

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of TT Vision Holdings Berhad recognises the importance of sound corporate governance and is committed to upholding the high standard of corporate governance and ethics throughout the Company and its subsidiary companies ("the Group").

This Corporate Governance ("CG") Overview Statement is presented following the provisions in Practice Note 9 of the ACE Market Listing Requirements. The objective of this Statement is to provide an overview of the key corporate governance practices of the Group during the financial year with reference to the CG principles.

In addition to this CG Overview Statement, the Board has explained point-by-point the application of each CG Practice in its Corporate Governance Report ("CG Report"), which was announced together with the 2023 Annual Report of the Company to Bursa Malaysia Securities Berhad ("Bursa Securities").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

Presently, at least half of the board members are independent non-executive directors. The current Board is made up of one (1) Independent Non-Executive Chairman, three (3) Executive Directors, three (3) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director.

The positions of Chairman and CEO are held by different individuals. The Chairman of the Board, Dato' Lim Yong Jin, is responsible for ensuring the effective functioning of the Board. In contrast, the CEO, Mr. Goon Koon Yin, leads and manages the Group's operations and the implementation of the Board's policies and decisions.

The Board recognizes the importance of diversity in its composition to ensure its effectiveness and good corporate governance. Presently, the Board has three (3) female members out of eight (8) members, which is more than the 30% threshold of female directors on the Board.

Board Responsibilities

The Board has established clear roles and responsibilities for its members' fiduciary and leadership functions as well as defined its schedule of matters in its Board Charter.

Periodically, the Board has performed reviews of the financial results of the Group. These periodic reviews cover the business operations performance, financial position, and business proposals of the Group to ensure the business is being adequately managed.

During the financial year, six (6) Board meetings were held, and the Board members' attendance details are set out below:

| Director | Number of Meetings Attended During the Financial Year Ended 31 December 2023 |
|--|--|
| Dato' Seri Wong Siew Hai (Independent Non-Executive Chairman) - Resigned on 30 November 2023 | 6/6 |
| Goon Koon Yin (CEO and Executive Director) | 6/6 |
| Wong Yih Hsow (COO and Executive Director) | 6/6 |
| Jennie Tan Yen-Li (Chief Human Resource & Administration Officer, Executive Director) | 6/6 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Responsibilities (Cont'd)

| Director | Number of Meetings Attended During the Financial Year Ended 31 December 2023 |
|--|--|
| Nadiah Wong Binti Abdullah (Independent Non-Executive Director) | 6/6 |
| Dr Khoh Soo Beng (Independent Non-Executive Director) | 5/6 |
| Everlyn Lee Suan Sim (Independent Non-Executive Director) | 6/6 |
| Mohammad Farish Nizar Bin Othman (Non-Independent Non-Executive Director) | 6/6 |
| Dato' Lim Yong Jim (Independent Non-Executive Director) - Newly appointed on 19 March 2024 | -- |

The Board is updated regularly by the Company Secretary and management on the training programme available by regulators and professional bodies. During the financial year, the Board members attended the following training:

| Director | Training Attended | Date |
|----------------------------|---|---|
| Dato' Seri Wong Siew Hai | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management | 5 April 2023 5 July 2023 |
| Goon Koon Yin | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management Tax Seminar on Budget 2024 | 5 April 2023 5 July 2023 28 November 2023 |
| Wong Yih Hsow | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management | 5 April 2023 5 July 2023 |
| Jennie Tan Yen-Li | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management Conflict of Interest & Governance of Conflict of Interest Tax Seminar on Budget 2024 | 5 April 2023 5 July 2023 5 September 2023 28 November 2023 |
| Nadiah Wong Binti Abdullah | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management Conflict of Interest & Governance of Conflict of Interest | 5 April 2023 5 July 2023 5 September 2023 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Responsibilities (Cont'd)

| Director | Training Attended | Date |
|----------------------------------|--|---|
| Everlyn Lee Suan Sim | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management Seminar Percukaian Kebangsaan 2022 (Budget 2023) National Tax Conference 2023 Seminar Percukaian Kebangsaan 2023 (Budget 2024) | 5 April 2023 5 July 2023 8 Mar 2023 1 & 2 August 2023 18 Oct 2023 |
| Dr Khoh Soo Beng | <ul style="list-style-type: none"> Board Briefing Series: Sustainability & Corporate Governance Board Briefing Series: Anti-Corruption & Risk Management | 5 April 2023 5 July 2023 |
| Mohammad Farish Nizar Bin Othman | <ul style="list-style-type: none"> ADFIM International CEO Froum Unmasking Leadership MAICSA Webinar Series: Withholding Tax Principle & Practice and Transfer Pricing Concept MAICSA Webinar Series: Risk Management Board Briefing Series: Sustainability & Corporate Governance [SSM Webinar] SSM X BNM: Companies Secretaries as Reporting Institution under AMLA 2001 [SSM Webinar] Understanding Joint Ventures. Legal considerations Negotiation and Influencing Skills [SSM Webinar] Resolving Boardroom and Shareholders dispute Board Briefing Series: Anti-Corruption & Risk Management 5th GRCCS International Conference & Exhibition 2023 on Business Continuity Management | 9 March 2023 3 April 2023 4 April 2023 5 April 2023 5 April 2023 6 April 2023 10 April 2023 11 April 2023 5 July 2023 31 July 2023 |

Board Committees

The Board has established the Audit and Risk Management Committee ("ARMC"), Nomination Committee, and Remuneration Committee to provide greater attention and objectivity in deliberating specific Board agendas. The Board has defined each Committee's terms of reference ("TOR"). The Chairmen of the respective Board Committees report and recommend significant matters and actions deliberated in the Committees to the Board for approval.

The Board Committees objectively deliberate, oversee areas defined within their TORs and recommend actions to the Board for decision. Notwithstanding the existence of the Board Committees, the Board is ultimately responsible for the oversight areas and functions of the Board Committees. Therefore, the Board keeps itself abreast of the significant matters and resolutions deliberated by each Board Committee based on the reports presented to the Board Committees and the minutes of meetings and circular resolutions passed by them.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Annual Board Evaluation

During the financial year, the Board has defined and implemented the Fit and Proper Policy for its members. This Policy describes the requirements of a Director's character and integrity, competence and capability, and time and commitment to discharge their roles effectively. Accordingly, the re-election of the Board candidates and Directors will be assessed based on provisions in this Policy.

The main fit and proper criteria are character and integrity, experience and competence, and time commitment. Annually, all Directors are required to complete a self-declaration form. Besides the annual performance appraisal, the Remuneration Committee shall consider the fit and proper assessment outcomes before proposing a remuneration package to the Board for approval. Similar procedures apply to the appointment of a new Director.

The NC conducts annual assessments of the effectiveness of the Board, Board Committees and Directors. The assessment criteria including competencies, qualification, contribution and performance of Directors are conducted through self-assessment.

Based on the assessments, it was concluded that the overall performance and effectiveness of the Board, Board Committees and Directors are satisfactory. The NC used the results of the evaluations to recommend the Directors standing for re-election to the Board for shareholders' approval in the Annual General Meeting ("AGM").

Remuneration

The remunerations of the Executive and Non-Executive Directors were reviewed by the RC and the Board, respectively. All Directors abstained from the decision of their remuneration.

Broadly, the remuneration policy of the Board provides that the remuneration of the Executive Directors is determined based on the individual's and Group's performance, the market conditions trends, and industry practice. In contrast, the remuneration and incentives for Independent Directors shall not be a commission on or percentage of profits or turnover but shall be determined based on their qualification, experience and competence, attendance and special skills and expertise they bring to the Board.

The terms of reference of the RC and the remuneration policy provided in the Board Charter are disclosed on the Company's website.

Under Section 230(1) of the Companies Act 2016, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The detailed disclosure of the directors' remunerations for the financial year ended 31 December 2023 is reported in Practice 8.1 in the CG Report.

The Board disclosed the top four existing key senior management's and one newly joined key senior management's remuneration in aggregate rather than individually due to the sensitivity of the information and the competition in the job markets. The Company will ensure that these key senior management are rewarded fairly based on the Group's performance and market practice.

Whistle-Blowing Policy and Procedures

The Board has established a whistleblowing policy and reporting channel. The Policy is posted on the Company's website for public reference.

To provide comfort to whistleblowers and protect their identity, the Board has designated an Executive Director (Jennie Tan Yen-Li) and Independent Non-Executive Director (Nadiah Wong Binti Abdullah) to receive complaints from the whistleblower by email.

During the financial year, the Board did not receive any complaints from whistleblowers.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics covering:

- i) the Board's values and responsibilities to guide the stakeholders on the ethical behaviours expected from the Group; and
- ii) enable the Board to facilitate the measurement and monitoring of management performance against these values.

The Code of Conduct and Ethics is posted on the Company's website for public reference.

In addition, the Board has prohibited directors, officers, and employees from committing insider trading, money laundering, corruption, conflict of interest transactions, abuse of power, discrimination or prejudice, and misconduct in this Code of Conduct and Ethics.

Anti-Bribery and Anti-Corruption Policy

The Group has defined and implemented the Anti-Bribery and Anti-Corruption Policy to set out the organization's position on bribery in all its forms and matters of corruption that might confront the organization in its day-to-day operations.

Throughout the financial year, the Board initiated an independent review to assess the adequacy and effectiveness of this policy.

Access to Information

All Directors have direct communication channels and access to the Company Secretary, with full and unrestricted access to information, records, properties, and personnel of the Group in performing their duties. The Company Secretary also advises the Board on the compliance requirements under the Company's Constitution, Board policies, and provisions in the regulations.

The Board may also seek advice from the management and/or any external experts, or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with adequate and timely information, which allows it to discharge its responsibilities effectively and efficiently. The meeting agenda and Board Papers are delivered beforehand to enable Directors to review and prepare for the discussion.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Audit and Risk Management Committee ("ARMC")

The members of ARMC comprise fully Independent Non-Executive Directors, and the Chairman of the ARMC is not the Chairman of the Board. The Board also entrusts the ARMC to oversee the risk management framework in the Group.

The ARMC Terms of Reference provide that a former key audit partner shall observe a cooling-off period of at least three years before being appointed as a member of the ARMC. Nonetheless, none of the members of the ARMC is a former partner of the audit firm of the Group.

The ARMC is essential in ensuring the integrity, clarity, and relevance of the information disclosed in the Annual Report. Before finalising the various governance disclosures in the Annual Report, the ARMC and other Board Members, Company Secretary, and management will review the disclosures and statements in the Annual Report.

Further explanations on the ARMC's roles in ensuring financial statements comply with Applicable Financial Reporting Standards, the relationship with both Internal Auditors and External Auditors, and other activities during the financial year are set out in the ARMC Report in this Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

ii. Risk Management and Internal Control

The Group has defined its risk management policy which outlines the principles of risk management, the Board's and management's responsibilities, and the risk management objectives. This risk framework encompasses the processes of risk identification, assessment, treatment, documentation, communication, and monitoring which are guided under the principles of the international risk management framework.

The risk management committee comprises the senior management and heads of departments. During the Management Review Meeting, they reported the identified risks, the mitigation plan, and the management implementation status to Top Management. Going forward, the key risks and mitigation plan will also be reported to ARMC.

The Statement on Risk Management and Internal Control is set out in the company's Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group.

The Board is satisfied with the effectiveness and adequacy of the current level of risk management and internal control system. The CEO and CFO assured the Group's risk management and internal control systems are adequate and effective, to the best of their knowledge, in all material aspects.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Information and communication are important for keeping shareholders and investors informed of the Group's business and corporate developments.

The Group's corporate development and financial performance details are relayed to investors through the Company's Annual Reports and continual disclosures provided to Bursa Securities. Furthermore, the Group hosts a website at www.ttvision-tech.com where shareholders and investors can access corporate information, latest financial results, annual reports, announcements to Bursa Securities, governance policies as well as the terms of reference for Board Committees under the "Investor Relations" section.

In addition, the Board sent the AGM Notice to shareholders not less than 28 days before the general meeting date. By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and decided at the AGM and will be able to make an informed decision when exercising their voting rights.

Shareholders and investors are urged to engage and feedback to the Chairman and CEO on matters of interest during the general meetings. Should shareholders be unable to attend the AGM, they are encouraged to designate proxies for attendance and voting by filling out the enclosed proxy form included in the AGM Notice. The completed forms should be submitted to the Registrar's Office at least forty-eight (48) hours before the scheduled meeting time or any adjournment thereof.

The resolutions are ratified through an electronic poll vote. The results of the poll were authenticated by an Independent Scrutineer appointed by the Company. The AGM's outcome was promptly disclosed to Bursa Securities on the day of the meeting.

This CG Overview Statement is made by a resolution of the Board on 16 April 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of TT Vision Holdings Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2023. The disclosure in this Statement is presented pursuant to rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board should oversee the implementation of appropriate internal controls and mitigation measures:

- a) Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- b) Fulfill statutory and fiduciary responsibilities by monitoring the operational, financial, and risk management processes of the Group and ensuring that internal control procedures are in place;
- c) Set the risk appetite within which the Board expects Management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and
- d) Comply with environment, safety and health legislation by understanding the operations carried out by employees and the hazards and risks associated with such operations.

