115,480
<b>31.3.2023</b>				
<b>Cost</b>				
At 1 April 2022/31 March 2023	39,763	2,273,906	184,001	2,497,670
<b>Accumulated depreciation</b>				
At 1 April 2022	34,253	2,260,327	12,776	2,307,356
Depreciation charge for the financial year	1,120	1,472	30,667	33,259
At 31 March 2023	35,373	2,261,799	43,443	2,340,615
<b>Net carrying amount</b>				
At 31 March 2023	4,390	12,107	140,558	157,055

## Notes to the Financial Statements (cont'd)

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

- (a) During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM2,021,508 (31.3.2023: RM7,266,815) which are satisfied by the following:

	Group	
	30.6.2024	31.3.2023
	RM	RM
Financed by way of hire purchase arrangement	1,160,760	6,559,210
Financed by way of lease arrangement	76,997	–
Cash payments	783,751	707,605
	2,021,508	7,266,815

- (b) Leased assets are pledged as security for the related lease liabilities as disclosed in Note 20(b).

Motor vehicles of the Group with carrying amount at RM1,847,017 (31.3.2023: RM371,367) have been pledged as security for hire purchase arrangements as disclosed in Note 20(c).

- (c) The Group and the Company lease leasehold buildings.

Information about leases for which the Group and the Company are lessees is presented below:

	Group Buildings RM	Company Buildings RM
<b>Carrying amount</b>		
At 1 April 2022	16,856,387	171,225
Depreciation	(768,468)	(30,667)
Derecognition	(18,495)	–
Disposal of subsidiaries (Note 8(b))	(12,648,444)	–
At 31 March 2023	3,420,980	140,558
Additions	76,997	–
Acquisition of a subsidiary (Note 8(a))	227,951	–
Depreciation	(428,249)	(38,334)
Lease modification	(16,328)	–
At 30 June 2024	3,281,351	102,224

The Group and the Company lease buildings for their office space and staff apartments. The leases for office space and operation site generally have lease term between 2 to 15 years (31.3.2023: 2 to 15 years).



## Notes to the Financial Statements (cont'd)

### 6. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
<b>30.6.2024</b>			
At 1 April 2023	1,270,000	10,060,000	11,330,000
Gain arising from fair value adjustment	180,000	40,000	220,000
At 30 June 2024	1,450,000	10,100,000	11,550,000
<b>31.3.2023</b>			
At 1 April 2022	3,180,000	15,570,000	18,750,000
Disposal of subsidiaries (Note 8(b))	(1,980,000)	–	(1,980,000)
Gain arising from fair value adjustment	70,000	290,000	360,000
Transfer to non-current asset held for sale (Note 17(a))	–	(5,800,000)	(5,800,000)
At 31 March 2023	1,270,000	10,060,000	11,330,000

(a) Included in freehold and leasehold land and building are properties with carrying amount of RM1,450,000 and RM5,800,000 (31.3.2023: RM1,270,000 and RM5,760,000) respectively pledged as security to secure bank overdrafts of the Group as disclosed in Note 20(d).

(b) The following are recognised in profit or loss in respect of the investment properties:

	Group	
	30.6.2024 RM	31.3.2023 RM
Rental income	372,878	447,795
Direct operating expenses		
- income generating investment properties	(29,280)	(20,795)
- non-income generating investment properties	(3,364)	(30,026)

#### Fair value information

The fair value of investment properties is determined by directors' estimation and referring to an external independent property valuer, Laurelcap Sdn. Bhd., with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of investment properties of the Group are categorised as Level 2. There are no Level 1 and Level 3 investment properties or transfer between the levels during the financial period ended 30 June 2024 or financial year ended 31 March 2023.

#### Level 2 fair value

Level 2 fair values of investment properties have been derived using income approach and sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

#### Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

## Notes to the Financial Statements (cont'd)

### 7. INTANGIBLE ASSETS

	Goodwill RM	Customer contracts RM	Total RM
<b>Group Cost</b>			
At 1 April 2022	855,994	–	855,994
Disposal of subsidiaries (Note 8(b))	(855,994)	–	(855,994)
At 31 March 2023	–	–	–
Acquisition of a subsidiary (Note 8(a))	369,331,900	74,841,953	444,173,853
At 30 June 2024	369,331,900	74,841,953	444,173,853
<b>Accumulated amortisation</b>			
At 1 April 2022/31 March 2023	–	–	–
Amortisation charge for the financial period	–	10,573,193	10,573,193
At 30 June 2024	–	10,573,193	10,573,193
<b>Net carrying amount</b>			
At 31 March 2023	–	–	–
At 30 June 2024	369,331,900	64,268,760	433,600,660

The provisional goodwill and customer contracts are recognised as a result of acquisition of a subsidiary as disclosed in Note 8(a).

#### (a) Goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's construction segment, which is also a reportable operating segment, which represent the lowest level of cash generating unit ("CGU") within the Group at which the goodwill is monitored for internal management purposes.

#### CGU – Construction

The estimated recoverable amount of the CGU exceeds the carrying amount of the CGU. As a result of the analysis, management did not identify an impairment for this CGU. Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts.

#### Key assumption used in value-in-use calculations

Goodwill is tested for impairment on annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by management covering five financial years and no growth rate is projected from the sixth financial year onwards. The key assumptions used for value-in-use calculation are:

##### (i) Revenue forecast

The revenue forecasted is based on management's estimation taking into consideration secured contracts and anticipated future projects/contracts.

## Notes to the Financial Statements (cont'd)

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

#### (a) Goodwill (Cont'd)

##### Key assumption used in value-in-use calculations (Cont'd)

Goodwill is tested for impairment on annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by management covering five financial years and no growth rate is projected from the sixth financial year onwards. The key assumptions used for value-in-use calculation are: (Cont'd)

##### (ii) Gross profit margin

Gross profit margin is based on management's past experience, adjusted for market and economic conditions and internal resource efficiency.

The gross profit margin used in value-in-use calculations is 12% to 13%.

##### (iii) Discount rate

Discount rate is estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projection is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

The discount rate used in value-in-use calculations is 14.33%.

The values assigned to the above key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources of information.

Based on the sensitivity analysis performed, management believes that there is no reasonable possible change in any of the above key assumptions that would cause the carrying amount of the CGU to be materially higher than its recoverable amount.

#### (b) Customer contracts

Customer contracts arose from acquisition of a subsidiary based on valuations performed by an external independent professional valuer.

An amortisation amounting to RM10,573,193 (31.3.2023: RM nil) relating to the customer contracts has been recognised during the financial period.

### 8. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		30.6.2024 RM	31.3.2023 RM
<b>Unquoted shares, at cost</b>			
At beginning of the financial period/year		61,540,120	75,485,998
Acquisition of a subsidiary	(a)	450,000,000	–
Disposal of subsidiaries	(b)	–	(13,694,593)
Lapsed share options		–	(251,285)
<hr/>			
At end of the financial period/year		511,540,120	61,540,120
Less: Accumulated impairment losses		(15,338,910)	(15,338,910)
<hr/>			
		496,201,210	46,201,210
<hr/>			



## Notes to the Financial Statements (cont'd)

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

Details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		30.6.2024	31.3.2023	
Pembinaan Teguh Maju Sdn. Bhd. ("PTM") #	Malaysia	100	–	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Mewah Kota Sdn. Bhd.	Malaysia	100	100	Contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works.
Paramount Ventures Sdn. Bhd.	Malaysia	100	100	Property development and the business of general civil and structural, mechanical and electrical works and project management.
Merge Properties Sdn. Bhd.	Malaysia	100	100	Property investment.
MEB Realty Sdn. Bhd.	Malaysia	100	100	Property investment.
Merge Readymix Sdn. Bhd. ("MRSB") ^	Malaysia	100	100	Inactive.
Merge Energy O&G Sdn. Bhd.	Malaysia	100	100	Inactive.
Ababil Perkasa Sdn. Bhd.	Malaysia	100	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	100	Inactive.
<b>Subsidiary of MKSB</b>				
Innovasi Hebat Sdn. Bhd. ("IHSB") *	Malaysia	–	100	Inactive.

# Note (a)

^ On 10 May 2024, an application was made to the Companies Commission of Malaysia to strike of MRSB pursuant to Section 550 of the Companies Act 2016 and MRSB was dissolved on 12 August 2024.

\* On 13 March 2023, an application was made to the Companies Commission of Malaysia to strike off IHSB pursuant to Section 550 of the Companies Act 2016 and IHSB was dissolved on 22 June 2023.

#### (a) Acquisition of a subsidiary

On 31 July 2023, the Company has entered into an agreement to purchase the entire equity interest in PTM. The principal activity of PTM is engage in business of general contractors, construction of buildings, residential, roads and other construction activities.

On 16 November 2023, the Company completed the acquisition of the entire equity interest in PTM for cash consideration of RM100 million and issuance of 350,000,000 new ordinary shares in the Company at an issue price of RM1.00 per share.

## Notes to the Financial Statements (cont'd)

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

#### (a) Acquisition of a subsidiary (Cont'd)

(i) Fair value of consideration transferred:

	<b>RM</b>
(a) Cash consideration	100,000,000
(b) Ordinary shares of the Company	350,000,000
	450,000,000

The fair value of the 350,000,000 ordinary shares issued as part of the consideration paid for PTM was determined on the basis of the closing market price of the Company's ordinary shares of RM1.00 per share on the acquisition date.

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	<b>RM</b>
<b>Assets</b>	
Property, plant and equipment (Note 5)	2,128,333
Intangible assets (Note 7)	74,841,953
Contract assets (Note 14)	5,166,408
Contract cost	22,818,849
Trade and other receivables	39,131,290
Cash and bank balances	6,114,989
<b>Total assets</b>	<b>150,201,822</b>
<b>Liabilities</b>	
Deferred tax liabilities (Note 21)	(21,788,503)
Tax liabilities	(108,081)
Loans and borrowings	(722,541)
Trade and other payables	(46,914,597)
<b>Total liabilities</b>	<b>(69,533,722)</b>
Adjusted net assets acquired as at Acquisition Date	80,668,100
Goodwill arising on acquisition (Note 7(a))	369,331,900
<b>Fair value of consideration transferred</b>	<b>450,000,000</b>

(iii) Effects of acquisition on cash flows:

	<b>RM</b>
Fair value of consideration transferred	450,000,000
Less: Non-cash consideration	(350,000,000)
	100,000,000
Consideration paid in cash	100,000,000
Less: Cash of subsidiary acquired	(6,114,989)
<b>Net cash outflows on acquisition</b>	<b>93,885,011</b>



## Notes to the Financial Statements (cont'd)

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

#### (a) Acquisition of a subsidiary (Cont'd)

- (iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	<b>RM</b>
Revenue	164,767,628
Profit for the financial period	19,564,978

If the acquisition had occurred on 1 April 2023, the consolidated results for the financial period ended 30 June 2024 would have been as follows:

	<b>RM</b>
Revenue	327,400,794
Profit for the financial period	1,269,953

#### (b) Disposal of subsidiaries

- (i) Iris Synergy Sdn. Bhd.

On 1 September 2022, the Company had entered into a Shares Sale Agreement ("SSA") with Mohd Azali bin Abdul Rahman to dispose off its entire 1,530,000 ordinary shares representing 51% equity interest in Iris Synergy Sdn. Bhd. for a total cash consideration of RM2.4 million.

The disposal was completed on 14 September 2022 upon fulfillment of all the Conditions Precedent of the SSA.

- (ii) Stella Healthcare Holdings Sdn. Bhd.

On 14 October 2022, the Company had entered into a Shares Sale Agreement ("SSA") with Panorama Elit Sdn. Bhd. to dispose its subsidiaries, Stella Healthcare Holdings Sdn. Bhd. ("SHH") and Stella Kasih Healthcare Sdn. Bhd. ("SKH") for a total cash consideration of RM12 million.