RISK MANAGEMENT

The Group has defined its risk management policy, which outlines the principles of risk management, the Board's and management's responsibilities, and the risk management objectives. This risk framework encompasses the processes of risk identification, assessment, treatment, documentation, communication, and monitoring, which are guided by the principles of the international risk management framework.

The risk management working committee comprises the senior management and departmental heads. The working committee reports the identified risks, the mitigation plan, and the management implementation status to the top management periodically during the Management Review Meeting.

The Board is mindful of the inherent operational challenges of the Group. The challenges include the raw material shortage and price fluctuation, the risk of global supply chain disruption and key customer risk.

To manage the potential impact of these challenges and risks, the Group continuously:

- (a) Diversifies its customer portfolio and markets locally and internationally;
- (b) Develop rapport with the key suppliers and monitor the supply conditions of the critical input materials; and
- (c) Analyses and reviews the cost and price structure before quoting and accepting sales orders.

INTERNAL CONTROLS

Internal controls are an integral part of the risk management system. The Board continually reviews and enhances its internal control procedures by incorporating recommendations for improvement suggested by its Auditors.



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

INTERNAL CONTROLS (Cont'd)

The key features of the Group's internal control and risk management framework and procedures are:

- i. Defined authority and responsibilities of the Board and management and the establishment of various Board Committees and the presence of independent directors to oversee the financial, compliance, and operational performance of the management;
- ii. Organisational structure outlining the lines of responsibilities and hierarchical structure for the production, research and development, sales, purchasing, administration and human resources, and accounts and finance functions;
- iii. The approval limit process is embedded and implemented into the Enterprise Resource Planning ("ERP") system;
- iv. Periodic management review meetings to discuss, review and monitor the business and financial progress, challenges faced, and action plans on the financial data generated from the Group's management information systems;
- v. Third-party surveillance audits by external certification bodies to verify compliance with ISO requirements. The quality management system maintained in the key subsidiaries is Quality Management System: ISO 9001:2015 for TT Vision Technologies Sdn Bhd and TT Innovation Centre Sdn Bhd;
- vi. The Internal Audit Function assists the ARMC and the Board in independently assessing the internal control systems. The internal audit reports highlight the significant findings and deficiencies requiring management's attention and improvement. Follow-up audits are conducted to ensure that appropriate corrective action plans are implemented by management;
- vii. The Anti-Bribery and Anti-Corruption ("ABAC") Policy guides the employees, and business associates in taking appropriate measures to prevent bribery and corruption;
- viii. Insurance program covering the risk of fire, electronic equipment, burglary, public liability, fidelity, and money to protect the assets and interests of the Group;
- ix. The Safety Committee monitors the safety, health, and environmental compliance in the factory and office;
- x. User access control protects information and data against unauthorised access; and
- xi. The annual interest declaration procedure promotes a corporate integrity culture.

Para 15.29(1)(b) of ACE Market Listing Requirements states that the effectiveness of the anti-corruption and bribery policies shall be reviewed at least once every three years. During the financial year, the Internal Auditors conducted an anti-corruption review of the Company's anti-corruption and anti-bribery policies and measures against the Guidelines of Adequate Procedures issued by the authority. The proposed actions identified in this review were adopted by the management to strengthen the Group's defence against corruption and bribery.

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for:

- Identifying risks relevant to the Group's business objectives and ensuring the achievement of its objectives;
- Designing, implementing, and monitoring the risk management actions and achieving the Group's objectives within its risk appetite;
- Assuring the effectiveness and adequacy of the risk management and internal control systems; and
- Reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives.

Before producing this Statement, the Board has received assurance from the Executive Directors and CFO that, to the best of their knowledge the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.



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

BOARD ASSURANCE AND LIMITATION

The Board recognises that the risk management and internal control system should continuously improve, consistent with the evolving business and operating environment. Nonetheless, it should be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

For the financial year under review, the Board is satisfied that the current level of risk management and internal control systems are adequate and effective under the present business and cash flow positions of the Group.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of ACE Market Listing Requirements and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 31 December 2023.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. They have reported to the Board that nothing has come to their attention that causes them to believe that this Statement has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon.

This Statement on Risk Management and Internal Control is made with the resolution of the Board dated 16 April 2024.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

The Audit and Risk Management Committee ("ARMC") comprises three (3) members who are Independent Non-Executive Directors. The following is the composition of the Committee:

Chairwoman : Everlyn Lee Suan Sim
Member : Dr Khoh Soo Beng
Member : Nadiah Wong Binti Abdullah

All members of the ARMC have no family relationship with any of the Executive Directors, officers, or major shareholders of TT Vision Holdings Berhad ("TTVHB" or the "Company") and also meet the other criteria for an Independent Director defined in the ACE Market Listing Requirements.

The ARMC Chair, Ms. Everlyn Lee Suan Sim, is a member of the Malaysian Institute of Certified Public Accountants, member of the Malaysian Institute of Accountants and member of the Chartered Tax Institute of Malaysia.

The Committee members have diverse backgrounds and experience in accountancy, taxation, engineering, legal, and compliance practices. None of the members of the ARMC were former partners of the Company's external audit firm.

As the members of the ARMC are also members of the Nomination Committee ("NC"), the Board oversees the conduct of peer performance reviews on the ARMC and its members carried out by the NC. For the financial year ended 31 December 2023, the Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities with the ARMC's Terms of Reference. The terms of reference are published on the corporate website at <https://www.ttvision-tech.com>.

ATTENDANCE OF MEETING

Six (6) ARMC meetings were held in the 2023 financial year, and all members attended these meetings except for Dr Khoh Soo Beng who attended only five (5) ARMC meetings..

SUMMARY OF ACTIVITIES

During the financial year, the activities undertaken by the ARMC in discharging its duties and functions concerning their responsibilities are summarised as follows:

- a. reviewed and discussed with the External Auditors their audit planning memorandum covering the audit risk areas, audit approach and emphasis, and their independence.
- b. reviewed the unaudited quarterly financial results of the Group to ensure compliance with applicable approved accounting standards and treatments, ACE market listing requirements and other regulatory requirements.
- c. reviewed the Internal Audit Plan presented by the Internal Auditor to ensure that the audit focuses on relevant and appropriate risk areas.
- d. reviewed the internal auditors' audit findings and assessed the effectiveness and adequacy of the risk management and internal control systems in the Group's key operating processes.
- e. reviewed the report of corruption risk assessment presented by Internal Auditors to close the gaps between the existing corruption preventive measures and the provisions in the Guideline on Adequate Procedures.
- f. reviewed the governance disclosures in the Annual Report, including the ARMC Report and Statement on Risk Management and Internal Control, Corporate Governance Report and ensured that the information provided was adequate, relevant, substantiated, and adhered to the disclosure requirements.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

Functionally, the Internal Auditors report directly to the ARMC. Their primary responsibility is to assist the Board and the ARMC in reviewing and assessing the governance, risk management, and internal control frameworks and systems and the measures taken to strengthen them.

The Company had outsourced its internal audit function to an internal audit consulting firm, IA Essential Sdn. Bhd. The internal audit firm did not provide other services to the Company that may create a conflict of interest or impair their objectivity and independence.

The internal audit function is led by a manager and supported by a team of audit executives who are accounting graduates. The Manager in charge, is Ms Chen Pei Ping, an Associate Member of the Institute of Internal Auditors Malaysia and an accounting degree holder. She reports to Mr Chong Kian Soon, the firm's CEO, who is overseeing the engagement. Mr Chong Kian Soon is a member of the Malaysia Institute of Certified Public Accountants, the Chartered Accountants Australia and New Zealand, and the Chartered Member of the Institute of Internal Auditors Malaysia.

The Internal Auditors have conducted their work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

During the financial year, the Internal Auditors presented its Internal Audit Plan, conducted a follow-up audit on the key control findings reported in the pre-ACE listing control due diligence, as well as reviewed the anti-bribery and corruption policy and practices in the Group.

The ARMC deliberated the internal audit fee and assessed their independence and objectivity. The cost incurred for the internal audit function for the financial year ended 31 December 2023 was RM65,000.



NOMINATION COMMITTEE STATEMENT

COMPOSITION

The Nomination Committee ("NC") comprises three (3) members who are wholly Independent Non-Executive Directors.

Chairwoman : Nadiah Wong Binti Abdullah

Member : Dr Khoh Soo Beng

Member : Everlyn Lee Suan Sim

The primary responsibility of the NC is to lead the annual review of board composition, size and effectiveness, and directors' performance and commitment are independently assessed.

The NC is also responsible for recommending candidates to the Board to fill out the Board vacancy and the appointment of the additional directors who have the required skills and competencies.

Terms of Reference of the NC are formalised and published on the Company's website at <https://www.ttvision-tech.com> for shareholders' reference.

FIT AND PROPER POLICY

The Board has defined and adopted the fit and proper policy for the directors during the financial year. This policy outlines the following principles for evaluating potential candidates and directors seeking re-election:

- (i) Integrity in maintaining good probity, financial soundness and solvency, honesty, ethical behaviour and reputation;
- (ii) Competency and capability in possessing the relevant knowledge, experience, expertise, qualification, training, skills and past performance; and
- (iii) Time commitment to the Group's business activities and readiness to participate and discharge their duties professionally.

The Board members met the fit and proper criteria of this Policy. The details of the profile of the Directors are provided in this Annual Report and corporate website at <https://www.ttvision-tech.com>, evidencing their good personal character, integrity and competence.

BOARD COMPOSITION

Under the Board Charter, the Board is responsible for determining an appropriate size for its function subject to the maximum number of directors provided in the Company's Constitution and the prevailing requirements of the laws and regulations concerning the minimum number of independent non-executive directors and women directors to be appointed.

In determining the size of the Board, the NC and the Board have considered the skills, knowledge, professional/industry experience, age, gender, cultural and educational background, ethnicity and length of service, and independence of independent directors.

Currently, the Board comprises professionals and entrepreneurs with a balanced mix of skills and diversity in terms of gender, ethnicity and age. Half of the Board are independent directors providing adequate checks and balances to the management.



NOMINATION COMMITTEE STATEMENT (CONT'D)

NOMINATION AND ELECTION

Nomination and election of members of the Board are subjected to NC's evaluation and recommendation.

The summary of the nomination and election processes are as follows:-

- i. Identification of skills and qualities required for the Board;
- ii. Sourcing of candidates from internal and external sources;
- iii. Shortlisting and evaluating candidates based on the criteria in Fit and Proper Policy, diversity, and the Listing Requirements; and
- iv. Recommending candidates to the Board for an appointment.

During the financial year, the NC reviewed and recommended the appointments of the following individuals to the Board:

- i. Redesignation of Ms Jennie Tan Yen Li as Executive Chairman of the Company after accepting the resignation of Dato' Seri Wong Siew Hai; and
- ii. Appointment of Dato Lim Yong Jin as the Independent and Non-Executive Chairman.

The NC has also reviewed 2 key senior management positions i.e Chief Information Officer and Chief Strategy Officer. As the date of this report, they are still pending confirmation on their employment with TTVHB.

PERFORMANCE ASSESSMENT

The performance appraisal of the Board, Board Committee and individual directors are conducted through self and peer reviews and coordinated by NC. Broadly, the criteria used in these performance evaluations are as follows:

1. The Board and Board Committee's evaluation covers the evaluation of the board mix and composition, quality of information and decision-making, boardroom activities, and the board's relationship with the management; and
2. The performance evaluation sheet of the Board Committee covers the experience, integrity, competence, time commitment, and performance of each director.

The results of these annual evaluations were compiled and tabled to the NC for review and deliberation. Overall, the Board was satisfied with the overall performance effectiveness of the Board, Board Committees, and individual directors. Going forward, the NC will work with the Executive Directors in introducing a new assessment mechanism. These include the grading category and the scope of executive and non-executive directors' assessment in consideration of the Group's strategic directions.



STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible to ensure that the preparation of the financial statements for each financial year are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 in Malaysia ("the Act") and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing of the financial statements, the Directors also consider the following:-

- a) That the Group and the Company have used appropriate accounting policies, and these are applied consistently;
- b) That reasonable and prudent judgements and estimates were made; and
- c) That the approved accounting standards in Malaysia have been adopted.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 16 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

TTVHB was successfully listed on the Bursa Securities on 18 January 2023. The Company has raised a total gross amount of RM28.7 million in the IPO at an issue price of RM0.34 per share. As the Company was only listed after the financial year under review, none of the proceeds were utilised as of 31 December 2023.

| Description | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Utilisation Rate % | Timeframe for Utilisation Upon Listing |
|------------------------------|-----------------------------------|---------------------------------|--------------------------|--|
| Repayment of bank borrowings | 6,000 | 6,000 | 100.00 | Within 6 months |
| R&D expenditure | 8,000 | 2,051 | 25.64 | Within 24 months |
| Marketing activities | 850 | 355 | 41.76 | Within 24 months |
| Working capital requirements | 10,680 | 5,101 | 47.76 | Within 24 months |
| Estimated listing expenses | 3,200 | 3,200 | 100.00 | Immediate |
| Total cash proceeds | 28,730 | 16,707 | 58.15 | |

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Group and the Company and the Group for the FYE 2023 by the Group's Auditors are as follows:

| | Audit fees RM | Non-audit fees* RM |
|---------|------------------|-----------------------|
| Company | 47,000 | 6,200 |
| Group | 135,000 | 18,200 |

* Non-audit fees comprise review on Statement on Risk Management and Internal Control as well as fees paid to member firms of Baker Tilly International.

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholder during the financial year.

4. CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group involving the Directors and major shareholder during the financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no material recurrent related party transactions with related parties undertaken by the Group during the financial year.



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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include development and manufacturing of machine vision equipment, and provision of related products and services.

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

RESULTS

| | Group RM | Company RM |
|--|-------------|---------------|
| Profit/(loss) for the financial year, net of tax | 10,726,985 | (1,965,680) |
| Attributable to: | | |
| Owners of the Company | 10,726,985 | (1,965,680) |

DIVIDENDS

No dividends 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 year ended 31 December 2023.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that no allowance needs to be 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 to make any allowance for doubtful debts in the financial statements of the Group and 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 year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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



DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNURATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM135,000 and RM47,000 respectively.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 84,500,000 new ordinary shares at a price of RM0.34 per ordinary share subsequent to its IPO on the ACE Market of Bursa Securities Malaysia Berhad.

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

During the financial year, no new issue of debentures was made by the Company.

DIRECTORS

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

| | |
|----------------------------------|--------------------------------|
| Dato' Lim Yong Jin | (Appointed on 19 March 2024) |
| Goon Koon Yin* | |
| Wong Yih Hsow* | |
| Jennie Tan Yen-Li* | |
| Dr Khoh Soo Beng | |
| Everlyn Lee Suan Sim | |
| Mohammad Farish Nizar Bin Othman | |
| Nadiah Wong Binti Abdullah | |
| Dato' Seri Wong Siew Hai | (Resigned on 30 November 2023) |

* Directors of the Company and its subsidiaries

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

Tan Oon Pheng

DIRECTORS' REPORT (CONT'D)

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 year in shares in the Company and its related corporations during the financial year were as follows:

Interest in the Company

| | At 1 January 2023 | Number of ordinary shares | | At 31 December 2023 |
|----------------------------|-------------------------|---------------------------|-------------|---------------------------|
| | | Bought | Sold | |
| Direct interests: | | | | |
| Goon Koon Yin | 104,182,711 | - | (3,500,000) | 100,682,711 |
| Wong Yih Hsow | 104,182,711 | - | (3,500,000) | 100,682,711 |
| Jennie Tan Yen-Li | 11,584,289 | 313,000 | - | 11,897,289 |
| Indirect interests: | | | | |
| Goon Koon Yin* | 11,584,289 | 20,000 | - | 11,604,289 |
| Wong Yih Hsow* | 11,584,289 | 313,000 | - | 11,897,289 |
| Jennie Tan Yen-Li* | 104,182,711 | - | (3,500,000) | 100,682,711 |

* Shares held through spouse

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Goon Koon Yin, Wong Yih Hsow and Jennie Tan Yen-Li are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

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

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

| | Group RM | Company RM |
|----------------------------------|------------------|----------------|
| Directors of the Company: | | |
| - Salaries and other emoluments | 1,294,729 | - |
| - Fees | 202,800 | 202,800 |
| - Benefits-in-kind | 26,650 | - |
| | <u>1,524,179</u> | <u>202,800</u> |

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS (Cont'd)

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage effected and insurance premium paid for the directors and officers of the Company were RM2,250,000 and RM5,500 respectively.

SUBSIDIARIES

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

| Name of Companies | Ownership interest | | Principal activities |
|----------------------------------|--------------------|------------|---|
| | 31.12.2023 | 31.12.2022 | |
| | % | % | |
| TT Vision Technologies Sdn. Bhd. | 100 | 100 | Development and manufacturing of machine vision equipment, and provision of related products and services |
| TT Innovation Centre Sdn. Bhd. | 100 | 100 | Development and manufacturing of machine vision equipment, and provision of related products and services |

The auditor's reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Initial Public Offering ("IPO")

- (i) In conjunction with the IPO of the Group and the Company, 84,500,000 new ordinary shares ("Shares") were issued in the following manner:
 - 1. 23,400,000 new Shares for application by the Malaysian Public;
 - 2. 18,100,000 new Shares for application by our eligible Directors, employees and persons who have contributed to our success; and
 - 3. 43,000,000 new Shares by way of private placement to selected investors.
- (ii) In conjunction with the IPO, offer for sale was made by certain offerors of 10,500,000 existing shares by way of private placement to the selected investors.

On 18 January 2023, the Company was successfully admitted to the Official List of Bursa Malaysia with the listing of its entire issued share capital of 468,000,000 ordinary shares on the ACE Market of Bursa Malaysia.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (Cont'd)

(b) Joint venture ("JV")

On 18 March 2024, the Company entered into a Joint Venture Agreement ("JVA") with Autowell (Singapore) Pte. Ltd. ("ASPL") to form a joint-venture company ("JVC") for the purpose of setting up a manufacturing base in Malaysia for the research and development, production and sales of automation equipment and related hardware and software products intended for the overseas markets namely Southeast Asian, European and American markets particularly in the field of solar energy ("Proposed JV").

The JVC was incorporated in Malaysia on 26 March 2024 as a private limited company under the Companies Act 2016. The JVC is known as Autowell (Malaysia) Sdn Bhd ("AMSB").

The total initial investment amount by the ASPL and the Group is RM166,600,000 for ordinary shares of 166,600,000 in the JVC. The Group will invest RM24,990,000 which represents equity interest of 15% whilst ASPL will invest RM141,600,000 which represents equity interest of 85%.

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.

.....
GOON KOON YIN

Director

.....
WONG YIH HSOW

Director

Date: 16 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Note | Group | | | Company | |
|---|------|--------------------|----------------|----------------|-------------------|-------------|
| | | 31.12.2023 | 31.12.2022 | 1.1.2022 | 31.12.2023 | 31.12.2022 |
| | | RM | Restated RM | Restated RM | RM | RM |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant and equipment | 5 | 3,102,434 | 987,899 | 1,149,121 | - | - |
| Right-of-use assets | 6 | 30,000,000 | 29,756,558 | 30,396,484 | - | - |
| Intangible assets | 7 | 3,270,504 | 3,303,242 | 4,128,990 | - | - |
| Investment in subsidiaries | 8 | - | - | - | 34,349,991 | 34,349,991 |
| Total non-current assets | | 36,372,938 | 34,047,699 | 35,674,595 | 34,349,991 | 34,349,991 |
| Current assets | | | | | | |
| Inventories | 9 | 28,133,557 | 14,657,878 | 9,043,031 | - | - |
| Trade and other receivables | 10 | 40,942,078 | 35,860,577 | 18,978,952 | 28,678,304 | 3,633,091 |
| Current tax assets | | - | 150,803 | - | - | - |
| Other investments | 11 | 2,636,477 | 2,841,424 | 11,986,942 | - | - |
| Cash and bank balances | | 30,003,575 | 7,751,695 | 5,489,897 | 129,903 | 125,286 |
| Total current assets | | 101,715,687 | 61,262,377 | 45,498,822 | 28,808,207 | 3,758,377 |
| TOTAL ASSETS | | 138,088,625 | 95,310,076 | 81,173,417 | 63,158,198 | 38,108,368 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity attributable to owners of the Company | | | | | | |
| Share capital | 12 | 68,388,354 | 41,280,308 | 41,280,308 | 68,388,354 | 41,280,308 |
| Other reserves | 13 | (8,647,183) | (9,607,231) | (9,683,911) | - | - |
| Retained earnings/(accumulated losses) | | 42,308,169 | 31,581,184 | 21,379,131 | (5,277,522) | (3,311,842) |
| TOTAL EQUITY | | 102,049,340 | 63,254,261 | 52,975,528 | 63,110,832 | 37,968,466 |

STATEMENTS OF FINANCIAL POSITION_(CONT'D)

AS AT 31 DECEMBER 2023

| | Note | Group | | | Company | |
|--------------------------------------|------|--------------------|----------------|----------------|-------------------|------------|
| | | 31.12.2023 | 31.12.2022 | 1.1.2022 | 31.12.2023 | 31.12.2022 |
| | | RM | Restated RM | Restated RM | RM | RM |
| Non-current liabilities | | | | | | |
| Loans and borrowings | 14 | - | 5,337,573 | 5,910,212 | - | - |
| Deferred income | 15 | 5,639 | 19,173 | 88,362 | - | - |
| Deferred tax liabilities | 16 | 8,975,234 | 9,199,183 | 6,935,016 | - | - |
| Total non-current liabilities | | 8,980,873 | 14,555,929 | 12,933,590 | - | - |
| Current liabilities | | | | | | |
| Loans and borrowings | 14 | - | 4,884,468 | 2,868,567 | - | - |
| Trade and other payables | 17 | 8,105,641 | 6,892,658 | 7,394,805 | 47,366 | 139,902 |
| Contract liabilities | 18 | 18,313,467 | 5,722,760 | 4,804,985 | - | - |
| Current tax liabilities | | 639,304 | - | 195,942 | - | - |
| Total current liabilities | | 27,058,412 | 17,499,886 | 15,264,299 | 47,366 | 139,902 |
| TOTAL LIABILITIES | | 36,039,285 | 32,055,815 | 28,197,889 | 47,366 | 139,902 |
| TOTAL EQUITY AND LIABILITIES | | 138,088,625 | 95,310,076 | 81,173,417 | 63,158,198 | 38,108,368 |

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | Group | | Company | |
|---|------|-------------------|-------------------|--------------------|--------------------|
| | | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Revenue | 19 | 58,190,371 | 52,983,413 | - | - |
| Cost of sales | | (34,123,373) | (30,360,938) | - | - |
| Gross profit | | 24,066,998 | 22,622,475 | - | - |
| Other income | 20 | 1,787,661 | 1,300,341 | - | - |
| Distribution expenses | | (1,343,270) | (989,391) | - | - |
| Administrative expenses | | (8,784,441) | (7,356,246) | (1,991,133) | (1,259,425) |
| Research and development expenses | | (1,998,667) | (1,991,300) | - | - |
| Operating profit/(loss) | | 13,728,281 | 13,585,879 | (1,991,133) | (1,259,425) |
| Finance income | 21 | 750,709 | 16,474 | 33,490 | - |
| Finance costs | 22 | (300,247) | (375,698) | - | - |
| Profit/(loss) before tax | 23 | 14,178,743 | 13,226,655 | (1,957,643) | (1,259,425) |
| Income tax expense | 25 | (3,451,758) | (3,024,602) | (8,037) | - |
| Profit/(loss) for the financial year | | 10,726,985 | 10,202,053 | (1,965,680) | (1,259,425) |

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | | Group | | Company | |
|---|------|-------------------|-------------------|--------------------|--------------------|
| | Note | 2023 RM | 2022 RM | 2023 RM | 2022 RM |
| Other comprehensive income, net of tax | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Revaluation gain on right-of-use assets | 26 | 883,368 | - | - | - |
| Tax effects relating to revaluation of right-of-use assets | 26 | 76,680 | 76,680 | - | - |
| Other comprehensive income for the financial year | | 960,048 | 76,680 | - | - |
| Total comprehensive income/(loss) for the financial year | | 11,687,033 | 10,278,733 | (1,965,680) | (1,259,425) |
| Profit/(Loss) attributable to: | | | | | |
| Owners of the Company | | 11,687,033 | 10,278,733 | (1,965,680) | (1,259,425) |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Owners of the Company | | 11,687,033 | 10,278,733 | (1,965,680) | (1,259,425) |
| Earnings per share ("EPS") attributable to owners of the Company | 27 | | | | |
| - Basic (sen) | | 2.31 | 2.66 | | |
| - Diluted (sen) | | 2.31 | 2.66 | | |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | ----- Attributable to owners of the Company ----- | | | | Total equity RM |
|--|-----------|---|------------------------------|---------------------------|-------------------------|--------------------|
| | | Share capital RM | Reorganisation reserve RM | Revaluation reserve RM | Retained earnings RM | |
| Group | | | | | | |
| At 1 January 2022 | | 41,280,308 | (22,937,998) | 13,254,087 | 21,379,131 | 52,975,528 |
| Total comprehensive income for the financial year | | | | | | |
| Profit for the financial year | | - | - | - | 10,202,053 | 10,202,053 |
| Other comprehensive income for the financial year | 26 | - | - | 76,680 | - | 76,680 |
| Total comprehensive income | | - | - | 76,680 | 10,202,053 | 10,278,733 |
| At 31 December 2022 | | 41,280,308 | (22,937,998) | 13,330,767 | 31,581,184 | 63,254,261 |
| Total comprehensive income for the financial year | | | | | | |
| Profit for the financial year | | - | - | - | 10,726,985 | 10,726,985 |
| Other comprehensive income for the financial year | 26 | - | - | 960,048 | - | 960,048 |
| Total comprehensive income | | - | - | 960,048 | 10,726,985 | 11,687,033 |
| Transactions with owners | | | | | | |
| Issuance of ordinary shares | 12 | 28,730,000 | - | - | - | 28,730,000 |
| Shares issuance expenses | 12 | (1,621,954) | - | - | - | (1,621,954) |
| Total transactions with owners | | 27,108,046 | - | - | - | 27,108,046 |
| At 31 December 2023 | | 68,388,354 | (22,937,998) | 14,290,815 | 42,308,169 | 102,049,340 |