SHH is the registered and beneficial owner of 600,000 ordinary shares representing 60% of the issued and paid capital of SKH.

The disposal was completed on 13 January 2023 upon fulfillment of all the Conditions Precedent of the SSA.

- (iii) Summary of the effects on the financial position of the Group:

	<b>ISSB RM</b>	<b>SHHSB RM</b>	<b>Total RM</b>
<b>Assets:</b>			
Property, plant and equipment (Note 5)	256,797	28,014,587	28,271,384
Investment properties (Note 6)	1,980,000	-	1,980,000
Inventories	-	20,545	20,545
Goodwill (Note 7)	855,994	-	855,994
Tax assets	427,939	-	427,939
Contract assets (Note 14)	1,624,052	-	1,624,052
Trade and other receivables	503,580	4,322,040	4,825,620
Cash and bank balances	2,127,440	143,313	2,270,753
	<b>7,775,802</b>	<b>32,500,485</b>	<b>40,276,287</b>



Notes to the Financial Statements  
(cont'd)

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

### (b) Disposal of subsidiaries (Cont'd)

#### (iii) Summary of the effects on the financial position of the Group: (Cont'd)

	ISSB RM	SHHSB RM	Total RM
Liabilities:			
Loans and borrowings	(1,169,628)	(20,053,498)	(21,223,126)
Deferred tax liabilities (Note 21)	(66,875)	–	(66,875)
Trade and other payables	(638,427)	(4,851,103)	(5,489,530)
	(1,874,930)	(24,904,601)	(26,779,531)
Net assets disposed	5,900,872	7,595,884	13,496,756
<b>Recognised:</b>			
Cash consideration received	2,400,000	12,000,000	14,400,000
Less: Net assets disposed	(5,900,872)	(7,595,884)	(13,496,756)
Less: Non-controlling interests	2,423,157	(2,572,941)	(149,784)
Less: Capital reserve	120,771	–	120,771
(Loss)/Gain on disposal of subsidiaries	(956,944)	1,831,175	874,231

#### (iv) Effects of disposal on cash flows:

	IRIS RM	SHHSB RM	Total RM
Cash consideration received			
Less: Cash and bank balances of subsidiaries disposed	2,400,000 (2,127,440)	12,000,000 (143,313)	14,400,000 (2,270,753)
Net cash inflows on disposal	272,560	11,856,687	12,129,247

## 9. INVENTORIES

	Group	
	30.6.2024 RM	31.3.2023 RM
<b>Non-current:</b>		
<b>At cost</b>		
Property held for development		
- Freehold land	7,292,589	7,292,589
- Development cost	4,015,800	1,541,933
	11,308,389	8,834,522



## Notes to the Financial Statements (cont'd)

### 9. INVENTORIES (CONT'D)

	Group	
	30.6.2024 RM	31.3.2023 RM
<b>Current:</b>		
<b>At cost</b>		
Property under development		
- Freehold land	4,974,481	4,974,481
- Development cost	4,027,797	1,051,796
<b>Total inventories (current)</b>	<b>9,002,278</b>	<b>6,026,277</b>
<b>Total inventories (non-current and current)</b>	<b>20,310,667</b>	<b>14,860,799</b>

The cost of inventories of the Group recognised as an expense in cost of sales during the financial period was RM1,176,952 (31.3.2023: RM5,108,763).

### 10. OTHER INVESTMENT

	Group	
	30.6.2024 RM	31.3.2023 RM
Unquoted ordinary shares, at fair value	100,000	-
Less: Accumulated impairment loss	(100,000)	-
	<b>-</b>	<b>-</b>

### 11. TRADE RECEIVABLES

- (a) Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (31.03.2023: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.
- (b) Included in trade receivables of the Group are retention sums of RM25,906,661 (31.3.2023: RM5,124,771) relating to construction work-in-progress. Retention sums are unsecured, interest-free and are expected to be collected within the period of normal operating cycle.
- (c) The information about the credit exposure are disclosed in Note 35(b)(i).

### 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
Other receivables	825,365	4,876,956	-	-
Deposits	21,700,995	2,795,582	9,700	10,587
Prepayments	2,035,023	63,572	1,443,925	15,662
	<b>24,561,383</b>	<b>7,736,110</b>	<b>1,453,625</b>	<b>26,249</b>

## Notes to the Financial Statements (cont'd)

### 13. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	30.6.2024 RM	31.3.2023 RM
Amounts due from subsidiaries	8,880,933	11,449,498
Less: Impairment losses	(8,279,651)	(4,518,239)
	601,282	6,931,259
<hr/>		
Amounts due to subsidiaries	(30,358,198)	(22,635,449)

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

The reconciliation of movement in the impairment of amounts due from subsidiaries is as follows:

	Company	
	30.6.2024 RM	31.3.2023 RM
At beginning of the financial period/year	4,518,239	4,518,239
Charge for the financial period/year- Individually assessed (Note 28)	3,761,412	-
At end of the financial period/year	8,279,651	4,518,239

### 14. CONTRACT ASSETS/(LIABILITIES)

	Group	
	30.6.2024 RM	31.3.2023 RM
Contract assets relating to construction service contracts	29,375,936	4,264,686
Contract asset relating to property development contract	17,465	-
	29,393,401	4,264,686
<hr/>		
Contract liabilities relating to construction service contracts	(43,210,610)	(3,052,682)



Notes to the Financial Statements  
(cont'd)

**14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

(a) Significant changes in contract balances

	30.6.2024		31.3.2023	
	Contract assets increase/(decrease) RM	Contract liabilities (increase)/decrease RM	Contract assets increase/(decrease) RM	Contract liabilities (increase)/decrease RM
<b>Group</b>				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	–	1,337,125	–	1,781,565
Increases due to cash received, excluding amounts recognised as revenue during the period	–	(17,710,355)	–	(3,052,682)
Increase due to acquisition of a subsidiary	28,951,106	(23,784,698)	–	–
Increases as a result of changes in the measure of progress	10,889,957	–	514,010	–
Transfers from contract assets recognised at the beginning of the period to receivables	(14,712,348)	–	(21,659,875)	–
Disposal of subsidiaries	–	–	(1,624,052)	–

(b) Revenue recognised in relation to contract balances

	Group	
	30.6.2024 RM	31.3.2023 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	1,337,125	1,781,565

Revenue recognised that was included in the contract liabilities balance at the beginning of the period represented primarily revenue from the construction service contracts when percentage of completion increases.

**15. CONTRACT COSTS**

	30.6.2024 RM	31.3.2023 RM
<b>Group</b>		
<b>Current:</b>		
Costs to obtain contracts	146,369	–

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial period, the amortisation of contract costs of the Group recognised are RM16,497 (31.3.2023: RM107,590).

Notes to the Financial Statements  
(cont'd)

## 16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
Cash and bank balances	2,876,259	3,984,519	599,925	15,047
Short-term deposits	2,821,273	4,317,937	–	–
<b>Deposits, cash and bank balances as reported in the statements of financial position</b>	<b>5,697,532</b>	<b>8,302,456</b>	<b>599,925</b>	<b>15,047</b>
Less: Pledged deposits	(2,821,273)	(4,317,937)	–	–
Less: Bank overdrafts (Note 20)	(3,992,415)	(5,453,744)	–	–
<b>Cash and cash equivalents as reported in the statements of cash flows</b>	<b>(1,116,156)</b>	<b>(1,469,225)</b>	<b>599,925</b>	<b>15,047</b>

- (a) Included in deposits placed with licensed banks of the Group are an amount of RM2,821,273 (31.3.2023: RM4,284,783) has been pledged to banks as security for banking facilities granted to subsidiaries.
- (b) In the previous financial year, included in deposits placed with licensed banks of the Group was an amount of RM33,154 had been pledged to a bank as security for bank guarantee in favour of third party for project purposes.
- (c) Included in cash and bank balances of the Group are amount of RM639,269 (31.3.2023: RM484,260) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1996 and therefore restricted from use in other operations.
- (d) Deposits placed with licensed bank of the Group bears effective interest rate ranging from 1.86% to 2.80% (31.3.2023: 1.35% to 2.85%) per annum respectively with maturity period ranging from 1 month to 12 months (31.3.2023: 1 month to 12 months).

## 17. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

### (a) Non-current asset held for sale

	Group	
	30.6.2024 RM	31.3.2023 RM
At beginning of the financial period/year	5,800,000	–
Reclassified from investment properties (Note 6)	–	5,800,000
Disposal	(5,800,000)	–
At end of the financial period/year	–	5,800,000

On 18 January 2023, Paramount Ventures Sdn. Bhd. ("PV"), a wholly-owned subsidiary of the Company has entered into a sales and purchase agreement with ID Ten Sdn. Bhd. for the disposal of one unit of 3-storey detached factory with a 3-storey office block for a total sale consideration of RM6 million.

Notes to the Financial Statements  
(cont'd)

**17. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)**

**(a) Non-current asset held for sale (Cont'd)**

On 20 August 2023, PV fulfilled the conditions precedent and had completed the disposal of the one unit of 3-storey detached factory.

**(b) Discontinued operations**

As disclosed in Note 8(b), the Group has completed the disposal of Iris Synergy Sdn. Bhd. and Stella Healthcare Holdings Sdn. Bhd. group on 14 September 2022 and 13 January 2023 respectively.

(i) Analysis of the result of discontinued operations and the result recognised on the disposal group are as follows:

	<b>Group 31.3.2023 RM</b>
Revenue	3,022,511
Cost of sales	(2,438,119)
Other income	267,206
Administrative expenses	(5,012,063)
Finance costs	(903,391)
<hr/>	
Loss before tax from discontinued operations	(5,063,856)
Tax expense (Note 30)	-
<hr/>	
Loss for the financial year from discontinued operations, net of tax	(5,063,856)

(ii) The following items have been charged/(credited) in arriving at loss before tax:

	<b>Group 31.3.2023 RM</b>
Auditors' remuneration	10,950
Depreciation of property, plant and equipment	1,398,973
Employees benefits expense	1,868,920
Interest income	(1,053)
Net (gain)/loss on foreign exchange:	
- realised	(27,275)
- unrealised	(704)
Rental income	(4,500)
<hr/>	

(iii) Cash flow used in discontinued operations:

	<b>Group 31.3.2023 RM</b>
Net cash from operating activities	935,476
Net cash from investing activities	330,719
Net cash from financing activities	13,699
<hr/>	



## Notes to the Financial Statements (cont'd)

### 18. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	30.6.2024 Units	31.3.2023 Units	30.6.2024 RM	31.3.2023 RM
<b>Issued and fully paid up (no par value):</b>				
At beginning of the financial period/year	67,000,000	67,000,000	31,712,508	31,712,508
Issued during the financial period/year	350,000,000	–	350,000,000	–
At end of the financial period/year	417,000,000	67,000,000	381,712,508	31,712,508

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

During the financial period, the Company issued 350,000,000 new ordinary shares at a price of RM1 per ordinary shares as partial discharge of the purchase consideration for the acquisition of the 100% equity interest in Pembinaan Teguh Maju Sdn. Bhd. pursuant to a share sale agreement dated 31 July 2023.

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

### 19. SHARE OPTION RESERVE

On 24 August 2021, the Company made an offer of options under the Share Issuance Scheme to eligible directors and employees of the Company and its subsidiaries.

The share option reserve comprises the cumulative value of director services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Vesting period of the options or shares offered:

- (i) 10%: financial year ended 31 March 2022;
- (ii) 40%: financial year ending 31 March 2023; and
- (iii) Remaining balance of 50%: financial period ending 31 March 2024.