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| Attributable to owners of the Company | | | | |
|---|------|---------------------|--------------------------|--------------------|
| | Note | Share capital RM | Accumulated losses RM | Total equity RM |
| Company | | | | |
| At 1 January 2022 | | 41,280,308 | (2,052,417) | 39,227,891 |
| Loss for the financial year, representing total comprehensive loss for the financial year | 26 | - | (1,259,425) | (1,259,425) |
| At 31 December 2022 | | 41,280,308 | (3,311,842) | 37,968,466 |
| Loss for the financial year, representing total comprehensive loss for the financial year | 26 | - | (1,965,680) | (1,965,680) |
| Transactions with owners | | | | |
| Issuance of ordinary shares | 12 | 28,730,000 | - | 28,730,000 |
| Shares issuance expenses | 12 | (1,621,954) | - | (1,621,954) |
| Total transactions with owners | | 27,108,046 | - | 27,108,046 |
| At 31 December 2023 | | 68,388,354 | (5,277,522) | 63,110,832 |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Group | | Company | |
|--|---------------------|-------------------|--------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Note | RM | RM | RM | RM |
| Cash flows from operating activities | | | | |
| Profit/(loss) before tax | 14,178,743 | 13,226,655 | (1,957,643) | (1,259,425) |
| Adjustments for: | | | | |
| Amortisation of deferred income | (13,534) | (69,189) | - | - |
| Amortisation of intangible assets | 873,391 | 954,664 | - | - |
| Depreciation of property, plant and equipment | 403,095 | 426,906 | - | - |
| Depreciation of right-of-use assets | 639,926 | 639,926 | - | - |
| Fair value gain on other investment | (406,164) | (129,331) | - | - |
| Impairment loss on intangible assets | - | 361,076 | - | - |
| Intangible assets written off | 84,846 | 330,711 | - | - |
| Interest expenses | 300,247 | 375,698 | - | - |
| Interest income | (750,709) | (16,474) | (33,490) | - |
| Property, plant and equipment written off | - | 5,168 | - | - |
| Net unrealised loss on foreign exchange | 178,807 | 269,240 | - | - |
| Operating profit/(loss) before changes in working capital | 15,488,648 | 16,375,050 | (1,991,133) | (1,259,425) |
| <u>Changes in working capital:</u> | | | | |
| Inventories | (13,475,679) | (5,614,847) | - | - |
| Receivables | (5,098,809) | (17,078,851) | 971,574 | (990,574) |
| Payables | 1,188,331 | (502,927) | (92,536) | 106,769 |
| Contract liabilities | 12,590,707 | 917,775 | - | - |
| Net cash generated from/(used in) operations | 10,693,198 | (5,903,800) | (1,112,095) | (2,143,230) |
| Net income tax paid | (2,808,920) | (1,030,500) | (8,037) | - |
| Interests paid | (300,247) | (375,698) | - | - |
| Interests received | 750,709 | 16,474 | 33,490 | - |
| Net cash from/(used in) operating activities | 8,334,740 | (7,293,524) | (1,086,642) | (2,143,230) |

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | Group | | Company | |
|---|------|-------------------|------------------|----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | RM | RM | RM | RM |
| Cash flows from investing activities | | | | | |
| Additions of intangible assets | | (925,499) | (820,703) | - | - |
| Net change in other investments | | 611,111 | 9,274,849 | - | - |
| Net changes in amount owing by a subsidiary | | - | - | (26,016,787) | 2,142,995 |
| Proceeds from disposal of property, plant and equipment | | 27,710 | - | - | - |
| Purchase of property, plant and equipment | | (2,545,340) | (270,852) | - | - |
| Net cash (used in)/from investing activities | | (2,832,018) | 8,183,294 | (26,016,787) | 2,142,995 |
| Cash flows from financing activities (a) | | | | | |
| Issuance of ordinary shares | | 28,730,000 | - | 28,730,000 | - |
| Shares issuance expenses | | (1,621,954) | - | (1,621,954) | - |
| Drawdown of bankers' acceptances | | 818,338 | 6,682,806 | - | - |
| Repayment of bankers' acceptances | | (4,911,802) | (4,594,578) | - | - |
| Repayment of term loans | | (6,128,577) | (644,966) | - | - |
| Net cash from financing activities | | 16,886,005 | 1,443,262 | 27,108,046 | - |
| Net increase/(decrease) in cash and cash equivalents | | 22,388,727 | 2,333,032 | 4,617 | (235) |
| Cash and cash equivalents at the beginning of the financial year | | 7,751,695 | 5,489,897 | 125,286 | 125,521 |
| Effects of exchange rate changes on cash and bank balances | | (136,847) | (71,234) | - | - |
| Cash and cash equivalents at the end of the financial year | | 30,003,575 | 7,751,695 | 129,903 | 125,286 |
| Analysis of cash and cash equivalents: | | | | | |
| Cash and bank balances | | 30,003,575 | 7,751,695 | 129,903 | 125,286 |

(a) Reconciliation of changes in liabilities

There were no non-cash changes in liabilities arising from financing activities.

(b) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM95,361 (31.12.2022: RM91,709).

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



NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

TT Vision Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 9-1, 9th Floor, Wisma Penang Garden, 42, Jalan Sultan Ahmad Shah, 10050 George Town, Penang. The principal place of business of the Company is located at Plot 106, Hilir Sungai Keluang 5, Bayan Lepas Industrial Zone, Phase IV, 11900 Bayan Lepas, Penang.

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 principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 April 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 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 year:

New MFRS

| | |
|---------|---------------------|
| MFRS 17 | Insurance Contracts |
|---------|---------------------|

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 Amendments to MFRSs that have been issued, but yet to be effective

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

| | | Effective for financial periods beginning on or after |
|----------------------------|--|---|
| <u>Amendments to MFRSs</u> | | |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2024 |
| MFRS 10 | Consolidated Financial Statements | 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 |
| MFRS 121 | The Effects of Changes in Foreign Exchange Rates | 1 January 2025 |
| MFRS 128 | Investments in Associates and Joint Ventures | Deferred |

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

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

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

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. BASIS OF PREPARATION (Cont'd)

2.3 Amendments to MFRSs that have been issued, but yet to be effective (Cont'd)

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

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Instruments: Disclosures Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements — also referred to as supply chain finance, trade payables finance or reverse factoring arrangements — used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

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.



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 years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

Subsidiaries and business combination

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

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

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

3.2 Separate financial statements

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

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

3.3 Financial instruments

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

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

Debt instruments at amortised cost

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

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

3.4 Property, plant and equipment

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

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

| | Useful lives |
|--|--------------|
| Machinery and equipment | 5 years |
| Computers | 5 – 10 years |
| Office equipment, furniture and fittings | 10 years |
| Motor vehicles | 5 years |
| Renovation and signboard | 10 years |

3.5 Leases

Lessee accounting

The Group presents right-of-use assets as separate line in the statements of financial position.

Short-term leases and leases of low value assets

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

Right-of-use assets

Leasehold land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is directly transferred to retained earnings in full when the asset is derecognised.

3.6 Intangible assets

Intangible assets that are internally-generated by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

| | Method | Useful lives |
|-------------------------|---------------|--------------|
| Development expenditure | Straight-line | 5 years |



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in-first out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3.8 Revenue and other income

Financing components

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

(a) Sale of goods – manufacturing

The Group manufactures and sells a range of vision inspecting products, automated solar cell testing and sorting equipment, and research and development works of all kinds to customers. Revenue from sale of manufactured goods is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit terms of 30 to 180 days which are consistent with market practice, therefore, no element of financing is deemed present.

(b) Rendering of services

Revenue from services rendered is recognised at a point in time when the Group satisfy the performance obligations when such services have been rendered to the customers.

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) Impairment of financial assets

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



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

(a) Impairment of financial assets (Cont'd)

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

The information about the impairment losses on the Group's and the Company's financial assets are disclosed in Note 28(b)(i).

(b) Write-down of obsolete or slow-moving inventories

The Group writes down its obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

| | Note | Machinery equipment and RM | Computers RM | Office equipment, furniture and fittings RM | Motor vehicles RM | Renovation and signboard RM | Construction in progress RM | Total RM |
|--|------|-------------------------------------|-----------------|---|-------------------------|--------------------------------------|--------------------------------------|-------------|
| Group | | | | | | | | |
| Cost | | | | | | | | |
| At 1 January 2022 | | 4,796,233 | 1,346,048 | 640,394 | 940,339 | 230,415 | 56,181 | 8,009,610 |
| Additions | | - | 243,806 | 15,296 | - | - | 11,750 | 270,852 |
| Transfer | | 67,931 | - | - | - | - | (67,931) | - |
| Written off | | (869,759) | (20,515) | - | - | - | - | (890,274) |
| At 31 December 2022 | | 3,994,405 | 1,569,339 | 655,690 | 940,339 | 230,415 | - | 7,390,188 |
| Additions | | 85,784 | 306,086 | 123,050 | - | - | 2,030,420 | 2,545,340 |
| Disposal | | - | (28,915) | - | - | - | - | (28,915) |
| Written off | | (123,120) | - | (12,450) | - | - | - | (135,570) |
| At 31 December 2023 | | 3,957,069 | 1,846,510 | 766,290 | 940,339 | 230,415 | 2,030,420 | 9,771,043 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2022 | | 4,290,079 | 1,081,447 | 448,536 | 940,337 | 100,090 | - | 6,860,489 |
| Depreciation charge for the financial year | 23 | 191,685 | 176,045 | 44,860 | - | 14,316 | - | 426,906 |
| Written off | | (869,759) | (15,347) | - | - | - | - | (885,106) |
| At 31 December 2022 | | 3,612,005 | 1,242,145 | 493,396 | 940,337 | 114,406 | - | 6,402,289 |
| Depreciation charge for the financial year | 23 | 178,614 | 156,881 | 53,284 | - | 14,316 | - | 403,095 |
| Disposal | | - | (1,205) | - | - | - | - | (1,205) |
| Written off | | (123,120) | - | (12,450) | - | - | - | (135,570) |
| At 31 December 2023 | | 3,667,499 | 1,397,821 | 534,230 | 940,337 | 128,722 | - | 6,668,609 |
| Carrying amount | | | | | | | | |
| At 31 December 2022 | | 382,400 | 327,194 | 162,294 | 2 | 116,009 | - | 987,899 |
| At 31 December 2023 | | 289,570 | 448,689 | 232,060 | 2 | 101,693 | 2,030,420 | 3,102,434 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS

| | Note | Leasehold land RM | Building RM | Total RM |
|--|------|----------------------|----------------|-------------|
| Group | | | | |
| Revaluation | | | | |
| At 1 January 2022/ 31 December 2022 | | 17,000,000 | 14,036,410 | 31,036,410 |
| Elimination on revaluation | | (1,051,545) | (868,233) | (1,919,778) |
| Revaluation | | 1,051,545 | (168,177) | 883,368 |
| At 31 December 2023 | | 17,000,000 | 13,000,000 | 30,000,000 |
| Accumulated depreciation | | | | |
| At 1 January 2022 | | 350,515 | 289,411 | 639,926 |
| Depreciation charge for the financial year | 23 | 350,515 | 289,411 | 639,926 |
| At 31 December 2022 | | 701,030 | 578,822 | 1,279,852 |
| Depreciation charge for the financial year | 23 | 350,515 | 289,411 | 639,926 |
| Elimination on revaluation | | (1,051,545) | (868,233) | (1,919,778) |
| At 31 December 2023 | | - | - | - |
| Carrying amount | | | | |
| At 31 December 2022 | | 16,298,970 | 13,457,588 | 29,756,558 |
| At 31 December 2023 | | 17,000,000 | 13,000,000 | 30,000,000 |

(a) Leasehold land and building

The Group leases land and building for its office space and operation site. The leases for office space and operation site generally have lease term of 45.44 years (31.12.2022: 46.44 years).

(b) Assets pledged as security

The leasehold land and building have been pledged as security to secure banking facilities of the Group as disclosed in Note 14.