Share options are granted to directors who have rendered services of one year and above. The settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is three years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

On 21 October 2022, the Company has received a notice of unconditional mandatory take-over offer from Kenanga Investment Bank Berhad, on behalf of the Joint Offerors, to acquire all the remaining ordinary shares in the Company not already owned by the Joint Offerors and any new ordinary shares in the Company that may be allotted and issued prior to the Closing Date of the Offer arising from the exercise of the outstanding options granted under the Share Issuance Scheme of the Company ("SIS") and any new options that may be further granted under the SIS (collectively, the "Offer Shares") for a cash consideration of RM0.95 per Offer Share.

Pursuant to the take-over offer, any unexercised SIS options would be lapsed, null and void at the closing of the offer which was on 2 December 2022, 5.00p.m.



## Notes to the Financial Statements (cont'd)

### 19. SHARE OPTION RESERVE (CONT'D)

The following table illustrated the number and weighted average exercise price ("WAEP") of, and movement in, share options:

	<b>Number 31.3.2023</b>	<b>WAEP 31.3.2023</b>
At beginning of the financial year	7,445,000	RM0.89
Lapsed	(7,445,000)	
At end of the financial year	–	

### 20. LOANS AND BORROWINGS

	Note	Group		Company	
		30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>Non-current:</b>					
<b>Secured</b>					
Term loans	(a)	86,908,699	–	86,906,000	–
Lease liabilities	(b)	3,473,738	3,590,619	78,947	117,199
Hire purchase payables	(c)	1,060,769	148,865	–	–
		91,443,206	3,739,484	86,984,947	117,199
<b>Current:</b>					
<b>Secured</b>					
Term loans	(a)	17,307,736	–	14,466,581	–
Lease liabilities	(b)	272,227	121,092	30,814	28,739
Hire purchase payables	(c)	454,822	68,245	–	–
Bank overdrafts	(d)	3,992,415	5,453,744	–	–
Revolving credit	(e)	–	6,000,000	–	–
		22,027,200	11,643,081	14,497,395	28,739
		113,470,406	15,382,565	101,482,342	145,938
<b>Total loans and borrowings:</b>					
Term loans	(a)	104,216,435	–	101,372,581	–
Lease liabilities	(b)	3,745,965	3,711,711	109,761	145,938
Hire purchase payables	(c)	1,515,591	217,110	–	–
Bank overdrafts	(d)	3,992,415	5,453,744	–	–
Revolving credit	(e)	–	6,000,000	–	–
		113,470,406	15,382,565	101,482,342	145,938

Notes to the Financial Statements  
(cont'd)

## 20. LOANS AND BORROWINGS (CONT'D)

### (a) Term loans

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>Current</b>				
Not later than one year	17,307,736	–	14,466,581	–
<b>Non-current</b>				
Later than one year and not later than five years	86,908,699	–	86,906,000	–
<b>Total term loans</b>	<b>104,216,435</b>	<b>–</b>	<b>101,372,581</b>	<b>–</b>

The term loans of the Group and of the Company bear interest at rates ranging from 5.70% to 6.70% and at a rate of 6.70% respectively per annum.

The Group term loans were secured and supported as follows:

- (i) fixed deposits;
- (ii) legal charge over shares of a subsidiary;
- (iii) joint and several guarantee by certain directors of the Company;
- (iv) legal charge over pledge shares of the Company;
- (v) legal charge over project of a subsidiary; and
- (vi) corporate guarantee by the Company.

The Company term loans were secured and supported as follows:

- (i) fixed deposits;
- (ii) legal charge over shares of a subsidiary;
- (iii) joint and several guarantee by certain directors of the Company; and
- (iv) legal charge over pledge shares of the Company.

### (b) Lease liabilities

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

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>Minimum lease payments:</b>				
Not later than one year	469,400	324,000	36,000	36,000
Later than one year and not later than 5 years	1,614,100	1,476,000	84,000	129,000
Later than 5 years	3,041,280	3,536,280	–	–
	5,124,780	5,336,280	120,000	165,000
Less: Future finance charges	(1,378,815)	(1,624,569)	(10,239)	(19,062)
<b>Present value of minimum lease payments</b>	<b>3,745,965</b>	<b>3,711,711</b>	<b>109,761</b>	<b>145,938</b>

## Notes to the Financial Statements (cont'd)

### 20. LOANS AND BORROWINGS (CONT'D)

#### (b) Lease liabilities (Cont'd)

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows: (Cont'd)

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>Present value of minimum lease payments:</b>				
Not later than one year	272,227	121,100	30,814	28,739
Later than one year and not later than 5 years	949,106	756,746	78,947	117,199
Later than 5 years	2,524,632	2,833,865	–	–
	<b>3,745,965</b>	<b>3,711,711</b>	<b>109,761</b>	<b>145,938</b>

#### (c) Hire purchase payables

Hire purchase payables of the Group bears interest ranging from 2.15% to 5.57% (31.3.2023: 2.15% to 3.26%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(b).

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

	Group	
	30.6.2024 RM	31.3.2023 RM
<b>Minimum lease payments:</b>		
Not later than one year	496,462	76,007
Later than one year and not later than 5 years	1,164,675	164,793
	<b>1,661,137</b>	<b>240,800</b>
Less: Future finance charges	(145,546)	(23,690)
Present value of minimum lease payments	<b>1,515,591</b>	<b>217,110</b>
<b>Present value of minimum lease payments</b>		
Not later than one year	454,822	68,245
Later than one year and not later than 5 years	1,060,769	148,865
	<b>1,515,591</b>	<b>217,110</b>

#### (d) Bank overdrafts

The bank overdrafts of the Group bear interest ranging from 6.70% to 8.15% (31.3.2023: 5.45% to 6.95%) per annum and are secured and supported as follows:

- (i) legal charge over freehold and leasehold land and building of a subsidiary as disclosed in Note 6;
- (ii) corporate guarantee by the Company; and
- (iii) cash collateral.

## Notes to the Financial Statements (cont'd)

### 20. LOANS AND BORROWINGS (CONT'D)

#### (e) Revolving credit

In the previous financial year, the revolving credit of the Group bore interest ranging from 4.19% to 4.21% per annum and are secured and supported as follows:

- (i) legal charge over leasehold land and building of subsidiaries as disclosed in Note 6; and
- (ii) corporate guarantee by the Company

### 21. DEFERRED TAX LIABILITIES

	<b>Group</b>	
	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period/year	221,447	335,012
Acquisition of a subsidiary (Note 8(a))	18,070,150	-
Disposal of subsidiaries (Note 8(b))	-	(66,875)
Recognised in profit or loss (Note 30)	(2,514,566)	(46,690)
At end of the financial period/year	15,777,031	221,447

This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	<b>Group</b>	
	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
<b>Deferred tax liabilities</b>		
Revaluation of investment properties	244,447	221,447
Differences between the carrying amount of property, plant and equipment and their tax base	108,081	-
Intangible assets	15,424,503	-
At end of the financial period/year	15,777,031	221,447

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	<b>Group</b>	
	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Deferred tax assets		
Unabsorbed capital allowances	454,892	236,493
Unutilised tax losses	36,657,955	36,688,010
Other taxable temporary differences	228,589	-
At end of the financial period/year	37,341,436	36,924,503
Potential deferred tax assets at 24% (31.3.2023: 24%)	8,961,945	8,861,881



## Notes to the Financial Statements (cont'd)

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

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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

	<b>Group 30.6.2024 RM</b>
2028	13,845,583
2029	12,664,702
2030	1,630,605
2031	382,569
2032	1,149,096
2033	3,339,672
2034	3,645,728
	36,657,955

### 22. PROVISION

	<b>Group 30.6.2024 RM</b>	<b>31.3.2023 RM</b>
At 1 April 2023/1 April 2022	2,573,787	–
Recognised in profit or loss (Note 28)	500,000	2,573,787
Utilised during the financial period	(3,073,787)	–
	–	2,573,787

(a) Onerous contract

During the ordinary course of business, the Group entered into contract with a customer to construct elevated water tank. The cost of construction materials and costs to complete are higher than the prices fixed when initially entering into the contracts. As such, a provision is recognised for the expected costs required to fulfil the requirements in excess of the contract revenue.

### 23. TRADE PAYABLES

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (31.3.2023: 30 to 90 days).
- (b) Included in trade payables of the Group are retention sums of RM19,944,367 (31.3.2023: RM3,861,656) relating to construction work-in-progress. Retention sums are unsecured, interest-free and are expected to be settled within the period of normal operating cycle.

Notes to the Financial Statements  
(cont'd)

## 24. OTHER PAYABLES, ACCRUALS AND DEPOSITS

	Notes	Group		Company	
		30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
<b>Current:</b>					
Other payables		9,560,251	450,547	7,500	7,576
Amount due to a director	(a)	23,199	–	–	–
Accruals	(b)	5,705,499	2,753,690	127,800	91,000
Deposits		53,500	96,400	–	–
		15,342,449	3,300,637	135,300	98,576

- (a) Amount due to a director is unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash
- (b) Included in accruals of the Group is an amount of RM4,528,735 (31.3.2023: RM2,601,745) which represents project cost accrued for work performed.

## 25. REVENUE

	Group	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Continuing operations</b>		
<b>Over time:</b>		
Construction contracts	231,010,091	24,238,660
Property development	1,396,016	4,960,183
Rental income	133,500	151,595
	232,539,607	29,350,438
<b>Discontinued operations</b>		
<b>Over time:</b>		
Services rendered	–	51,473
Construction contracts	–	2,971,039
	–	3,022,512
Total revenue	232,539,607	32,372,950

The Group applies the practical expedient in paragraph 121 of MFRS 15 and accordingly, does not disclose information about remaining performance obligations that have original expected durations of one year or less and the Group recognises revenue from the satisfaction of the performance obligation when the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.





Notes to the Financial Statements  
(cont'd)

**26. COST OF SALES**

	Group	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Continuing operations</b>		
Cost of construction services	197,985,272	30,641,314
Cost of sales of property development units	1,193,449	5,108,763
Direct operating expenses of investment properties	17,095	42,140
	199,195,816	35,792,217
<b>Discontinued operations</b>		
Direct cost of services	–	2,192,241
Cost of goods sold	–	245,878
	–	2,438,119
Total cost of sales	199,195,816	38,230,336

**27. FINANCE COSTS**

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Continuing operations</b>				
Interest expense on:				
- bank overdrafts	388,314	420,863	–	–
- hire purchase	40,175	9,952	–	–
- lease liabilities	261,994	201,648	8,823	8,820
- revolving credit	58,557	286,674	–	–
- term loans	4,283,967	50,696	4,211,925	–
- others	118,731	31,000	–	–
	5,151,738	1,000,833	4,220,748	8,820
<b>Discontinued operations</b>				
Interest expense on:				
- bank overdrafts	–	19,930	–	–
- hire purchase	–	120,506	–	–
- lease liabilities	–	634,536	–	–
- term loans	–	14,987	–	–
- others	–	113,432	–	–
	–	903,391	–	–
Total finance costs	5,151,738	1,904,224	4,220,748	8,820

Notes to the Financial Statements  
(cont'd)