(c) Fair value information

Fair value of right-of-use assets are categorised as follows:

| | Level 3 RM |
|-------------------|-------------------|
| Group | |
| 31.12.2023 | |
| Leasehold land | 17,000,000 |
| Building | 13,000,000 |
| | 30,000,000 |
| 31.12.2022 | |
| Leasehold land | 17,000,000 |
| Building | 14,036,410 |
| | 31,036,410 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS (Cont'd)

(c) Fair value information (Cont'd)

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

| Description | Valuation technique | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|----------------|---------------------|---|---|
| Leasehold land | Comparison method | Average market price of RM190 per square feet (31.12.2022: RM190) | The higher the price per square feet, the higher the fair value |
| Building | Cost method | Average construction price of RM30 to RM330 per square feet (31.12.2022: RM50 to RM210) | The higher the price per square feet, the higher the fair value |

Valuation processes applied by the Group

The fair values of the leasehold land and building were determined by external independent property valuer with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. There been no changes to the valuation techniques during the financial year.

Highest and best use

In estimating the fair value of the leasehold land and building, the highest and best use of the leasehold land and building is their current use.

Had the revalued leasehold land and building been carried at historical cost less accumulated depreciation, the carrying amount that would have been included in the financial statements of the Group are as follows:

| | Group | |
|----------------|-------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Leasehold land | 1,266,659 | 1,296,463 |
| Building | 13,009,295 | 13,319,095 |
| | 14,275,954 | 14,615,558 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. INTANGIBLE ASSETS

| | Note | Development expenditure RM |
|--|------|-------------------------------|
| Group | | |
| Cost | | |
| At 1 January 2022 | | 5,031,613 |
| Additions | | 820,703 |
| Impairment | | (559,542) |
| Written off | | (713,909) |
| | | <hr/> |
| At 31 December 2022 | | 4,578,865 |
| Additions | | 925,499 |
| Written off | | (84,846) |
| | | <hr/> |
| At 31 December 2023 | | 5,419,518 |
| | | <hr/> |
| Accumulated Amortisation | | |
| At 1 January 2022 | | 902,623 |
| Amortisation charge for the financial year | 23 | 954,664 |
| Impairment | | (198,466) |
| Written off | | (383,198) |
| | | <hr/> |
| At 31 December 2022 | | 1,275,623 |
| Amortisation charge for the financial year | 23 | 873,391 |
| | | <hr/> |
| At 31 December 2023 | | 2,149,014 |
| | | <hr/> |
| Carrying Amount | | |
| At 31 December 2022 | | 3,303,242 |
| At 31 December 2023 | | <u>3,270,504</u> |

(a) Amortisation

The amortisation of development expenditure of the Group amounting to RM873,391 (31.12.2022: RM954,664) was recognised as an expense in research and development expenses.

(b) Development expenditure

Development expenditure relates to development of software, prototypes and product demos. It is reasonably anticipated that the costs will be recovered through future commercial activities. Upon commercialisation, the development expenditure are amortised according to the amortisation policy of the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. INVESTMENT IN SUBSIDIARIES

| | Company | |
|--|------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |

At cost

Unquoted shares in Malaysia

34,349,991

34,349,991

Details of the subsidiaries are as follows:

| Name of Companies | Ownership interest | | Principal activities |
|----------------------------------|--------------------|------------|---|
| | 31.12.2023 | 31.12.2022 | |
| | % | % | |
| TT Vision Technologies Sdn. Bhd. | 100 | 100 | Development and manufacturing of machine vision equipment, and provision of related products and services |
| TT Innovation Centre Sdn. Bhd. | 100 | 100 | Development and manufacturing of machine vision equipment, and provision of related products and services |

The principal place of business/country of incorporation of the subsidiaries are in Malaysia.

9. INVENTORIES

| | Group | |
|------------------|-------------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Raw materials | 4,742,683 | 3,657,234 |
| Work-in-progress | 22,741,763 | 11,000,644 |
| Goods in transit | 649,111 | - |
| | 28,133,557 | 14,657,878 |

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM34,123,373 (31.12.2022: RM30,360,938).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. TRADE AND OTHER RECEIVABLES

| | Note | Group | | | Company | |
|-----------------------------------|---------|-------------------|------------------------|----------------------|-------------------|------------|
| | | 31.12.2023 | 31.12.2022 Restated | 1.1.2022 Restated | 31.12.2023 | 31.12.2022 |
| | | RM | RM | RM | RM | RM |
| Trade receivables | | | | | | |
| Billed | (a)(i) | 21,133,854 | 15,995,707 | 6,782,695 | - | - |
| Unbilled | (a)(ii) | 17,177,453 | 18,051,043 | 12,015,916 | - | - |
| | | 38,311,307 | 34,046,750 | 18,798,611 | - | - |
| Non-trade | | | | | | |
| Other receivables | | 235,934 | 24,818 | 18,390 | - | - |
| Amount owing by a subsidiary | (b) | - | - | - | 28,659,304 | 2,642,517 |
| Deposits | | 46,304 | 162,492 | 21,264 | 1,000 | - |
| Prepayments | | 2,348,533 | 1,626,517 | 140,687 | 18,000 | 990,574 |
| | | 2,630,771 | 1,813,827 | 180,341 | 28,678,304 | 3,633,091 |
| Total trade and other receivables | | 40,942,078 | 35,860,577 | 18,978,952 | 28,678,304 | 3,633,091 |

(a) Trade receivables

- (i) Billed trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 to 180 (31.12.2022: 30 to 120) days from the date of invoices. Other credit terms are assessed and approved on a case by case basis.
- (ii) Unbilled trade receivables represent the unbilled balance of consideration for goods delivered which are receivables within 30 days to 1 year from the date of delivery of the goods in accordance with the contractual arrangements.

The information about the credit exposures are disclosed in Note 28(b)(i).

(b) Amount owing by a subsidiary

The amount owing by a subsidiary is unsecured, non-interest bearing, receivable on demand and is expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. OTHER INVESTMENTS

| | Group | |
|--|------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |

Financial assets designated at fair value through profit or loss

| | | |
|------------------------|------------------|-----------|
| Short-term investments | 2,636,477 | 2,841,424 |
|------------------------|------------------|-----------|

12. SHARE CAPITAL

| | Group and Company | | | |
|--|---------------------------|------------|------------|------------|
| | Number of ordinary shares | | Amount | |
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| | Units | Units | RM | RM |

Issued and fully paid up (no par value):

| | | | | |
|--|--------------------|-------------|--------------------|------------|
| At the beginning of the financial year | 383,500,000 | 383,500,000 | 41,280,308 | 41,280,308 |
| Issued during the financial year | 84,500,000 | - | 28,730,000 | - |
| Shares issuance expenses | - | - | (1,621,954) | - |
| At the end of the financial year | 468,000,000 | 383,500,000 | 68,388,354 | 41,280,308 |

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

During the financial year, the Company issued 84,500,000 new ordinary shares at a price of RM0.34 per ordinary share subsequent to its IPO on the ACE Market of Bursa Securities Malaysia Berhad.

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

13. OTHER RESERVES

| | Note | Group | |
|------------------------|------|---------------------|--------------|
| | | 31.12.2023 | 31.12.2022 |
| | | RM | RM |
| Revaluation reserve | (a) | 14,290,815 | 13,330,767 |
| Reorganisation reserve | (b) | (22,937,998) | (22,937,998) |
| | | (8,647,183) | (9,607,231) |

(a) Revaluation reserve

The revaluation reserve represents increases in the fair value of leasehold land and building, net of tax and decreases to the extent that such decreases relate to an increase on the same asset previously recognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. OTHER RESERVES (Cont'd)

(b) Reorganisation reserve

The reorganisation resulted from the difference between the carrying amount of the investment in subsidiaries and the nominal value of the shares of the Company's subsidiaries upon consolidation under the reorganisation scheme pursuant to its LEAP listing exercise during the financial year 2018.

14. LOANS AND BORROWINGS

| | Group | |
|--------------------------------|------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Non-current liabilities | | |
| Term loans | - | 5,337,573 |
| Current liabilities | | |
| Term loans | - | 655,473 |
| Bankers' acceptances | - | 4,228,995 |
| | - | 4,884,468 |
| Total borrowings | | |
| Term loans | - | 5,993,046 |
| Bankers' acceptances | - | 4,228,995 |
| | - | 10,222,041 |

Term loans of the Group bear interests ranging from 4.60% to 5.05% (31.12.2022: 3.60% to 4.60%) per annum. The interest for bankers' acceptances are chargeable at 1.00% (31.12.2022: 1.00%) above accepted bills-i. The term loans and bankers' acceptances of the Group are secured and supported as follows:

- (i) Legal charge against leasehold land and buildings of the Group (Note 6); and
- (ii) Registered open and all monies charge.

During the financial year ended 31 December 2023, the Group had fully settled their loans and borrowings.

15. DEFERRED INCOME

| | Group | |
|--|------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Non-current | | |
| Government grant: | | |
| At the beginning of the financial year | 19,173 | 88,362 |
| Recognised in profit or loss | (13,534) | (69,189) |
| At the end of the financial year | 5,639 | 19,173 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

15. DEFERRED INCOME (Cont'd)

Government grants have been received for the purchase of certain items of property, plant and equipment.

16. DEFERRED TAX LIABILITIES

| | At beginning of the financial year RM | Recognised in profit or loss (Note 25) RM | Recognised in other comprehensive income (Note 26) RM | At end of the financial year RM |
|-------------------------------|--|--|--|---------------------------------------|
| Group | | | | |
| 31.12.2023 | | | | |
| Property, plant and equipment | 842,283 | (27,149) | - | 815,134 |
| Right-of use assets | 4,111,300 | 89,580 | (76,680) | 4,124,200 |
| Unbilled trade receivables | 4,332,300 | (209,700) | - | 4,122,600 |
| Provision | (86,700) | - | - | (86,700) |
| | 9,199,183 | (147,269) | (76,680) | 8,975,234 |
| 31.12.2022 | | | | |
| Property, plant and equipment | 205,360 | 636,923 | - | 842,283 |
| Right-of use assets | 3,845,836 | 342,144 | (76,680) | 4,111,300 |
| Unbilled trade receivables | 2,883,820 | 1,448,480 | - | 4,332,300 |
| Provision | - | (86,700) | - | (86,700) |
| | 6,935,016 | 2,340,847 | (76,680) | 9,199,183 |

Unrecognised deferred tax assets

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

| | Group | |
|------------------------------|-------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Unutilised tax losses | 1,667,598 | 2,973,998 |

The availability of unutilised tax losses for offsetting against future taxable profits of the subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. DEFERRED TAX LIABILITIES (Cont'd)

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

| | Group | |
|------|------------------|------------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| 2028 | 685,531 | 1,991,931 |
| 2029 | 930,697 | 930,697 |
| 2030 | 51,370 | 51,370 |
| | 1,667,598 | 2,973,998 |

17. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--------------------------------|------------------|------------------|---------------|----------------|
| | 31.12.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 |
| | RM | RM | RM | RM |
| Trade | | | | |
| Trade payables | 7,765,037 | 6,279,714 | - | - |
| Non-trade | | | | |
| Other payables | 27,069 | 116,912 | 26,666 | 56,702 |
| Accruals | 313,535 | 496,032 | 20,700 | 83,200 |
| | 340,604 | 612,944 | 47,366 | 139,902 |
| Total trade and other payables | 8,105,641 | 6,892,658 | 47,366 | 139,902 |

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (31.12.2022: 30 to 90) days.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 28(b)(ii).

18. CONTRACT LIABILITIES

| | Group | |
|--|------------|------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| Contract liabilities relating to sale of machine contracts | 18,313,467 | 5,722,760 |

Contract liabilities represents deposits received from sale of machine contracts for which performance obligations were un-fulfilled as the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. CONTRACT LIABILITIES (Cont'd)

Significant changes in contract balances

| | 31.12.2023 RM | Group 31.12.2022 RM |
|--|------------------|---------------------------|
| At the beginning of the financial year | 5,722,760 | 4,804,985 |
| Revenue recognised during the financial year | (22,851,184) | (16,390,456) |
| Billings issued during the financial year | 35,441,891 | 17,308,231 |
| At the end of the financial year | 18,313,467 | 5,722,760 |

19. REVENUE

| | 2023 RM | Group 2022 RM |
|---|------------|---------------------|
| Revenue from contract customers: | | |
| Sale of goods | 57,797,150 | 52,561,780 |
| Rendering of services | 393,221 | 421,633 |
| | 58,190,371 | 52,983,413 |

Disaggregation of revenue

For the purpose of disclosure for disaggregation of revenue, the Group disaggregates revenue into primary geographical markets, major goods or services and timing of revenue recognition (i.e., goods transferred at a point in time or services transferred at a point in time).

| | 2023 RM | Group 2022 RM |
|---------------------------------------|------------|---------------------|
| Primary geographical markets: | | |
| Southeast Asia | 29,667,139 | 26,292,948 |
| East Asia | 26,390,268 | 26,129,444 |
| Central Europe | 1,172,167 | 2,019 |
| North America | 960,797 | 559,002 |
| | 58,190,371 | 52,983,413 |
| Major goods or services: | | |
| Machines | 57,797,150 | 52,561,780 |
| Machine support services | 393,221 | 421,633 |
| | 58,190,371 | 52,983,413 |
| Timing of revenue recognition: | | |
| At a point in time | 58,190,371 | 52,983,413 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. OTHER INCOME

| | 2023 RM | Group 2022 RM |
|---------------------------------------|------------------|---------------------|
| Amortisation of deferred income | 13,534 | 69,189 |
| Fair value gain on money market fund | 406,164 | 129,331 |
| Net realised gain on foreign exchange | 1,365,820 | 699,863 |
| Advance payment forfeited | - | 283,368 |
| Others | 2,143 | 118,590 |
| | 1,787,661 | 1,300,341 |

In previous financial year, included in miscellaneous income is wage subsidy of RM46,800 received from the Malaysian Government to help the Group to retain its employees over a period of one month.