## 28. PROFIT/(LOSS) BEFORE TAX

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

	Note	Group		Company	
		Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
Auditors' remuneration					
- Statutory audit:					
- Baker Tilly Monteiro Heng PLT		269,500	167,950	114,000	84,500
- Other services					
- Baker Tilly Monteiro Heng PLT		227,000	11,500	227,000	11,500
- Member firms of Baker Tilly International		27,279	24,676	5,512	6,561
Bad debts written off		-	500	-	-
Depreciation of property, plant and equipment	5	1,352,043	2,288,970	41,575	33,259
Employee benefits expense	29	14,550,522	9,438,779	1,951,932	1,213,369
Expense relating to short-term lease		39,106	23,560	-	-
Fair value gain on investment properties		(220,000)	(360,000)	-	-
(Gain)/Loss on disposal of:					
- non-current asset held for sale		(200,000)	-	-	-
- property, plant and equipment		(116,737)	(4,799,916)	-	-
- subsidiaries		-	(874,231)	-	3,069,257
(Gain)/Loss on foreign exchange:					
- realised		-	(27,275)	-	-
- unrealised		-	(703)	-	-
Gain on lease modification		(403)	-	-	-
Impairment loss on amount owing by a subsidiary		-	-	3,761,412	-
Interest income		(263,619)	(111,887)	-	(13,125)
Property, plant and equipment written off		13,384	19	-	-
Provision for onerous contract		500,000	2,573,787	-	-
Rental income from premises		(287,378)	(300,700)	-	-



Notes to the Financial Statements  
(cont'd)

**29. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
Wages and salaries	13,303,922	7,555,705	1,800,213	824,517
Defined contribution plan	1,246,600	771,430	151,719	52,875
Share-based payments	-	1,111,644	-	335,977
	14,550,522	9,438,779	1,951,932	1,213,369

Included in employee benefits expense are:

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Directors of the Company</b>				
Executive directors:				
- Other emoluments	1,206,916	161,924	1,206,916	161,924
Non-executive directors:				
- Fees	295,258	190,000	295,258	190,000
- Other emoluments	89,000	311,020	89,000	311,020
	384,258	501,020	384,258	501,020
<b>Directors of the subsidiaries</b>				
Executive directors:				
- Other emoluments	929,352	643,724	-	-
	2,520,526	1,306,668	1,591,174	662,944

Notes to the Financial Statements  
(cont'd)

## 30. TAX EXPENSE

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Statements of comprehensive income</b>				
<b>Continuing operations</b>				
<b>Current income tax</b>				
Based on results for the current financial year	2,529,561	154,098	–	–
Adjustment in respect of prior years	(107,186)	21,230	–	319
	2,422,375	175,328	–	319
Real property gain tax	553,700	441,564	–	–
<b>Deferred tax (Note 21)</b>				
(Reversal)/Origination of temporary differences	(2,515,566)	306,000	–	–
Adjustment in respect of prior years	1,000	(352,690)	–	–
	(2,514,566)	(46,690)	–	–
Tax expense	461,509	570,202	–	319

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.3.2023: 24%) of the estimated assessable profit for the financial period/year.

## Notes to the Financial Statements (cont'd)

### 30. TAX EXPENSE (CONT'D)

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

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
Profit/(Loss) before tax				
- Continuing operations	1,225,808	(10,812,137)	(9,693,763)	(4,924,278)
- Discontinued operations	–	(5,063,856)	–	–
	1,225,808	(15,875,993)	(9,693,763)	(4,924,278)
Tax at the applicable rate of 24% (31.3.2023: 24%)	294,194	(3,810,238)	(2,326,503)	(1,181,827)
Tax effect arising from:				
- non-deductible expenses	(2,658,425)	739,835	2,326,503	1,181,827
- non-taxable income	2,303,362	(169,939)	–	–
- deferred tax assets not recognised during the financial period/year	100,064	3,723,240	–	–
- deferred tax recognised at real property gain tax rate	(25,200)	–	–	–
- deferred tax recognised in different tax rate	–	(16,800)	–	–
- income subject to real property gain tax	560,480	441,564	–	–
(Over)/Under provision in prior financial years:				
- current tax	(113,966)	21,230	–	319
- deferred tax	1,000	(358,690)	–	–
Tax expense	461,509	570,202	–	319

### 31. EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share are based on the profit/(loss) for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year, calculated as follows:

	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
Profit/(Loss) attributable to owners of the Company		
- Continuing operations	764,299	(9,327,991)
- Discontinued operations	–	(5,063,856)
	764,299	(14,391,847)

Notes to the Financial Statements  
(cont'd)**31. EARNINGS/(LOSS) PER SHARE (CONT'D)**

	<b>Unit</b>	<b>Unit</b>
Weighted average number of ordinary shares for basic earnings/(loss) per share	238,553,611	67,000,000
	<b>Financial period from 1.4.2023 to 30.6.2024 Sen</b>	<b>Financial year from 1.4.2022 to 31.3.2023 Sen</b>
Basic earnings/(loss) per share attributable to ordinary equity holders of the Company		
- Continuing operations	0.32	(13.92)
- Discontinued operations	-	(7.56)
	0.32	(21.48)

**(b) Diluted earnings/(loss) per ordinary share**

Diluted earnings/(loss) per share are based on the profit/(loss) for the financial period/year attributable to owners of the Company and the number of ordinary shares outstanding during the financial period/year plus the number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	<b>Financial period from 1.4.2023 to 30.6.2024 RM</b>	<b>Financial year from 1.4.2022 to 31.3.2023 RM</b>
Profit/(Loss) attributable to owners of the Company		
- Continuing operations	764,299	(9,327,991)
- Discontinued operations	-	(5,063,856)
	764,299	(14,391,847)

	<b>Unit</b>	<b>Unit</b>
Weighted average number of ordinary shares for basic earnings/(loss) per share	238,553,611	67,000,000
	<b>Financial period from 1.4.2023 to 30.6.2024 Sen</b>	<b>Financial year from 1.4.2022 to 31.3.2023 Sen</b>
Diluted earnings/(loss) per ordinary share attributable to ordinary equity holders of the Company		
- Continuing operations	0.32	(13.92)
- Discontinued operations	-	(7.56)
	0.32	(21.48)

There have been no transactions involving ordinary shares or potential ordinary shares as at financial period end.



Notes to the Financial Statements  
(cont'd)

**32. DIVIDEND**

	<b>2023 RM</b>
<b>Declared and paid by the Company:</b>	
Single tier final dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 March 2022, paid on 24 November 2022	1,675,000

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**33. FINANCIAL GUARANTEES**

	<b>Company</b>	
	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Financial guarantees given to licensed banks for banking facilities granted to subsidiaries	22,426,441	19,544,916

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**34. RELATED PARTIES**

**(a) Identity of related parties**

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Company include:

- (i) Subsidiaries as disclosed in Note 8;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group and of the Company, comprises persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

**(b) Significant related party transactions**

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

	<b>Financial period from 1.4.2023 to 30.6.2024 RM</b>	<b>Financial year from 1.4.2022 to 31.3.2023 RM</b>
<b>Paid and payable to a subsidiary</b>		
Rental fees	45,000	36,000

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Notes to the Financial Statements  
(cont'd)

34. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.4.2022 to 31.3.2023 RM
<b>Directors of the Company</b>				
Executive directors:				
- Other emoluments	1,206,916	142,322	1,206,916	142,322
- Estimated money value of benefits-in-kind	–	19,602	–	19,602
	1,206,916	161,924	1,206,916	161,924
Non-executive directors:				
- Fees	295,258	190,000	295,258	190,000
- Other emoluments	89,000	311,020	89,000	311,020
	384,258	501,020	384,258	501,020
<b>Directors of the subsidiaries</b>				
Executive directors:				
- Other emoluments	929,352	592,448	–	–
- Estimated money value of benefits-in-kind	–	51,276	–	–
	929,352	643,724	–	–
	2,520,526	1,306,668	1,591,174	662,944

## Notes to the Financial Statements (cont'd)

### 35. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

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

##### (i) Amortised cost

	<b>Carrying amount RM</b>	<b>Amortised cost RM</b>
<b>30.6.2024</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade receivables	115,347,635	115,347,635
Other receivables and deposits, excluding prepayments	22,526,360	22,526,360
Deposits, cash and bank balances	5,697,532	5,697,532
	143,571,527	143,571,527
<b>Company</b>		
Other receivables and deposits, excluding prepayments	9,700	9,700
Amounts due from subsidiaries	601,282	601,282
Deposits, cash and bank balances	599,925	599,925
	1,210,907	1,210,907
<b>Financial liabilities</b>		
<b>Group</b>		
Trade payables	75,108,972	75,108,972
Other payables, accruals and deposits	15,342,449	15,342,449
Loans and borrowings, excluding lease liabilities	109,724,441	109,724,441
	200,175,862	200,175,862
<b>Company</b>		
Other payables and accruals	135,300	135,300
Loans and borrowings, excluding lease liabilities	101,372,581	101,372,581
	101,507,881	101,507,881

Notes to the Financial Statements  
(cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)****(a) Categories of financial instruments (Cont'd)****(i) Amortised cost (Cont'd)**

	<b>Carrying amount RM</b>	<b>Amortised cost RM</b>
<b>31.3.2023</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade receivables	11,194,109	11,194,109
Other receivables and deposits, excluding prepayments	7,672,538	7,672,538
Deposits, cash and bank balances	8,302,456	8,302,456
	<hr/> 27,169,103	<hr/> 27,169,103
<b>Company</b>		
Other receivables and deposits, excluding prepayments	10,587	10,587
Amounts due from subsidiaries	6,931,259	6,931,259
Deposits, cash and bank balances	15,047	15,047
	<hr/> 6,956,893	<hr/> 6,956,893
<b>Financial liabilities</b>		
<b>Group</b>		
Trade payables	8,458,770	8,458,770
Other payables, accruals and deposits	3,300,637	3,300,637
Loans and borrowings, excluding lease liabilities	11,670,854	11,670,854
	<hr/> 23,430,261	<hr/> 23,430,261
<b>Company</b>		
Other payables and accruals	98,576	98,576
Amounts due to subsidiaries	22,635,449	22,635,449
	<hr/> 22,734,025	<hr/> 22,734,025



## Notes to the Financial Statements (cont'd)

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

#### (b) Financial risk management

The Group's and the Company's financial risk management objective is to optimise value for their shareholders whilst minimising the potential adverse impact arising from interest rates and the unpredictability of the financial markets. The Group's and the Company's policy is not to engage in speculative transactions.

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

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from their receivables.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Corporate Finance.

#### Trade receivables and contract assets

The Group uses the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected credit losses also incorporated forward looking information. However, there is no material impact arising from application of simplified approach to record the lifetime expected credit losses.

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

	Expected credit loss rate %	Gross carrying amount at default RM	Impairment losses RM
<b>Group</b>			
<b>30.6.2024</b>			
<b>Contract assets</b>	0%	29,375,936	–
<b>Trade receivables</b>			
Current	0%	65,867,798	–
1 to 30 days past due	0%	16,034,348	–
31 to 60 days past due	0%	7,787,208	–
61 to 90 days past due	0%	9,841,315	–
91 to 120 days past due	0%	9,139,462	–
More than 121 days past due	0%	6,677,504	–
	0%	115,347,635	–
	0%	144,723,571	–

## Notes to the Financial Statements (cont'd)

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

#### (b) Financial risk management (Cont'd)

##### (i) Credit risk (Cont'd)

##### Trade receivables and contract assets (Cont'd)

	Expected credit loss rate %	Gross carrying amount at default RM	Impairment losses RM
<b>Group</b>			
<b>31.3.2023</b>			
<b>Contract assets</b>	0%	4,264,686	–
<b>Trade receivables</b>			
Current	0%	8,776,256	–
1 to 30 days past due	0%	2,066,938	–
31 to 60 days past due	0%	–	–
61 to 90 days past due	0%	–	–
91 to 120 days past due	0%	–	–
More than 121 days past due	0%	350,915	–
	0%	11,194,109	–
	0%	15,458,795	–

The Company monitors the results of the subsidiaries in determining the recoverability of these intercompany balances.

For other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

##### Exposure to credit risk

As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

##### Credit risk concentration profile

As at the end of the reporting period, approximately 80% (31.3.2023: 41%) of the Group's trade receivables were due from 4 major customers (31.3.2023: 1 major customer).

##### Other receivables and other financial assets

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

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



## Notes to the Financial Statements (cont'd)

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

#### (b) Financial risk management (Cont'd)

##### (i) Credit risk (Cont'd)

###### Other financial assets

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

###### Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM22,426,441 (31.3.2023: RM19,544,916) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 33. As at the reporting date, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligation when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from payables and loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

Notes to the Financial Statements  
(cont'd)

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

#### (b) Financial risk management (Cont'd)

##### (ii) Liquidity risk (Cont'd)

###### Maturity analysis

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

	<----- Contractual undiscounted cash flows ----->				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
<b>30.6.2024</b>					
<b>Group</b>					
Bank overdrafts	3,992,415	3,992,415	-	-	3,992,415
Hire purchase payables	1,515,591	496,462	1,164,675	-	1,661,137
Lease liabilities	3,745,965	469,400	1,614,100	3,041,280	5,124,780
Term loans	104,216,435	20,519,426	98,718,257	-	119,237,683
Other payables, accruals and deposits	15,342,449	15,342,449	-	-	15,342,449
Trade payables	75,108,972	75,108,972	-	-	75,108,972
	203,921,827	115,929,124	101,497,032	3,041,280	220,467,436
<b>Company</b>					
Amounts due to subsidiaries	30,358,198	30,358,198	-	-	30,358,198
Financial guarantees	-	22,426,441	-	-	22,426,441
Lease liabilities	109,761	36,000	84,000	-	120,000
Term loans	101,372,581	20,519,426	95,874,403	-	116,393,829
Other payables, accruals and deposits	135,300	135,300	-	-	135,300
	131,975,840	73,475,365	95,958,403	-	169,433,768





Notes to the Financial Statements  
(cont'd)

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Financial risk management (Cont'd)**

**(ii) Liquidity risk (Cont'd)**

Maturity analysis (Cont'd)

	<----- Contractual undiscounted cash flows ----->				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
<b>At 31.3.2023</b>					
<b>Group</b>					
Bank overdrafts	5,453,744	5,453,744	–	–	5,453,744
Hire purchase payables	217,110	76,007	164,793	–	240,800
Lease liabilities	3,711,711	324,000	1,476,080	3,536,280	5,336,280
Other payables, accruals and deposits	3,300,637	3,300,637	–	–	3,300,637
Revolving credit	6,000,000	6,000,000	–	–	6,000,000
Trade payables	8,458,770	8,458,770	–	–	8,458,770
	27,141,972	23,613,158	1,640,793	3,536,280	28,790,231
<b>Company</b>					
Amounts due to subsidiaries	22,635,449	22,635,449	–	–	22,635,449
Financial guarantees	–	19,544,916	–	–	19,544,916
Lease liabilities	145,938	36,000	129,000	–	165,000
Other payables, accruals and deposits	98,576	98,576	–	–	98,576
	22,879,963	42,314,941	129,000	–	42,443,941

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from bank overdrafts, revolving credit and term loans.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit/(loss) for the financial period would have been RM411,194 (31.3.2023: RM43,524) and RM385,216 (31.3.2023: Nil) respectively higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

## Notes to the Financial Statements (cont'd)

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

#### (c) Fair value measurement

The carrying amounts of cash and bank balances and deposits placed with licensed banks, short term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of floating rate term loans are reasonable approximation of fair value as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfer between the levels during the current financial period and previous financial years.

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments, other than those with carrying amounts reasonably approximate to their fair values:

	<b>Carrying amount RM</b>	<b>Fair value of financial instruments not carried at fair value Level 3 RM</b>
<b>Group</b>		
<b>30.6.2024</b>		
<b>Financial liabilities</b>		
Hire purchase payables	1,515,591	1,487,437
<hr/>		
<b>31.3.2023</b>		
<b>Financial liabilities</b>		
Hire purchase payables	217,110	713,623
<hr/>		

#### Level 3 fair value

##### Fair value of financial instruments not carried at fair value

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



## Notes to the Financial Statements (cont'd)

### 36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has seven reportable operating segments as follows:

Investment holding	:	Investment holding.
Construction	:	Construction of civil and structural, mechanical and electrical works and project management.
Property investment	:	Property investment.
Oil and gas	:	Supply engineering equipment, spare parts and the provision of value added services and information technology solutions to the gas and petroleum industry.
Property development	:	Development of housing and commercial units for sales to house and shop purchasers.
Healthcare	:	Establish, manage and operate hospital.
Others	:	Inactive companies.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

#### Segment results

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

#### Segment assets

The total of segments asset is measured based on all assets of a segment other than goodwill on consolidation, investment in an associate and tax assets, as included in the internal reports that are reviewed by the Group's Managing Director.

#### Segment liabilities

The total of segment liability is measured based on all liabilities of a segment other than deferred tax liabilities and tax liabilities as included in the internal reports that are reviewed by the Group's Managing Director.

Notes to the Financial Statements  
(cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustment and elimination RM	Consolidation RM
<b>30.6.2024</b>								
<b>Revenue</b>								
External sales	a	-	231,647,169	133,500	1,396,016	-	(637,078)	232,539,607
<b>Results</b>								
Segment results	b	(9,234,427)	25,620,008	264,090	(3,330,477)	13,760	(6,955,408)	6,377,546
Finance costs	c	(4,220,748)	(162,416)	-	(797,983)	(9,157)	38,566	(5,151,738)
(Loss)/Profit before tax		(13,455,175)	25,457,592	264,090	(4,128,460)	4,603	(6,916,842)	1,225,808
Tax expense		-	(2,398,824)	(52,158)	(532,589)	(15,504)	2,537,566	(461,509)
(Loss)/Profit for the financial period		(13,455,175)	23,058,768	211,932	(4,661,049)	(10,901)	(4,379,276)	764,299
<b>Assets</b>								
Segment assets	d	498,971,522	223,678,211	8,852,524	31,782,519	3,305,907	(550,384,870)	216,205,813
Intangible assets		-	-	-	-	-	433,600,660	433,600,660
Tax assets		-	778,900	21,129	94,631	357	-	895,017
Total assets							(116,784,210)	650,701,490
<b>Liabilities</b>								
Segment liabilities	e	131,975,840	144,619,165	3,709,046	44,150,532	2,734,137	(80,056,283)	247,132,437
Deferred tax liabilities		-	146,929	194,599	5,000	6,000	15,424,503	15,777,031
Total liabilities							(64,631,780)	262,909,468

Notes to the Financial Statements  
(cont'd)

36. SEGMENT INFORMATION (CONT'D)

	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustment and elimination RM	Consolidation RM
<b>30.6.2024</b>								
<b>Other segment information</b>								
Depreciation of property, plant and equipment	f	41,575	680,888	-	745,051	50,643	(166,114)	1,352,043
Fair value gain on investment properties		-	(40,000)	(180,000)	-	-	-	(220,000)
Gain on disposal of non-current asset held for sale		-	-	-	(200,000)	-	-	(200,000)
Gain on disposal of plant and equipment		-	(116,737)	-	-	-	-	(116,737)
Gain on lease modification		-	(403)	-	-	-	-	(403)
Impairment losses on amount due from a subsidiary		-	-	-	3,761,412	-	(3,761,412)	-
Interest income		-	(256,052)	-	(7,567)	-	-	(263,619)
Property, plant and equipment written off		-	-	-	1	13,383	-	13,384
Provision for onerous contract		-	500,000	-	-	-	-	500,000
Rental income from premises		-	(9,000)	(48,000)	(356,678)	(68,700)	195,000	(287,378)
Reversal of impairment losses on amounts due from related companies	g	-	(69,732)	-	-	(45,000)	114,732	-

Notes to the Financial Statements  
(cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

31.3.2023	Note	Continuing operations			Discontinued operations			Adjustment and consolidation		
		Investment holding RM	Construction RM	Property investment development RM	Others RM	Investment holding RM	Oil and gas RM	Healthcare RM	elimination RM	Consolidation RM
Revenue										
External sales	a	-	24,238,660	151,595	4,960,183	-	2,971,038	51,473	-	32,372,949
<b>Results</b>										
Segment results	b	(4,915,458)	(9,560,202)	595,722	(4,137,855)	(107,027)	(279,470)	(3,878,944)	8,313,517	(13,971,769)
Finance costs	c	(8,820)	(279,425)	-	(768,817)	(9,072)	(49,709)	(853,682)	65,301	(1,904,224)
(Loss)/Profit before tax		(4,924,278)	(9,839,627)	595,722	(4,906,672)	(116,099)	(329,179)	(4,732,626)	8,378,818	(15,875,993)
Tax expense		-	(66,575)	(85,077)	(107,369)	(20,862)	-	-	(290,000)	(570,202)
(Loss)/Profit for the financial year		(4,924,278)	(9,906,202)	510,645	(5,014,041)	(136,961)	(329,179)	(4,732,626)	8,088,818	(16,446,195)
<b>Assets</b>										
Segment assets	d	53,330,820	54,914,123	13,470,692	36,261,389	3,315,994	6,861,579	32,500,368	(132,663,939)	69,987,463
Tax assets		-	11,376	18,696	-	76	427,939	-	(427,939)	30,148
Total assets									(133,091,878)	70,017,611
<b>Liabilities</b>										
Segment liabilities	e	22,879,963	22,047,618	8,554,713	43,873,722	2,733,042	2,186,001	29,071,669	(99,582,204)	32,768,441
Deferred tax liabilities		-	33,848	176,599	5,000	6,000	66,875	-	(66,875)	221,447
Total liabilities									(99,649,079)	32,989,888

Notes to the Financial Statements  
(cont'd)

36. SEGMENT INFORMATION (CONT'D)

31.3.2023 Other segment information	Note	Continuing operations				Discontinued operations			Adjustment and Consolidation RM
		Investment holding RM	Construction RM	Property investment development RM	Property development RM	Others RM	Investment holding RM	Oil and gas RM	
Bad debts written off		-	-	-	-	500	-	-	500
Depreciation of property, plant and equipment	f	33,259	390,963	-	582,779	45,703	-	1,334,906	2,288,970
Fair value (gain)/loss on investment properties		-	20,000	(270,000)	(50,000)	(60,000)	-	-	(360,000)
Net impairment loss on amount owing by related companies	g	-	(46,960)	-	-	163,143	-	-	(116,183)
Provision for onerous contract		-	2,573,787	-	-	-	-	-	2,573,787
Rental income from premises		-	(7,200)	-	(416,600)	(63,400)	-	(4,500)	(300,700)
Interest income		(13,125)	(80,445)	(1,555)	(15,709)	-	-	(18,877)	(111,887)
Gain on disposal of subsidiaries		-	(99,952)	(400,000)	-	-	-	-	(4,799,916)
Property, plant and equipment written off		-	19	-	-	-	-	-	19
Net gain on foreign exchange:		-	-	-	-	-	-	-	(27,275)
- realised		-	-	-	-	-	-	(27,275)	(704)
- unrealised		-	-	-	-	-	-	(704)	-



## Notes to the Financial Statements (cont'd)

### 36. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, profit or loss, and other material items are as follows:

(a) Revenue

	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Total revenue for reportable segments	232,539,607	32,372,949
Less: Discontinued operations (Note 17(b))	–	(3,022,511)
<hr/>		
Revenue of the Group per consolidated statement of comprehensive income	232,539,607	29,350,438
<hr/>		

(b) Segment results

	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Profit/(Loss) for reportable segment	6,377,546	(13,971,769)
Less: Discontinued operations	–	4,160,466
<hr/>		
Operating profit/(loss) of the Group per consolidated statement of comprehensive income	6,377,546	(9,811,303)
<hr/>		

(c) Finance costs

	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Finance costs for reportable segment	(5,151,738)	(1,904,224)
Less: Discontinued operations (Note 17(b))	–	903,391
<hr/>		
Finance costs of the Group per consolidated statement of comprehensive income	(5,151,738)	(1,000,833)
<hr/>		

(d) The following items are deducted from segments assets to arrive at total assets reported in the consolidated statement of financial position:

	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Amount due from holding company	(30,358,198)	(22,632,349)
Amounts due from related companies	(22,687,882)	(14,838,325)
Amounts due from subsidiaries	(601,282)	(8,327,578)
Discontinued operations	–	(41,358,384)
Intra group transactions	(536,298)	1,293,907
Investment in subsidiaries	(496,201,210)	(46,801,210)
<hr/>		
	(550,384,870)	(132,663,939)
<hr/>		



## Notes to the Financial Statements (cont'd)

### 36. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, profit or loss, and other material items are as follows: (continued)

- (e) The following items are deducted from segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	<b>30.6.2024</b>	<b>31.3.2023</b>
	<b>RM</b>	<b>RM</b>
Amount due to holding company	8,880,933	11,446,397
Amount due to related companies	40,336,563	32,601,739
Amounts due to subsidiaries	30,358,198	22,635,449
Discontinued operations	–	32,261,587
Intra group transactions	480,589	637,032
	<hr/>	<hr/>
	80,056,283	99,582,204

- (f) The depreciation of property, plant and equipment is eliminated.
- (g) Impairment loss and reversal of impairment loss on investment in subsidiaries and amounts due from subsidiaries are eliminated.