21. FINANCE INCOME

| | 2023 RM | Group 2022 RM |
|-----------------|----------------|---------------------|
| Interest income | 750,709 | 16,474 |

22. FINANCE COSTS

| | 2023 RM | Group 2022 RM |
|------------------------|----------------|---------------------|
| Interest expenses on: | | |
| - Term loans | 227,288 | 247,788 |
| - Bankers' acceptances | 19,132 | 125,517 |
| - Bank guarantee | 53,827 | 2,393 |
| | 300,247 | 375,698 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23. 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:

| | Group | | Company | |
|---|--------------------|-----------|----------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | RM | RM | RM | RM |
| Amortisation of intangible assets | 873,391 | 954,664 | - | - |
| Auditors' remuneration | | | | |
| - statutory audit | 135,000 | 104,000 | 47,000 | 14,000 |
| Other services | | | | |
| - Baker Tilly Monteiro Heng PLT | 5,000 | 110,000 | 5,000 | 44,000 |
| - member firms of Baker Tilly International | 13,200 | 13,200 | 1,200 | 1,200 |
| Depreciation of property, plant and equipment | 403,095 | 426,906 | - | - |
| Depreciation of right-of-use assets | 639,926 | 639,926 | - | - |
| Employee benefits expense (Note 24) | 12,225,452 | 9,465,404 | 202,800 | 128,300 |
| Expenses relating to short-term lease | 68,348 | 70,056 | - | - |
| Expense relating to lease of low value assets | 27,013 | 21,653 | - | - |
| Impairment loss on intangible assets | - | 361,073 | - | - |
| Intangible assets written off | 84,846 | 330,711 | - | - |
| Property, plant and equipment written off | - | 5,168 | - | - |
| Amortisation of deferred income | (13,534) | (69,189) | - | - |
| Fair value gain on other investment | (406,164) | (129,331) | - | - |
| Net realised gain on foreign exchange | (1,365,820) | (699,863) | - | - |
| Net unrealised loss on foreign exchange | 178,807 | 269,240 | - | - |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24. EMPLOYEE BENEFITS EXPENSE

The details of employee benefits expense (including directors) are as follows:

| | Group | | Company | |
|-----------------------------------|-------------------|-----------|----------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | RM | RM | RM | RM |
| Salaries and other staff benefits | 11,042,996 | 8,534,895 | 202,800 | 128,300 |
| Defined contribution plans | 1,182,456 | 930,509 | - | - |
| | 12,225,452 | 9,465,404 | 202,800 | 128,300 |

The details of remuneration received and receivable by directors are as follows:

| | | | | |
|--|------------------|-----------|----------------|---------|
| Directors' salaries and other emoluments | 1,294,729 | 929,306 | - | - |
| Directors' fee | 202,800 | 136,881 | 202,800 | 128,300 |
| Directors' benefits-in-kind | 26,650 | 26,650 | - | - |
| | 1,524,179 | 1,092,837 | 202,800 | 128,300 |

25. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

| | Group | | Company | |
|---|------------------|-----------|--------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| | RM | RM | RM | RM |
| Statements of comprehensive income | | | | |
| Current income tax: | | | | |
| - Current income tax charge | 3,599,027 | 1,408,102 | 8,037 | - |
| - Adjustment in respect of prior years | - | (724,347) | - | - |
| | 3,599,027 | 683,755 | 8,037 | - |
| Deferred tax: | | | | |
| - Origination of temporary differences | (241,694) | 2,292,287 | - | - |
| - Adjustment in respect of prior year | 94,425 | 48,560 | - | - |
| | (147,269) | 2,340,847 | - | - |
| Income tax expense recognised in profit or loss | 3,451,758 | 3,024,602 | 8,037 | - |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. INCOME TAX EXPENSE (Cont'd)

Income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

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 | |
|---|-------------------|------------|--------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | RM | RM | RM | RM |
| Profit/(loss) before tax | 14,178,743 | 13,226,655 | (1,957,643) | (1,259,425) |
| Tax at Malaysian statutory income tax rate of 24% | 3,402,898 | 3,174,397 | (469,834) | (302,262) |
| Adjustments: | | | | |
| Income not subject to tax | (204,368) | (4,059) | - | - |
| Non-deductible expenses | 348,087 | 530,051 | 477,871 | 302,262 |
| Deferred tax assets not recognised on tax losses | (189,284) | - | - | - |
| Over provision of current income tax in prior years | - | (724,347) | - | - |
| Under provision of deferred tax in prior year | 94,425 | 48,560 | - | - |
| | 3,451,758 | 3,024,602 | 8,037 | - |

26. OTHER COMPREHENSIVE INCOME

| | Revaluation reserve | Income tax benefits | Total (Net of tax) |
|--|---------------------|---------------------|--------------------|
| | RM | RM | RM |
| Group | | | |
| Item that will not be reclassified subsequently to profit or loss | | | |
| 2023 | | | |
| Revaluation gain on right-of-use assets | 883,368 | - | 883,368 |
| Tax effects relating to revaluation of right-of-use assets | - | 76,680 | 76,680 |
| | 883,368 | 76,680 | 960,048 |
| 2022 | | | |
| Tax effects relating to revaluation of right-of-use assets | - | 76,680 | 76,680 |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. EARNINGS PER SHARE

Basic earnings per ordinary shares

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

| | 2023 RM | Group 2022 RM |
|---|--------------------|---------------------|
| Profit attributable to owners of the Company (RM) | 10,726,985 | 10,202,053 |
| Weighted average number of ordinary shares for basic earnings per share (Units) | 464,064,384 | 383,500,000 |
| Basic earnings per share attributable to owners of the Company (sen) | 2.31 | 2.66 |

Diluted earnings per ordinary shares

The Group has no dilutive potential ordinary shares. As such, there is no dilutive effect on the earning per share of the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. 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 ("AC")
- (ii) Fair value through profit or loss ("FVPL")

| Group | Carrying amount RM | AC RM | FVPL RM |
|-------------------------------|--------------------------|---------------------|------------------|
| 31.12.2023 | | | |
| Financial assets: | | | |
| Trade and other receivables* | 38,593,545 | 38,593,545 | - |
| Other investments | 2,636,477 | - | 2,636,477 |
| Cash and bank balances | 30,003,575 | 30,003,575 | - |
| | 71,233,597 | 68,597,120 | 2,636,477 |
| Financial liabilities: | | | |
| Trade and other payables | (8,105,641) | (8,105,641) | - |
| 31.12.2022 | | | |
| Financial assets: | | | |
| Trade and other receivables* | 34,234,060 | 34,234,060 | - |
| Other investments | 2,841,424 | - | 2,841,424 |
| Cash and bank balances | 7,751,695 | 7,751,695 | - |
| | 44,827,179 | 41,985,755 | 2,841,424 |
| Financial liabilities: | | | |
| Loans and borrowings | (10,222,041) | (10,222,041) | - |
| Trade and other payables | (6,892,658) | (6,892,658) | - |
| | (17,114,699) | (17,114,699) | - |

* Exclude prepayments

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(a) Categories of financial instruments (Cont'd)

| Company | Carrying amount RM | AC RM | FVPL RM |
|-------------------------------|--------------------------|-------------------|------------|
| 31.12.2023 | | | |
| Financial assets: | | | |
| Other receivables* | 28,660,304 | 28,660,304 | - |
| Cash and bank balances | 129,903 | 129,903 | - |
| | 28,790,207 | 28,790,207 | - |
| Financial liabilities: | | | |
| Other payables | (47,366) | (47,366) | - |
| 31.12.2022 | | | |
| Financial assets: | | | |
| Other receivables* | 2,642,517 | 2,642,517 | - |
| Cash and bank balances | 125,286 | 125,286 | - |
| | 2,767,803 | 2,767,803 | - |
| Financial liabilities: | | | |
| Other payables | (139,902) | (139,902) | - |

* Exclude prepayments

(b) Financial risk management

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

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the 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 and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

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

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

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

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

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

Trade receivables

As at the end of the reporting date, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

The carrying amounts of trade receivables are not secured by any collateral or supported by any other credit enhancements. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group also takes appropriate actions (including but not limited to legal actions) to recover long past due balances.

Credit risk concentration profile

As at the end of the reporting date, the Group has a significant concentration of credit risk in the form of four (31.12.2022: four) trade receivables, representing approximately 52% (31.12.2022: 76%) of the Group's total trade receivables.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile (Cont'd)

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

| | Carrying amount RM | Expected credit loss RM | Net balance RM |
|-----------------------------------|--------------------------|-------------------------------|-------------------|
| Group | | | |
| 31.12.2023 | | | |
| Trade receivables | | | |
| Current (Not past due) | 13,914,456 | - | 13,914,456 |
| Past due for: | | | |
| 1 to 30 days | 1,415,147 | - | 1,415,147 |
| 31 to 60 days | 132,814 | - | 132,814 |
| 61 to 90 days | 16,122 | - | 16,122 |
| More than 90 days | 5,655,315 | - | 5,655,315 |
| | 21,133,854 | - | 21,133,854 |
| Unbilled trade receivables | 17,177,453 | - | 17,177,453 |
| 31.12.2022 | | | |
| Trade receivables | | | |
| Current (Not past due) | 14,083,280 | - | 14,083,280 |
| Past due for: | | | |
| 1 to 30 days | 1,067,701 | - | 1,067,701 |
| 31 to 60 days | 844,726 | - | 844,726 |
| 61 to 90 days | - | - | - |
| More than 90 days | - | - | - |
| | 15,995,707 | - | 15,995,707 |
| Unbilled trade receivables | 18,051,043 | - | 18,051,043 |

Other receivables and other financial assets

For other receivables and other financial assets (including 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 receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

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

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

(ii) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. 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 based on contractual undiscounted repayment obligations are as follows:

| | Contractual cash flows | | | | Total RM |
|--------------------------|--------------------------|--|-------------------------------|----------------------------|-------------|
| | Carrying amount RM | On demand or within 1 year RM | Between 1 to 5 years RM | More than 5 years RM | |
| Group | | | | | |
| 31.12.2023 | | | | | |
| Trade and other payables | 8,105,641 | 8,105,641 | - | - | 8,105,641 |
| 31.12.2022 | | | | | |
| Term loans | 5,993,046 | 917,640 | 3,022,021 | 3,445,378 | 7,385,039 |
| Bankers' acceptances | 4,228,995 | 4,228,995 | - | - | 4,228,995 |
| Trade and other payables | 6,892,658 | 6,892,658 | - | - | 6,892,658 |
| | 17,114,699 | 12,039,293 | 3,022,021 | 3,445,378 | 18,506,692 |
| Company | | | | | |
| 31.12.2023 | | | | | |
| Other payables | 47,366 | 47,366 | - | - | 47,366 |
| 31.12.2022 | | | | | |
| Other payables | 139,902 | 139,902 | - | - | 139,902 |

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when cash and bank balances, and sales and purchases that are denominated in a foreign currency).