#### Geographical information

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

#### Information about major customers

Major customers' information is revenue from transactions with a single external customer amount to ten percent or more of the Group's revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and a government and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

For construction segment, revenue from three customers (31.3.2023: three customers) represented RM128,263,816 (31.3.2023: RM20,761,723) for the Group's total revenue.

### 37. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 31 July 2023, the Company entered into a Share Sale Agreement ("SSA") with Datuk Lau Beng Wei, Datuk Lau Beng Sin, Teo Boon Hing, Datuk Shanmuga A/L Indran, Pang Fong Mui, Lee Chee Kiang, Datuk Ang Hung Teck and Loh Khoo Chiang (collectively, "the Vendors") and as amended by a Supplemental Agreement ("SA") dated 2 October 2023 with the Vendors and Varia Engineering & Services Sdn. Bhd. in respect of the acquisition of the entire equity interest in Pembinaan Teguh Maju Sdn. Bhd. for a total purchase consideration of RM380 million via cash consideration of RM100 million and the balance of RM280 million by way of issuance of 350,000,000 new ordinary shares in the Company.

The acquisition was completed in accordance with the terms of the SSA and SA on 16 November 2023.

## Notes to the Financial Statements (cont'd)

### 38. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

- (a) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. ("WMSB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WMSB was provision of highway maintenance services.
- (b) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Holdings Sdn. Bhd. ("WHSB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WHSB was investment holding and engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (c) On 22 July 2024, the Company had incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up capital of RM2.00 comprising 2 ordinary shares. The intended principal activity of WESB was engaged in the design, construction, management, operation and development of expressway and managing its toll operations.

### 39. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's and the Company's ability to continue as going concerns, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group and the Company manage their capital structure by monitoring the capital and net debt on an ongoing basis. No changes were made in the objectives, policies or processes during the financial period ended 30 June 2024 and financial year ended 31 March 2023.

The Group and the Company monitor capital using net debt-to-equity ratio, which is net debt divided by total equity. Net debt comprises loans and borrowings and payables, less deposits, cash and bank balances whereas total equity represents the equity attributable to owners of the Company.

	Group		Company	
	30.6.2024 RM	31.3.2023 RM	30.6.2024 RM	31.3.2023 RM
Loans and borrowings	113,470,406	15,382,565	101,482,342	145,938
Trade payables	75,108,972	8,458,770	–	–
Other payables, accruals and deposits	15,342,449	3,300,637	135,300	98,576
Contract liabilities	43,210,610	3,052,682	–	–
Amounts due to subsidiaries	–	–	30,358,198	22,635,449
	247,132,437	30,194,654	131,975,840	22,879,963
Less: Deposits, cash and bank balances	(5,697,532)	(8,302,456)	(599,925)	(15,047)
Net debts	241,434,905	21,892,198	131,375,915	22,864,916
Total equity	387,792,022	37,027,723	366,995,682	30,450,857
Total equity and total debts	629,226,927	58,919,921	498,371,597	53,315,773
Net debt-to-equity ratio	0.62	0.59	0.36	0.75



## Notes to the Financial Statements (cont'd)

### **40. COMPARATIVE FIGURES**

During the financial period, the Group and the Company changed their financial year end from 31 March to 30 June and made up their financial statements for the 15 months period from 1 April 2023 to 30 June 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

## STATEMENT BY DIRECTORS

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

We, **DATUK LAU BENG SIN** and **DATUK MANIVANNAN A/L GANAPATHY**, being two of the directors of Varia Berhad (formerly known as Stella Holdings Berhad), do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 82 to 146 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial period then ended.

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

.....  
**DATUK LAU BENG SIN**  
Director

.....  
**DATUK MANIVANNAN A/L GANAPATHY**  
Director

Kuala Lumpur

Date: 23 October 2024

## STATUTORY DECLARATION

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

I, **RAIZITA BINTI AHMAD @ HARUN**, being the officer primarily responsible for the financial management of Varia Berhad (formerly known as Stella Holdings Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 82 to 146 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.

.....  
**RAIZITA BINTI AHMAD @ HARUN**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23 October 2024.

Before me,

.....  
**HADINUR BIN MOHD SYARIF**  
**W761**  
Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VARIA BERHAD  
(Formerly known as Stella Holdings Berhad)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Varia Berhad (formerly known as Stella Holdings Berhad), which comprise the statements of financial positions as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 146.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial period from 1 April 2023 to 30 June 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group

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#### **Business combination (Note 8(a) to the financial statements)**

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During the financial period ended 30 June 2024, the Group made a significant acquisition of a company.

We focused on this area because it requires the exercise of significant judgement to be made by the directors to determine whether the transaction should be accounted for as a business combination. In the accounting process, the directors are required to apply their judgement in the purchase price allocation, particularly concerning the valuation of the intangible assets and the remaining goodwill balance.

#### **Our response:**

Our audit procedures included, among others:

- reading the Share Sale Agreement and discussing with the Group in relation to the accounting treatment on the acquisition;
- discussing with the Group on the identifiable assets acquired and the liabilities assumed at the acquisition date;
- understanding the work performed by management's experts in respect of the valuation of intangible assets;
- testing the mathematical computation in the allocation of the purchase price to the different assets and liabilities; and
- discussing with the Group on the appropriateness of the related disclosures.

## Independent Auditors' Report (cont'd)

### Key Audit Matters (Cont'd)

#### Group (Cont'd)

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#### Intangible assets (Note 7 to the financial statements)

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The Group has significant balances of intangible assets, comprise goodwill and customer contracts arising from the acquisition of a subsidiary. The accounting policy of the Group is to test goodwill for impairment annually. The goodwill amount is required to be allocated to the cash generating units ("CGU") for impairment testing purposes.

We focused on this area because the Group's determination of recoverable amount of the CGU requires the exercise of significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

#### Our response:

Our audit procedures included, among others:

- understanding the methodology and method adopted by the directors in measuring the recoverable amount;
- discussing with the Group on their assessment and consideration of the current economic and business environment in relation to key inputs such as discount rates, forecast growth rates, inflation rates and gross profit margins;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

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#### Revenue recognition for construction activities (Notes 14 and 25 to the financial statements)

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The Group recognise the revenue from construction activities over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for work performed to date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for construction activities requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

#### Our response:

Our audit procedures on samples of major project included, among others:

- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the directors' key assumptions to contractual terms and discussing with project manager;
- comparing the Group's computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of the recognised revenue for the projects during the financial period.





## Independent Auditors' Report (cont'd)

### Key Audit Matters (Cont'd)

#### Company (Cont'd)

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##### Investment in subsidiaries (Note 8 to the financial statements)

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The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

#### Our response:

Our audit procedures included, among others:

- understanding the Company's process flows in preparing cash flows projections;
- discussing the Company's assumptions with directors in relation to key assumptions;
- testing the mathematical computation of the impairment assessments; and
- performing a sensitivity analysis around the key assumptions.

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

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

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

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

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

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

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

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

## Independent Auditors' Report (cont'd)

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

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 period 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.



**VARIA BERHAD**  
(formerly known as *Stella Holdings Berhad*)

## Independent Auditors' Report (cont'd)

### **Other Matters**

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

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

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

Kuala Lumpur

Date: 23 October 2024

# LIST OF PROPERTIES

AS AT 30 JUNE 2024

Location	Description (Existing Use)	Tenure (Age of Building)	Land Area (Built-Up Area) sq. ft.	Net Book Value as at 30.06.2024 RM	Date of Valuation/ Acquisition
Lots 727, 728 and 729 No. 230, 231 and 232 Jalan Kota Kenari 2 Taman Kota Kenari 09000 Kulim Kedah Darul Aman	3 units of 2-storey shop house (rented)	Freehold (26 years)	5,769 (7,741)	1,450,000	10.06.2024
Lot 043(E) No. 30 Jalan Matahari AA U5/AA Seksyen U5 Bandar Pinggiran Subang 40150 Shah Alam Selangor Darul Ehsan	3-storey shop office (vacant)	Leasehold Expiring on 25.01.2095 (25 years)	3,200 (8,680)	1,400,000	10.06.2024
Lot 071(E) No. 29 Jalan Matahari AA U5/AA Seksyen U5 Bandar Pinggiran Subang 40150 Shah Alam Selangor Darul Ehsan	3-storey shop office (1 <sup>st</sup> & 2 <sup>nd</sup> floor rented)	Leasehold Expiring on 25.01.2095 (25 years)	3,320 (8,680)	1,400,000	10.06.2024
Lot 080 No. 16 Jalan Dinar D U3/D Seksyen U3 Taman Subang Perdana 40150 Shah Alam Selangor Darul Ehsan	4-storey shop office (ground, 2 <sup>nd</sup> & 3 <sup>rd</sup> floor rented)	Leasehold Expiring on 25.09.2095 (19 years)	1,765 (7,000)	1,700,000	10.06.2024
Lot PT8833 No. 2, Lorong Naluri Sukma 8/2 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey Terrace House (rented)	Leasehold Expiring on 08.07.2109 (21 years)	3,387 (2,316)	540,000	10.06.2024
Lot PT8610 No. 80, Lorong Naluri Sukma 8/11 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey Terrace House (rented)	Leasehold Expiring on 08.07.2109 (21 years)	3,340 (2,316)	560,000	10.06.2024
Lot 0034, No. 18, Jalan Uranus, AH/U5/AH Taman Subang Impian Seksyen U5 40150 Shah Alam Selangor Darul Ehsan	3 Storey Shop Office (vacant)	Leasehold Expiring on 03.04.2099 (24 years)	1,760 (5,280)	1,100,000	10.06.2024
No. 9, Lorong Cakera Purnama 12/1 42300 Bandar Puncak Alam Selangor	Double Storey house (rented)	Leasehold Expiring on 14.07.2109 (14 years)	1,400 (2,316)	400,000	10.06.2024