The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Chinese Yuan ("CNY"), Euro ("EUR") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

| | Group | |
|---|--------------------|--------------------|
| | 31.12.2023 | 31.12.2022 |
| | RM | RM |
| <i>Financial assets and liabilities not held in functional currencies:</i> | | |
| <u>Trade receivables</u> | | |
| United States Dollar ("USD") | 27,680,276 | 19,826,219 |
| Chinese Yuan ("CNY") | 707,763 | - |
| | 28,388,039 | 19,826,219 |
| <u>Cash and bank balances</u> | | |
| United States Dollar ("USD") | 15,303,368 | 6,302,988 |
| Other currencies | 12,083 | 15,957 |
| | 15,315,451 | 6,318,945 |
| <u>Trade payables</u> | | |
| United States Dollar ("USD") | (893,130) | (1,313,433) |
| Euro ("EUR") | (42,424) | (11,836) |
| Singapore Dollar ("SGD") | (37,492) | (19,142) |
| Other currencies | (33,271) | (10,343) |
| | (1,006,317) | (1,354,754) |

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD, CNY, EUR and SGD.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

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

| | Carrying amount RM | Changes in rates % | Effect on profit for the financial year/equity RM |
|-------------------|--------------------------|--------------------------|---|
| Group | | | |
| 31.12.2023 | | | |
| USD | 42,090,514 | +15% | 4,798,319 |
| | | -15% | (4,798,319) |
| CNY | 707,763 | +15% | 80,685 |
| | | -15% | (80,685) |
| EUR | (42,424) | +15% | (4,836) |
| | | -15% | 4,836 |
| SGD | (37,492) | +15% | (4,274) |
| | | -15% | 4,274 |
| 31.12.2022 | | | |
| USD | 24,815,774 | +15% | 2,828,998 |
| | | -15% | (2,828,998) |
| SGD | (19,142) | +15% | (2,182) |
| | | -15% | 2,182 |
| EUR | (11,836) | +15% | (1,349) |
| | | -15% | 1,349 |

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

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

| | Carrying amount RM | Changes in basis point | Effect on profit for the financial year/equity RM |
|-------------------|-----------------------|------------------------|--|
| Group | | | |
| 31.12.2023 | | | |
| Term loans | - | +50% | - |
| | | -50% | - |
| 31.12.2022 | | | |
| Term loans | (6,638,012) | +50% | (25,224) |
| | | -50% | 25,224 |

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivable and payable and short-term loans and borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

Other long-term financial liabilities are reasonable approximation of fair value because they are floating rate instruments which are re-priced to market interest rates or estimated by discounting future cash flows using current lending rates for similar types of arrangements.

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

| | Carrying amount RM | Fair value of financial instruments carried at fair value | | | |
|-------------------------|-----------------------|---|---------------|---------------|-------------|
| | | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
| Group | | | | | |
| 31.12.2023 | | | | | |
| Financial assets | | | | | |
| Other investments | 2,636,477 | 2,636,477 | - | - | 2,636,477 |
| 31.12.2022 | | | | | |
| Financial assets | | | | | |
| Other investments | 2,841,424 | 2,841,424 | - | - | 2,841,424 |

During the financial year, there was no transfer between the fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. COMMITMENTS

The Group has made commitments for the following capital expenditures:

| | Group | |
|---|-------------------|------|
| | 2023 | 2022 |
| | RM | RM |
| Capital commitments in respect of property, plant and equipment | 11,141,466 | - |

30. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

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

(b) Significant related party transactions

There are no significant related party transactions other than disclosed elsewhere in the financial statements.

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 10.

(c) Compensation of key management personnel

| | Group | |
|------------------------------|------------------|---------|
| | 2023 | 2022 |
| | RM | RM |
| Short-term employee benefits | 1,138,525 | 914,147 |

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. CAPITAL MANAGEMENT (Cont'd)

The Group and the Company monitor capital using debt to equity ratio. The debt to equity ratio is calculated as total debts divided by total equity. The debt to equity ratio as at 31 December 2023 and 31 December 2022 are as follows:

| | Note | Group | |
|--------------------------|------|--------------------|------------------|
| | | 31.12.2023 RM | 31.12.2022 RM |
| Trade and other payables | 17 | 8,105,641 | 6,892,658 |
| Loans and borrowings | 14 | - | 10,222,041 |
| Total equity | | 102,049,340 | 63,254,261 |
| Gearing ratio (times) | | 0.08 | 0.27 |

The Group is not subject to any externally-imposed capital requirements.

32. SEGMENT INFORMATION

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

Segment profit

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. SEGMENT INFORMATION (Cont'd)

| | Optoelectronic inspection equipment, discrete component and IC inspection equipment RM | Solar cell inspection and sorting equipment RM | Vision guided robotic equipment RM | Elimination RM | Total RM |
|---|--|--|------------------------------------|----------------|------------|
| 2023 | | | | | |
| <i>Segment revenue</i> | | | | | |
| - Sales to external customers | 38,589,633 | 18,399,586 | 1,201,152 | - | 58,190,371 |
| Segment profit/(loss) | 8,733,069 | 5,826,739 | (831,527) | - | 13,728,281 |
| Other items | | | | | |
| - Amortisation of deferred income | 8,975 | 4,279 | 280 | - | 13,534 |
| - Amortisation of intangible assets | (579,199) | (276,163) | (18,029) | - | (873,391) |
| - Depreciation of property, plant and equipment | (267,317) | (127,457) | (8,321) | - | (403,095) |
| - Depreciation of right-of-use assets | (424,374) | (202,342) | (13,210) | - | (639,926) |
| - Fair value gain on other investment | 269,352 | 128,428 | 8,384 | - | 406,164 |
| - Intangible assets written off | (56,267) | (26,828) | (1,751) | - | (84,846) |
| - Interest expenses | (199,112) | (94,937) | (6,198) | - | (300,247) |
| - Interest income | 497,842 | 237,371 | 15,496 | - | 750,709 |
| - Net realised gain on foreign exchange | 905,759 | 431,867 | 28,194 | - | 1,365,820 |
| - Net unrealised loss on foreign exchange | (118,578) | (56,538) | (3,691) | - | (178,807) |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. SEGMENT INFORMATION (Cont'd)

| | Optoelectronic inspection equipment, discrete component and IC inspection equipment RM | Solar cell inspection and sorting equipment RM | Vision guided robotic equipment RM | Elimination RM | Total RM |
|---|--|--|---|-------------------|-------------|
| 2022 | | | | | |
| <i>Segment revenue</i> | | | | | |
| - Sales to external customers | 48,071,807 | 4,084,588 | 827,018 | - | 52,983,413 |
| Segment profit/(loss) | 15,150,885 | (656,974) | (908,032) | - | 13,585,879 |
| <i>Other items</i> | | | | | |
| - Amortisation of deferred income | 62,775 | 5,334 | 1,080 | - | 69,189 |
| - Amortisation of intangible assets | (866,166) | (73,597) | (14,901) | - | (954,664) |
| - Depreciation of property, plant and equipment | (387,331) | (32,911) | (6,664) | - | (426,906) |
| - Depreciation of right-of-use assets | (580,604) | (49,333) | (9,989) | - | (639,926) |
| - Fair value gain on other investment | 117,342 | 9,970 | 2,019 | - | 129,331 |
| - Impairment on intangible assets | (327,604) | (27,836) | (5,636) | - | (361,076) |
| - Intangible assets written off | (300,054) | (25,495) | (5,162) | - | (330,711) |
| - Interest expenses | (340,870) | (28,963) | (5,865) | - | (375,698) |
| - Interest income | 14,947 | 1,270 | 257 | - | 16,474 |
| - Property, plant and equipment written off | (4,689) | (398) | (81) | - | (5,168) |
| - Net realised gain on foreign exchange | 634,985 | 53,954 | 10,924 | - | 699,863 |
| - Net unrealised loss on foreign exchange | (244,281) | (20,756) | (4,203) | - | (269,240) |

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. SEGMENT INFORMATION (Cont'd)

Geographical Information

Revenue information based on geographical location of customers are as follows:

| | Revenue | |
|---------------|-------------------|------------|
| | 2023 RM | 2022 RM |
| Group | | |
| China | 23,211,807 | 25,984,056 |
| Malaysia | 17,758,363 | 25,914,877 |
| Philippines | 11,270,526 | 422,694 |
| Korea | 2,261,479 | - |
| Germany | 1,172,166 | 2,019 |
| United States | 960,797 | 559,003 |
| Others | 1,555,233 | 100,764 |
| | 58,190,371 | 52,983,413 |

The Group operated predominantly in Malaysia. Hence, no geographical segment on non-current assets are presented.

Information about major customers

Revenue from two (2022: two) customers represented approximately RM20,546,475 (2022: RM31,579,396) of the Group's total revenue.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Initial Public Offering ("IPO")

- (i) In conjunction with the IPO of the Group and the Company, 84,500,000 new ordinary shares ("Shares") were issued in the following manner:
 1. 23,400,000 new Shares for application by the Malaysian Public;
 2. 18,100,000 new Shares for application by our eligible Directors, employees and persons who have contributed to our success; and
 3. 43,000,000 new Shares by way of private placement to selected investors.
- (ii) In conjunction with the IPO, offer for sale was made by certain offerors of 10,500,000 existing shares by way of private placement to the selected investors.

On 18 January 2023, the Company was successfully admitted to the Official List of Bursa Malaysia with the listing of its entire issued share capital of 468,000,000 ordinary shares on the ACE Market of Bursa Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (Cont'd)

(b) Joint venture ("JV")

On 18 March 2024, the Company entered into a Joint Venture Agreement ("JVA") with Autowell (Singapore) Pte. Ltd. ("ASPL") to form a joint-venture company ("JVC") for the purpose of setting up a manufacturing base in Malaysia for the research and development, production and sales of automation equipment and related hardware and software products intended for the overseas markets namely Southeast Asian, European and American markets particularly in the field of solar energy ("Proposed JV").

The JVC was incorporated in Malaysia on 26 March 2024 as a private limited company under the Companies Act 2016. The JVC is known as Autowell (Malaysia) Sdn Bhd ("AMSB").

The total initial investment amount by the ASPL and the Group is RM166,600,000 for ordinary shares of 166,600,000 in the JVC. The Group will invest RM24,990,000 which represents equity interest of 15% whilst ASPL will invest RM141,600,000 which represents equity interest of 85%.

34. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the profit, cash flows and earnings per share of the Group for the current and previous financial years.

The effects arising for the reclassifications are as follows:

| | As previously reported RM | Reclassification RM | As restated RM |
|---|---------------------------------|------------------------|-------------------|
| Group | | | |
| Statement of financial position as at 31 December 2022 | | | |
| Current assets | | | |
| Trade and other receivables | 17,809,534 | 18,051,043 | 35,860,577 |
| Contract assets | 18,051,043 | (18,051,043) | - |
| Statement of financial position as at 1 January 2022 | | | |
| Current assets | | | |
| Trade and other receivables | 6,963,036 | 12,015,916 | 18,978,952 |
| Contract assets | 12,015,916 | (12,015,916) | - |



STATEMENT BY DIRECTORS

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

We, **GOON KOON YIN** and **WONG YIH HSOW**, being two of the directors of TT VISION HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 66 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
GOON KOON YIN

Director

.....
WONG YIH HSOW

Director

Date: 16 April 2024



STATUTORY DECLARATION

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

I, **GOON KOON YIN**, being the director primarily responsible for the financial management of TT VISION HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 66 to 111 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.

.....
GOON KOON YIN

Subscribed and solemnly declared by the abovenamed at George Town in the State of Penang on 16 April 2024.

Before me,

WONG YUEE HARNG
P189
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TT VISION HOLDING BERHAD

(Incorporated In Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TT Vision Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 111.

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 31 December 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Inventories (Note 9 to the financial statements)

The Group's inventories are measured at the lower of cost and net realisable value. Judgement is required in estimating their net realisable values and identifying slow-moving inventories

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring and detection of write down/off of slow-moving inventories as at 31 December 2023;
- observing year-end physical inventory count to observe physical existence and condition of the finished goods and reviewing the design and assessing the implementation of controls during the count;
- checking subsequent sales and evaluating the Group's assessment on estimated net realisable value on selected samples of inventory items; and
- evaluating whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TT VISION HOLDING BERHAD (Cont'd)

(Incorporated In Malaysia)

Key Audit Matters (Cont'd)

Trade receivables (Note 10 to the financial statements)

The Group has significant trade receivables as at 31 December 2023 which include certain amounts which are long outstanding. We focused on this area because the Group's expected credit loss assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit loss rate, which are based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collections or legal reports;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondences, and considering level of activity with the customer and explanation by the Group on recoverability with significantly past due balances; and
- a testing the mathematical computation of the Group's expected credit loss calculations as at the end of the reporting period.

Company

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TT VISION HOLDING BERHAD (Cont'd)

(Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- 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 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.

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

Jason Wong Yew Ming
No. 03668/06/2024 J
Chartered Accountant

Kuala Lumpur

Date: 16 April 2024

LIST OF PROPERTIES

| Postal Address/ Title Details | Tenure | Description/ Existing Use | Date of Acquisition/ *Revaluation | Land/ Built-up Area (Sq Ft) | Approximate age of Building (Years) | Net book value as at 31.12.2023 RM('000) |
|---|-----------|---|--------------------------------------|-----------------------------------|--|---|
| TT Vision Technologies Sdn. Bhd. | | | | | | |
| Plot 106, Hilir Sungai Keluang 5, Bayan Lepas Free Industrial Zone, Phase IV, 11900 Bayan Lepas, Pulau Pinang | Leasehold | Double storey detached factory used as the Group's main office building and principal manufacturing facility | *31.12.2023 | 89,394/53,000 | 13 (Extension completed in 2019) | 30,000 |

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Total Number of Issued Shares : 468,000,000 ordinary shares
Class of Shares : Ordinary share
Voting Rights : One (1) vote per ordinary share

DISTRIBUTION TABLE ACCORDING TO THE NUMBER OF SECURITIES HELD IN RESPECT OF ORDINARY SHARES

| Size of Holdings | No. of Holder | % | No. of Shares | % |
|---|---------------|---------------|--------------------|---------------|
| 1-99 | 11 | 0.46 | 181 | 0.00 |
| 100-1,000 | 402 | 16.68 | 255,285 | 0.05 |
| 1,001-10,000 | 1,260 | 52.29 | 6,371,192 | 1.36 |
| 10,001 – 100,000 | 578 | 23.98 | 18,591,800 | 3.97 |
| 100,001 – less than 5% of issued shares | 156 | 6.47 | 175,161,120 | 37.44 |
| 5% and above of issued shares | 3 | 0.12 | 267,620,422 | 57.18 |
| TOTAL | 2,410 | 100.00 | 468,000,000 | 100.00 |

DIRECTORS' SHAREHOLDINGS

| Name | No. of Shares (Direct) | Percentage (%) | No. of Shares (Indirect) | Percentage (%) |
|----------------------------------|---------------------------|-------------------|-----------------------------|-------------------|
| Dato' Lim Yong Jin | - | - | - | - |
| Goon Koon Yin | 100,682,711 | 21.51 | 11,604,289* | 2.48 |
| Wong Yih Hsow | 100,682,711 | 21.51 | 11,897,289* | 2.54 |
| Jennie Tan Yen-Li | 11,897,289 | 2.54 | 100,682,711* | 21.51 |
| Nadiah Wong Binti Abdullah | 100,000 | 0.02 | - | - |
| Dr. Khoh Soo Beng | 100,000 | 0.02 | - | - |
| Everlyn Lee Suan Sim | 100,000 | 0.02 | - | - |
| Mohammad Farish Nizar Bin Othman | - | - | - | - |

Note:

*Deemed interested by virtue of his/her spouse's shareholding in TTVHB pursuant to Section 8 of the Companies Act, 2016

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

| Name | No. of Shares (Direct) | Percentage (%) | No. of Shares (Indirect) | Percentage (%) |
|---|---------------------------|-------------------|-----------------------------|-------------------|
| Goon Koon Yin | 100,682,711 | 21.51 | 11,604,289* | 2.48 |
| Wong Yih Hsow | 100,682,711 | 21.51 | 11,897,289* | 2.54 |
| Jennie Tan Yen-Li | 11,897,289 | 2.54 | 100,682,711* | 21.51 |
| Tan Oon Pheng | 11,604,289 | 2.48 | 100,682,711* | 21.51 |
| Malaysian Technology Development Corporation Sdn Bhd ("MTDC") | 66,255,000 | 14.16 | - | - |
| Khazanah Nasional Berhad | - | - | 66,255,000^ | 14.16 |

Note:

* Deemed interested by virtue of his/her spouse's shareholding in TTVHB pursuant to Section 8 of the Companies Act, 2016

^ Deemed interested by virtue of its shareholding in MTDC pursuant to Section 8 of the Companies Act, 2016

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 1 APRIL 2024

THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 APRIL 2024

| No. | Name | No. of Shares | % |
|-----|---|---------------|-------|
| 1 | Goon Koon Yin | 100,682,711 | 21.51 |
| 2 | Wong Yih Hsow | 100,682,711 | 21.51 |
| 3 | Malaysian Technology Development Corporation Sdn Bhd | 66,255,000 | 14.16 |
| 4 | Cheong Siew Chyuan | 19,620,000 | 4.19 |
| 5 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund | 14,508,800 | 3.10 |
| 6 | Jennie Tan Yen-Li | 11,897,289 | 2.54 |
| 7 | Tan Oon Pheng | 11,604,289 | 2.48 |
| 8 | CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Thiam Fatt | 11,567,000 | 2.47 |
| 9 | Cartaban Nominees (Tempatan) Sdn Bhd TMF Trustees Malaysia Berhad For Affin Hwang Wholesale Equity Fund 2 | 6,500,000 | 1.39 |
| 10 | Citigroup Nominees (Asing) Sdn Bhd CBNY For Norges Bank (FI 17) | 6,400,000 | 1.37 |
| 11 | HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For AHAM Aiiman Growth Fund | 5,162,400 | 1.10 |
| 12 | HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Faid (4389) | 4,895,500 | 1.05 |
| 13 | CARTABAN Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund | 4,883,000 | 1.04 |
| 14 | Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 14) | 4,422,600 | 0.95 |
| 15 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Terence Wong @ Huang Thar-Rearn | 3,200,000 | 0.68 |
| 16 | Low Ai Lee | 2,998,400 | 0.64 |
| 17 | Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustee Berhad for Saham Amanah Sabah (Acc 2-940410) | 2,734,000 | 0.58 |
| 18 | HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Insurance Berhad (Dana Ekui Dinmk) | 2,523,300 | 0.54 |
| 19 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Sui Ping (MY2618) | 2,488,100 | 0.53 |
| 20 | CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Ah Loy @ Tan May Ling | 2,000,000 | 0.43 |
| 21 | Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustee Berhad for Manulife Investment CM Shariah Flexi FD (270785) | 1,936,900 | 0.41 |
| 22 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentsmy Focus Fund | 1,652,600 | 0.35 |
| 23 | Amsec Nominees (Tempatan) Sdn Bhd Exempt An for Ambank (M) Berhad (PB-D) | 1,610,347 | 0.34 |
| 24 | Amanahraya Trustees Berhad Amanah Saham Sarawak | 1,600,000 | 0.34 |
| 25 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Lembaga Tabung Haji (Al-Wara') | 1,413,900 | 0.30 |
| 26 | Allinon Advance Technology Sdn. Bhd. | 1,362,500 | 0.29 |
| 27 | Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Phillip Pearl Fund (UT-PM-PPF) (419471) | 1,340,500 | 0.29 |
| 28 | Soong Khye Leong | 1,328,600 | 0.28 |
| 29 | CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad-Manulife Shariah-Dana Ekuiti | 1,244,300 | 0.27 |
| 30 | CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01) | 1,223,500 | 0.26 |

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting ("AGM") of TT Vision Holdings Berhad will be held at Olive 4-5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Pulau Pinang on Friday, 24 May 2024 at 3.00 p.m for the following purposes:

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors' and Auditors' thereon. | Please refer to Explanatory Note (1) |
| 2. | To re-elect the following Directors who retire pursuant to Clause 110 of the Company's Constitution and who being eligible, offer themselves for re-election: (i) Goon Koon Yin (ii) Jennie Tan Yen-Li | Resolution 1 Resolution 2 |
| 3. | To re-elect the following Director who retires pursuant to Clause 124 of the Company's Constitution and who being eligible, offers himself for re-election: (i) Dato' Lim Yong Jin | Resolution 3 |
| 4. | To approve the payment of the Directors' fees of RM202,800.00 payable to Non-Executive Directors for the period from 1 June 2024 until the next Annual General Meeting. | Resolution 4 |
| 5. | To approve the payment of Directors' benefits of RM10,000.00 payable to Non-Executive Directors for the period from 1 June 2024 until the next Annual General Meeting | Resolution 5 |
| 6. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

- | | | |
|----|---|---------------------|
| 7. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 7 |
|----|---|---------------------|

THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors of the Company may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT in connection with the above, pursuant to Section 85 of the Companies Act, 2016 to be read together with Clause 63 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of such new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company;

NOTICE OF SIXTH ANNUAL GENERAL MEETING (Cont'd)

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Cont'd)**

Resolution 7

THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. To transact any other businesses for which due notice shall have been given.

By Order of the Board

LIM YONG CHIAT
MAICSA7060553
SSM PC No: 201908000066
Company Secretary

Pulau Pinang
23 April 2024

NOTES:

- a) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportions of his shareholdings to be represented by each proxy.
- b) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 73 of the Company's Constitution to issue a General Meeting Record of Depository as at 16 May 2024. Only members whose names appear in the General Meeting Record of Depository as at 16 May 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- c) A Proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the seal or by at least two (2) authorised officers, one of whom shall be director (or in the case of a sole director, by that director in the presence of a witness who attests the signature) or under the hand of an officer or attorney duly authorised.
- e) Where a member of the Company is an authorized nominee as defined under the Securities Industries (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- f) Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- g) The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which person named in the instrument purposes to vote.
- h) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 6th AGM will be put to the vote by poll.

NOTICE OF SIXTH ANNUAL GENERAL MEETING (Cont'd)

NOTES (CONT'D)

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it 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. Items 2, and 3 of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election.

Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on his/her fitness and propriety as well as independence, where applicable.

The Board endorsed the NC's recommendation that the Directors who retire in accordance with Clause 110 and 124 of the Constitution of the Company, namely, Goon Koon Yin, Jennie Tan Yen-Li and Dato' Lim Yong Jin are eligible to stand for re-election. The retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability on their re-election at the relevant Board meetings.

The profiles of these Directors are set out in the Company's Annual Report for the financial year ended 31 December 2023. The retiring Directors will abstain from voting on the resolution in respect of their re-election at the 6th AGM.

3. Items 4 and 5 of the Agenda

The Remuneration Committee ("RC") had reviewed the Directors' fees and allowances/benefits for all the Non-Executive Directors based on their performance and contribution to the Company.

The Board endorsed the RC's recommendation and recommended for shareholders' approval on the payment of the Directors' fees of RM202,800.00 and allowances/benefits of RM10,000.00 for all Non-Executive Directors for the period from 1 June 2024 until the next Annual General Meeting.

4. Item 7 of the Agenda

The Ordinary Resolution 7 proposed under item 7 of the Agenda is to seek the shareholders' approval of a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company shares for any possible fund raising activities, including but not limited to further placing of shares, for the purposes of funding future investment project(s), working capital and/or acquisition(s). This would avoid any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.



PROXY FORM

| | | | |
|----------------------------|--|-----------------|--|
| No of ordinary shares held | | CDS Account No. | |
| Contact No. | | Email address | |

*I/We, _____ (NRIC/ Passport No.) _____
 (Full Name in Capital Letters)
 of _____
 (Full address in Capital Letters)
 being a Member of TT Vision Holdings Berhad ("Company") hereby appoint (Proxy 1)
 _____ (NRIC No. _____) of _____
 and/failing him* (Proxy 2), _____ (NRIC No. _____)

of _____
 and*/ or failing him*, the Chairman of the Meeting, as my/our proxy(ies), to vote for me/us on my/our behalf at the Sixth Annual General Meeting of TT Vision Holdings Berhad will be held at Olive 4-5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Pulau Pinang on Friday, 24 May 2024 at 3.00 p.m and at any adjournment thereof as indicated below:-

The proportions of *my/our holdings to be represented by *my/our proxy(ies) are as follows:-

| Proxy 1 | % | Proxy 2 | % |
|---------|---|---------|---|
| | | | |

* I/We hereby indicate with an "X" in the spaces provided how *I/we wish *my/our votes to be casted. (Unless otherwise instructed, the proxy may vote, as he/she thinks fit)

* strike out whichever is inapplicable

| | | <i>For</i> | <i>Against</i> |
|----|--|------------|----------------|
| | Ordinary Resolutions | | |
| | To re-elect the following Directors who retire pursuant to Clause 110 of the Company's Constitution and who being eligible, offer themselves for re-election | | |
| 1. | Goon Koon Yin | | |
| 2. | Jennie Tan Yen-Li | | |
| | To re-elect the following Director who retires pursuant to Clause 124 of the Company's Constitution and who being eligible, offers himself for re-election | | |
| 3. | Dato' Lim Yong Jin | | |
| 4. | To approve the payment of the Directors' fees of RM202,800.00 payable to Non-Executive Directors for the period from 1 June 2024 until the next Annual General Meeting | | |
| 5. | To approve the payment of Directors' benefits of RM10,000.00 payable to Non-Executive Directors for the period from 1 June 2024 until the next Annual General Meeting | | |
| 6. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration | | |
| | Special Business:- | | |
| 7. | Authority to allot and issue shares pursuant to the Companies Act, 2016 | | |

Signed this _____ day of _____, 2024.

Signature of Member: _____

NOTES:

- A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportions of his shareholdings to be represented by each proxy.
- For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 73 of the Company's Constitution to issue a General Meeting Record of Depository as at 16 May 2024. Only members whose names appear in the General Meeting Record of Depository as at 16 May 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- A Proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the seal or by at least two (2) authorised officers, one of whom shall be director (or in the case of a sole director, by that director in the presence of a witness who attests the signature) or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorized nominee as defined under the Securities Industries (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Suite 18.05, MWE Plaza, No. 8 Lebuh Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which person named in the instrument purposes to vote.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 6th AGM will be put to the vote by poll.

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AFFIX
STAMP

THE SHARE REGISTRAR
Securities Services (Holdings) Sdn. Bhd.
(Registration No. 197701005827 (36869T))

Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 George Town
Pulau Pinang

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TT VISION HOLDINGS BERHAD 201801011030 (1273046-H)

 Plot 106, Hilir Sungai Keluang 5,
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