## List Of Properties (cont'd)

<b>Location</b>	<b>Description (Existing Use)</b>	<b>Tenure (Age of Building)</b>	<b>Land Area (Built-Up Area) sq. ft.</b>	<b>Net Book Value as at 30.06.2024 RM</b>	<b>Date of Valuation/ Acquisition</b>
No. 15, Lintang Bukit Jambul 3 11900 Bayan Lepas Penang	Double Storey Semi-Detached house (vacant)	Leasehold Expiring on 07.11.2100 (4 years)	5,070 (4,651)	2,600,000	10.06.2024
Lot 5723 Pekan Panchor Daerah Seremban Negeri Sembilan	Industrial Land (vacant)	Leasehold Expiring on 19.01.2096	23,412	400,000	10.06.2024

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

Type of securities	:	Ordinary shares
Issued shares	:	432,500,000 ordinary shares
Voting rights	:	One (1) vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100 shares	18	2.01	365	0.00
100 to 1,000 shares	311	34.75	261,733	0.06
1,001 to 10,000 shares	320	35.75	1,553,281	0.36
10,001 to 100,000 shares	165	18.44	6,256,921	1.45
100,001 to less than 5% of issued shares	77	8.60	119,384,600	27.60
5% and above of issued shares	4	0.45	305,043,100	70.53
<b>Total</b>	<b>895</b>	<b>100.00</b>	<b>432,500,000</b>	<b>100.00</b>

## THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1.	Datuk Lau Beng Sin	54,375,000	12.57
2.	Datuk Lau Beng Wei	47,000,000	10.87
3.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Wei	46,500,000	10.75
4.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Sin	30,000,000	6.94
5.	Teo Boon Hing	28,000,000	6.47
6.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Datuk Lau Beng Wei	22,500,000	5.20
7.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Teo Boon Hing	21,000,000	4.86
8.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Datuk Lau Beng Wei	15,008,000	3.47
9.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Shanmuga a/l Indran	15,000,000	3.47
10.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Pang Fong Mui	12,000,000	2.77
11.	Varia Engineering & Services Sdn Bhd	12,000,000	2.77
12.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Datuk Lau Beng Sin	11,547,000	2.67
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chee Kiang	9,000,000	2.08
14.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Varia Engineering & Services Sdn Bhd	9,000,000	2.08
15.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Lee Chee Kiang	8,250,000	1.91
16.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Varia Engineering & Services Sdn Bhd	8,113,100	1.88
17.	Norsamira binti Mohd Zooki	8,000,000	1.85
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ang Hung Teck	7,070,000	1.64
19.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Ang Hung Teck	5,775,000	1.33



## Analysis Of Shareholdings (cont'd)

### THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholder	No. of Shares	%
20.	Neoh Soon Hiong	5,718,900	1.32
21.	Pang Fong Mui	5,267,000	1.22
22.	Shanmuga a/l Indran	3,627,100	0.84
23.	Cerdik Cempaka Sdn Bhd	2,956,900	0.68
24.	Pang Fong Mui	2,867,000	0.66
25.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeo Ann Seck	2,760,000	0.64
26.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Aun Hooi	2,664,700	0.62
27.	Loh Khoon Chiang	2,597,600	0.60
28.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Loh Khoon Chiang	2,475,000	0.57
29.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Mubarak Hussain bin Akhtar Husin	2,000,000	0.46
30.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Shanmuga a/l Indran	2,000,000	0.46
<b>Total</b>		<b>405,072,300</b>	<b>93.65</b>

### SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datuk Lau Beng Wei	131,008,000	30.29	29,113,100 <sup>(1)</sup>	6.73 <sup>(1)</sup>
Datuk Lau Beng Sin	95,922,000	22.18	29,113,100 <sup>(1)</sup>	6.73 <sup>(1)</sup>
Teo Boon Hing	49,000,000	11.33	–	–
Varia Engineering & Services Sdn Bhd	29,113,100	6.73	–	–

### DIRECTORS' SHAREHOLDINGS

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Sri Dr. Mohd Nizom bin Sairi	–	–	–	–
Datuk Lau Beng Wei	131,008,000	30.29	29,113,100 <sup>(1)</sup>	6.73 <sup>(1)</sup>
Datuk Lau Beng Sin	95,922,000	22.18	29,113,100 <sup>(1)</sup>	6.73 <sup>(1)</sup>
Datuk Manivannan a/l Ganapathy	–	–	20,000 <sup>(2)</sup>	0.005 <sup>(2)</sup>
Dato' Kamarulzaman bin Jamil	–	–	–	–
Dato' Jamaluddin bin Sabeh	–	–	–	–
Datuk Wira Roslan bin Ab Rahman	–	–	–	–
Datuk Kok Boon Kiat	–	–	–	–
Shahrizam bin A Shukor	–	–	–	–
Sharifah Rafidah binti Wan Mansor	–	–	–	–

*Notes:*

(1) Deemed interest by virtue of his interest in Varia Engineering & Services Sdn Bhd.

(2) Deemed interest by virtue of shareholdings held by spouse.



# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Seventh Annual General Meeting (“27<sup>th</sup> AGM”) of Varia Berhad (formerly known as Stella Holdings Berhad) (“Company”) will be held virtually through live streaming from the Broadcast Venue at the Board Room of the Company, 1103, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia on **Wednesday, 27 November 2024 at 2.30 p.m.** for the following purposes:-

## As Ordinary Business

- |    |                                                                                                                                                             |                                          |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial period ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.    | <i>Please refer to Explanatory Notes</i> |
| 2. | To approve the payment of Directors’ fees of up to RM444,000 from November 2024 until the conclusion of the next Annual General Meeting of the Company.     | <i>Resolution 1</i>                      |
| 3. | To approve the payment of Directors’ benefits of up to RM141,000 from November 2024 until the conclusion of the next Annual General Meeting of the Company. | <i>Resolution 2</i>                      |
| 4. | To re-elect the following Directors who are retiring pursuant to Article 108 of the Company’s Constitution:-                                                |                                          |
|    | (a) Datuk Lau Beng Sin                                                                                                                                      | <i>Resolution 3</i>                      |
|    | (b) Encik Shahrizam bin A Shukor                                                                                                                            | <i>Resolution 4</i>                      |
|    | (c) Puan Sharifah Rafidah binti Wan Mansor                                                                                                                  | <i>Resolution 5</i>                      |
| 5. | To re-elect the following Directors who are retiring pursuant to Article 115 of the Company’s Constitution:-                                                |                                          |
|    | (a) Dato’ Sri Dr. Mohd Nizom bin Sairi                                                                                                                      | <i>Resolution 6</i>                      |
|    | (b) Datuk Kok Boon Kiat                                                                                                                                     | <i>Resolution 7</i>                      |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration.                                           | <i>Resolution 8</i>                      |

## As Special Business

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

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 7. | Ordinary Resolution<br>Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <i>Resolution 9</i> |
|    | <p>“THAT, subject to the Companies Act 2016, the Company’s Constitution and approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) and other Governmental or regulatory bodies, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.</p> |                     |



## Notice Of Twenty-Seventh Annual General Meeting (cont'd)

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 71 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking pari-passu in all respects with the existing ordinary shares arising from any issuance and allotment of shares pursuant to this approval.”

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

CHIN FOONG PING  
(MAICSA 7044276 / SSM PC No. 202008002708)  
Company Secretary

Petaling Jaya  
30 October 2024

### Notes:-

1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint only one (1) proxy unless he has more than 1,000 shares in which case he may appoint up to two (2) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or under the hand of a duly authorised officer or attorney of the corporation.
6. The instrument appointing a proxy shall be deposited at the registered office of the Company at 1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
7. For purpose of determining members’ eligibility to attend the 27<sup>th</sup> AGM, only members whose names appear in the Record of Depositors as at 18 November 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his behalf.

## Notice Of Twenty-Seventh Annual General Meeting (cont'd)

### Explanatory Notes

#### 1. To receive the Audited Financial Statements

Agenda 1 is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

#### 2. Ordinary Resolutions 1 and 2 - To approve the payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Board had proposed the Directors' fees and benefits, comprises of meeting attendance allowance, payable to Non-Executive Directors as follows:-

- (a) The proposed Ordinary Resolution 1 is to seek shareholders' approval for the payment of Directors' fee amounting up to RM444,000 to the existing Non-Executive Directors from November 2024 until the conclusion of the next Annual General Meeting of the Company and to cater for appointment of new directors, to be payable on a monthly basis in arrears after each month of completed services of the Director.
- (b) The proposed Ordinary Resolution 2 is to seek shareholders' approval for the payment of Directors' benefits of up to RM141,000 from November 2024 until the conclusion of the next Annual General Meeting of the Company, which is derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for Board of Directors, Audit Committee and general meetings.

#### 3. Ordinary Resolutions 3 to 7 - To re-elect retiring Directors

The profiles of the Directors seeking re-election are set out in the Profile of Directors section of this Annual Report 2024.

The Board supported the re-appointment of the directors seeking for re-election. Based on the Board assessment carried out, the Directors have vast experiences in their respective practices, and hence, they would be able to contribute and provide the Board with a diverse set of experience, expertise, skill and competence. Also, the Independent Directors have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore, are able to bring independent and objective judgement to the Board.

#### 4. Ordinary Resolution 9 - Authority to Allot and Issue Shares

The proposed Ordinary Resolution 9 is to seek a renewal of general mandate for authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. If the resolution is passed, it will empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total 10% of the issued share capital of the Company, for such purposes as the Directors would consider in the best interest of the Company. This is to avoid any delay and cost involved in convening a general meeting for such issuance of shares. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or will subsist until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The general mandate for issue of shares will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares for the purpose of repayment of bank borrowings, funding future investment and working capital.

The proposed Ordinary Resolution 9 is also seeking the shareholders' waiver of their pre-emptive rights under Section 85 of the Companies Act 2016 and to allow the Directors to allot and issue new shares without first offering the new shares to the existing shareholders of the Company pursuant to this general mandate.

The Company did not issue any new shares pursuant to the general mandate obtained at the 26<sup>th</sup> AGM.



## Notice Of Twenty-Seventh Annual General Meeting (cont'd)

### **STATEMENT ACCOMPANYING NOTICE OF 27<sup>TH</sup> AGM**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

1. Details of individuals who are standing for election as Directors (excluding Directors standing for a re-election)

There are no individuals who are standing for election as Directors at the forthcoming 27<sup>th</sup> AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No. 3 to 7 as set out in the Notice of 27<sup>th</sup> AGM.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note for Resolution 9 of the Notice of 27<sup>th</sup> AGM.

# ADMINISTRATIVE GUIDE

## VIRTUAL TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>TH</sup> AGM”) OF VARIA BERHAD (FORMERLY KNOWN AS STELLA HOLDINGS BERHAD) (“VARIA” OR “THE COMPANY”)

Day / Date	:	<b>Wednesday, 27 November 2024</b>
Time	:	<b>2:30 p.m.</b>
Broadcast Venue	:	<b>Board Room, 1103, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia</b>
Meeting platform	:	<b><a href="https://www.propollsolutions.com.my">https://www.propollsolutions.com.my</a></b> (Domain registration number D1A403203)

## VIRTUAL MEETING

The 27<sup>th</sup> AGM of Varia will be conducted as a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facility. This is in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 and as revised or amended from time to time.

Please note that it is your responsibility to ensure the stability of your internet connectivity throughout the 27<sup>th</sup> AGM as the quality of the live webcast and online remote voting are dependent on your internet bandwidth and stability of your internet connection.

## MEMBERS / PROXIES / CORPORATE REPRESENTATIVES / ATTORNEYS

No members or proxies or corporate representatives or attorneys from the public shall be physically present nor admitted at the Broadcast Venue on the day of the 27<sup>th</sup> AGM.

## RPV FACILITY

Members are to participate, speak (in the form of real-time submission of typed texts) and vote remotely (collectively, “participate”) at the 27<sup>th</sup> AGM using the RPV Facility provided by Propoll Solutions Sdn Bhd, the poll facilitator of the 27<sup>th</sup> AGM, via its website at <https://www.propollsolutions.com.my> (“Propoll Portal”) (Domain registration number D1A403203).

Members may use the Q&A platform in Zoom Cloud Meetings App to submit questions in real time during the 27<sup>th</sup> AGM. Members may also submit questions to the Board of Directors (“Board”) prior to the 27<sup>th</sup> AGM by emailing to [varia@varia.com.my](mailto:varia@varia.com.my) no later than 2:30 p.m. on 25 November 2024 or via the Q&A platform in the Propoll Portal from 2.00 p.m. on 20 November 2024. If there is time constraint in answering the questions during the 27<sup>th</sup> AGM, the answers will be emailed to respective member who raised the questions.

If you wish to submit your questions through the Q&A platform via the Propoll Portal, you must first register as a user at the Propoll Portal. Thereafter, you may select “My Virtual Meeting” under the Main Menu and click on the Q&A platform to post your question(s).



## Administrative Guide (cont'd)

### PROCEDURES FOR RPV FACILITY

Members/proxies/corporate representatives/attorneys who wish to participate in the 27<sup>th</sup> AGM remotely using the RPV Facility, are to follow the requirements and procedures as summarised below:-

Procedures	Action
<b>Before the day of the 27<sup>th</sup> AGM</b>	
(i) Register as a User	<ul style="list-style-type: none"><li>• Access the Propoll Portal at <a href="https://www.propollsolutions.com.my">https://www.propollsolutions.com.my</a>.</li><li>• Click &lt;&lt;Login/Register&gt;&gt; followed by &lt;&lt;Register New User&gt;&gt; to register as a new user.</li><li>• Complete the registration by filling up the information required and upload a clear copy of your MyKAD (both front and back page) or Passport.</li><li>• Read and agree to the terms &amp; conditions and thereafter, submit your registration.</li><li>• Please enter a valid email address in order for you to receive the verification email from the Propoll Portal.</li><li>• Your registration will be verified and approved by the Propoll Portal. Once approved, an email notification will be sent to you.</li><li>• If you are already a user with the Propoll Portal, you are not required to register again.</li></ul>
(ii) Submit your Question	<ul style="list-style-type: none"><li>• You may pre-submit your questions:<ul style="list-style-type: none"><li>(i) using the Propoll Portal from 2.00 p.m. on 20 November 2024; or</li><li>(ii) to the Board prior to the 27<sup>th</sup> AGM by emailing to <a href="mailto:varia@varia.com.my">varia@varia.com.my</a> no later than 2.30 p.m. on 25 November 2024. Please provide your full name as per MyKad, Mobile Contact Number and CDS Account Number in your email.</li></ul></li></ul>
<b>On the day of the 27<sup>th</sup> AGM</b>	
(iii) Login to Propoll Portal at <a href="https://www.propollsolutions.com.my">https://www.propollsolutions.com.my</a>	<ul style="list-style-type: none"><li>• Login with your user ID and password for remote participation at the 27<sup>th</sup> AGM at any time from 2.00 p.m, i.e. 30 minutes before the commencement of the 27<sup>th</sup> AGM.</li><li>• If you have forgotten your password, you can reset it by clicking on "Forgot Password".</li></ul>

## Administrative Guide (cont'd)

Procedures	Action
<b>On the day of the 27<sup>th</sup> AGM</b>	
(iv) Participate through Live Streaming	<ul style="list-style-type: none"> <li>• Select &lt;&lt;My Virtual Meeting&gt;&gt; under Main Menu.</li> <li>• Click &lt;&lt;Join Meeting&gt;&gt; located next to the event.</li> <li>• Please click on the video link and key in the password provided to you in the email notification from the Propoll Portal in order to join the live streaming of the 27<sup>th</sup> AGM.</li> <li>• If you have any question(s) during the 27<sup>th</sup> AGM, you may use the Q&amp;A platform in Zoom Cloud Meetings App to submit your question(s). The Chairman of the 27<sup>th</sup> AGM ("Chairman") / Board / Management will try to respond to all relevant questions submitted during the 27<sup>th</sup> AGM. If there is time constraint in answering the questions during the 27<sup>th</sup> AGM, the responses will be emailed to respective shareholders after the 27<sup>th</sup> AGM.</li> <li>• If you are using a smartphone to participate in the 27<sup>th</sup> AGM, please download Zoom Cloud Meetings App from the Google Play Store or App Store before the 27<sup>th</sup> AGM.</li> <li>• Please take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.</li> </ul>
(v) Online Remote Voting	<ul style="list-style-type: none"> <li>• Please select the &lt;&lt;Voting&gt;&gt; option located next to &lt;&lt;Join Meeting&gt;&gt; to indicate your votes for the resolutions that are tabled for voting.</li> <li>• Voting session will commence once the Chairman declares that the voting platform is activated. The voting session will end upon declaration by the Chairman.</li> <li>• Please cast your vote on all resolutions as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.</li> </ul>
(vi) End of the RPV Facility	<ul style="list-style-type: none"> <li>• The RPV Facility will end and the Q&amp;A platform will be disabled the moment the Chairman announces the closure of the 27<sup>th</sup> AGM.</li> </ul>

**Notes to users of the RPV Facility:**

- (a) *Should your registration to join the 27<sup>th</sup> AGM be approved, we will make available to you the rights to join the live streamed 27<sup>th</sup> AGM and to vote remotely using the RPV Facility. Your login to the Propoll Portal on the day of the 27<sup>th</sup> AGM will indicate your presence at the 27<sup>th</sup> AGM.*
- (b) *If you encounter any issue with your online registration at the Propoll Portal, please call +6010-526 5490 or e-mail to [propollsolution@gmail.com](mailto:propollsolution@gmail.com) for assistance.*





## Administrative Guide (cont'd)

### PROXY

1. The 27<sup>th</sup> AGM will be conducted on a virtual basis. If you are unable to participate in the 27<sup>th</sup> AGM, you may appoint the Chairman as proxy and indicate the voting instructions in the Proxy Form.
2. If you wish to appoint proxy(ies) to participate in the 27<sup>th</sup> AGM using the RPV Facility, please submit your Proxy Form, either by hand or by post to the following address, not less than 48 hours (by 2.30 p.m. on 25 November 2024) before the time appointed for holding the 27<sup>th</sup> AGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid:-

Varia Berhad (Formerly known as Stella Holdings Berhad)  
1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1  
No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor, Malaysia

3. Corporate representatives of corporate shareholders must deposit their original certificate of appointment of corporate representative to Boardroom Share Registrars Sdn. Bhd. or alternatively to submit electronically via email to [varia@varia.com.my](mailto:varia@varia.com.my) not less than 48 hours before the time appointed for holding the 27<sup>th</sup> AGM or any adjournment thereof, in order to participate in the 27<sup>th</sup> AGM via the RPV Facility.
4. Attorneys appointed by power of attorney are to deposit their power of attorney to Boardroom Share Registrars Sdn. Bhd. or alternatively to submit electronically via email to [varia@varia.com.my](mailto:varia@varia.com.my) not less than 48 hours before the time appointed for holding the 27<sup>th</sup> AGM or any adjournment thereof, in order to participate in the 27<sup>th</sup> AGM via the RPV Facility.
5. Members who has appointed a proxy or attorney or authorised representative to participate at the 27<sup>th</sup> AGM via the RPV Facility must ensure that his/her proxy or attorney or authorised representative register himself/herself at the Propoll Portal prior to the 27<sup>th</sup> AGM.

### POLL VOTING

1. The voting at the 27<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Varia has appointed Propoll Solutions Sdn Bhd as Poll Administrator to conduct the poll by way of online remote voting using the RPV Facility and SLCC Networks Sdn Bhd as Scrutineers to verify the poll results.
2. The online remote voting session will commence once the Chairman declares that the voting platform is activated. The voting session will end upon declaration by the Chairman. Please refer to item (v) for the online remote voting procedures using the RPV Facility.
3. Upon completion of the voting session, the Scrutineers will verify the poll results followed by the declaration of results by the Chairman.

### REVOCAION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in the 27<sup>th</sup> AGM by yourself, please write in to Boardroom Share Registrars Sdn. Bhd. or alternatively to submit electronically via email to [varia@varia.com.my](mailto:varia@varia.com.my) to revoke the earlier appointed proxy 48 hours before the time appointed for holding the 27<sup>th</sup> AGM.

## Administrative Guide (cont'd)

### RECORDING

Unauthorised recording of the proceedings of the 27<sup>th</sup> AGM is strictly prohibited.

### RECORD OF DEPOSITORS (“ROD”) FOR THE 27<sup>th</sup> AGM

Only shareholders whose names appear on the ROD as at **18 November 2024** shall be entitled to participate or appoint proxy(ies) to participate at the 27<sup>th</sup> AGM via the RPV Facility.

### NO DOOR GIFT

There will be no door gift to be provided for participating at the 27<sup>th</sup> AGM.

### ENQUIRIES

If you have any enquiry relating to the 27<sup>th</sup> AGM, please contact the following person during office hours from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays:

Mr Eric Tan        -    Mobile No. +6010-526 5490; or  
                         -    E-mail: [propollsolution@gmail.com](mailto:propollsolution@gmail.com)

### PERSONAL DATA PRIVACY

By lodging and subscribing for a user account with Propoll Portal for appointing a proxy(ies) and/or representative(s) to participate and vote remotely at the 27<sup>th</sup> AGM using the RPV Facility, the shareholder/proxy holder/representative(s) accepts and agrees to the personal data privacy terms.

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**PROXY FORM**  
27<sup>TH</sup> ANNUAL GENERAL MEETING

**VARIA BERHAD**  
**(FORMERLY KNOWN AS STELLA HOLDINGS BERHAD)**  
199701004603 (420099-X)  
(Incorporated in Malaysia)

<b>No. of Shares held</b>	
<b>CDS Account No.</b>	
<b>Mobile No.</b>	
<b>Email Address</b>	

I/We \_\_\_\_\_  
(Full name as per NRIC/Passport/Certificate of Incorporation in capital letters)

NRIC/Passport/Company Registration No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a member of VARIA BERHAD (formerly known as Stella Holdings Berhad) ("Company"), hereby appoint the following person(s):

Full Name ( <i>in capital letters</i> )	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

and/or

Full Name ( <i>in capital letters</i> )	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held virtually through live streaming from the Broadcast Venue at the Board Room of the Company, 1103, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia on Wednesday, 27 November 2024 at 2.30 p.m., and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits		
3.	To re-elect Datuk Lau Beng Sin as Director		
4.	To re-elect Shahrizam bin A Shukor as Director		
5.	To re-elect Sharifah Rafidah binti Wan Mansor as Director		
6.	To re-elect Dato' Sri Dr. Mohd Nizom bin Sairi as Director		
7.	To re-elect Datuk Kok Boon Kiat as Director		
8.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors		
9.	To authorise the allotment and issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided above on how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

Signed this..... day of ..... 2024

.....  
Signature/Common Seal of Member



Notes:

1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint only one (1) proxy unless he has more than 1,000 shares in which case he may appoint up to two (2) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or under the hand of a duly authorised officer or attorney of the corporation.
6. The instrument appointing a proxy shall be deposited at the registered office of the Company at 1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
7. For purpose of determining members' eligibility to attend the meeting, only members whose names appear in the Record of Depositors as at 18 November 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his behalf.

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AFFIX  
STAMP

The Company Secretary

**VARIA BERHAD**  
**(FORMERLY KNOWN AS STELLA HOLDINGS BERHAD)**

1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1  
No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor, Malaysia

2nd Fold Here

Fold This Flap For Sealing

