



# Nova Pharma Solutions Berhad

(Incorporated in Malaysia)  
(Registration No. 197701003731 (34608-K))

## Financial Statements

31 December 2024

## **Kreston John & Gan**

Chartered Accountants • AF 0113

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## **Nova Pharma Solutions Berhad**

(Incorporated in Malaysia)  
(Registration No. 197701003731 (34608-K))

## **Financial Statements**

31 December 2024

## Financial Statements

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2024

| <b>Index</b>  | <b>Pages no.</b> |
|---|------------------|
| Corporate Information                                       | 1                |
| Directors' Report   | 2 – 6            |
| Independent Auditors' Report                                | 7 – 10           |
| Statements of Financial Position                            | 11               |
| Statements of Profit or Loss and Other Comprehensive Income | 12               |
| Statements of Changes in Equity                             | 13               |
| Statements of Cash Flows                                    | 14 – 15          |
| Notes to the Financial Statements                           | 16 – 60          |
| Statement by Directors                                      | 61               |
| Statutory Declaration                                       | 62               |

## Corporate Information

for the financial year ended 31 December 2024

|                               |   |
|-------------------------------|---|
| <b>Board of Directors</b>     | : Khoo Boo Wie (Executive Director, Chief Executive Officer)<br>: Ter Leong Tah (Executive Director)<br>: Ng Tik Hwa (Independent and Non-Executive Director)   |
| <b>Company Secretary</b>      | : Leong Sue Ching (MAICSA 7040814)  |
| <b>Auditors</b>               | : Kreston John & Gan<br>Chartered Accountants<br>(Firm No. AF 0113)   |
| <b>Registered Office</b>      | : No. 9A, Jalan Medan Tuanku<br>Medan Tuanku<br>50300 Kuala Lumpur<br>Wilayah Persekutuan<br>Tel: 603-2691 8996 Fax: 603-2698 6996<br>Email: cosec@caresec.com.my   |
| <b>Share Registrar</b>        | : Tricor Investor & Issuing House Services Sdn. Bhd.<br>Unit 32-01, Level 32, Tower A, Vertical Business Suite<br>Avenue 3, Bangsar South<br>No. 8, Jalan Kerinchi<br>59200 Kuala Lumpur<br>Tel: 603-2783 9299 Fax: 603-2783 9222<br>Website: <a href="http://www.tiih.com.my">www.tiih.com.my</a><br>Email: <a href="mailto:is.enquiry@mytricorglobal.com">is.enquiry@mytricorglobal.com</a> |
| <b>Business Address</b>       | : Suite C-5-1 & 2, Level 5<br>Block C, Sky Park One City<br>Jalan USJ 25/1<br>47650 Subang Jaya<br>Selangor Darul Ehsan<br>Tel: 603-5022 2758<br>Email: <a href="mailto:admin@novapharms.com">admin@novapharms.com</a>  |
| <b>Principal Bankers</b>      | : OCBC Al-Amin Bank Berhad<br>: OCBC Bank (Malaysia) Berhad   |
| <b>Stock Exchange Listing</b> | : LEAP Market of the Bursa Malaysia Securities Berhad ("BMSB")  |
| <b>Stock Short Name</b>       | : NPS   |
| <b>Stock Code</b>             | : 03006   |

## Directors' Report

for the financial year ended 31 December 2024

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### Principal activities

The Company is principally engaged in the business of provision of technical documentation, validation and project execution in the pharmaceutical and biological industries. The principal activities of the subsidiary company are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### Results

|  | Group<br>RM | Company<br>RM |
|--|-------------|---------------|
| Profit for the financial year after taxation attributable to the owners of the Company | 5,087,811   | 4,895,345     |

### Dividend

The dividend declared or paid by the Company since the end of previous financial year were as follows : -

|   | RM      |
|---|---------|
| Single-tier interim dividend of RM0.006 per shares paid on 27 December 2024<br>(Notes 26) | 894,057 |

The directors do not recommend any final dividend for the financial year ended 31 December 2024

### Reserves and provisions

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

### Bad and doubtful debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and were of the opinion that it was not necessary to write off any debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the amount written off for bad debts, or render the amount of the allowance for doubtful debts, in the Group and the Company, inadequate to any substantial extent.

### Current assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

## **Directors' Report**

for the financial year ended 31 December 2024

### **Current assets (Cont'd.)**

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

### **Valuation methods**

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

### **Contingent and other liabilities**

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

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

No contingent liability 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, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet its 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, that would render any amount stated in the financial statements misleading.

### **Items of an unusual nature**

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or of the Company for the current financial year.

### **Shares and debentures**

The Company did not issue any shares or debentures during the financial year.

### **Options granted over unissued shares**

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

## Directors' Report

for the financial year ended 31 December 2024

### Directors of the Company

The directors of the Company in office at any time during the financial year and since the end of the financial year are : -

Khoo Boo Wie

Ter Leong Tah

Ng Tik Hwa

### Directors' interests

The interests and deemed interest in the ordinary shares of the Company of those who are directors at year end (including the interests of the spouses or children of the directors) as recorded in the Register of Directors' Shareholdings are as follows : -

|                         | Number of ordinary shares |               |             |                            |
|-------------------------|---------------------------|---------------|-------------|----------------------------|
|                         | As at<br><u>1.1.2024</u>  | <u>Bought</u> | <u>Sold</u> | As at<br><u>31.12.2024</u> |
| <u>Direct interests</u> |                           |               |             |                            |
| Khoo Boo Wie            | 103,440,000               | -             | -           | 103,440,000                |
| Ter Leong Tah           | 6,000,000                 | -             | -           | 6,000,000                  |

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

### Directors' remuneration

The details of the remuneration paid to or receivable by the Directors of the Group and the Company in respect of the financial year ended 31 December 2024 are as follows : -

|                                  | <b>Group and<br/>Company<br/>RM</b> |
|----------------------------------|-------------------------------------|
| <u>Directors' emoluments : -</u> |                                     |
| Salaries, bonus and allowance    | 662,633                             |
| Employes provident fund          | 77,167                              |
| Social security costs            | 2,185                               |
| Emploment insurance system       | 250                                 |
|                                  | <u>742,235</u>                      |
| Director's fee                   | <u>10,000</u>                       |
|                                  | <u>752,235</u>                      |

## **Directors' Report**

for the financial year ended 31 December 2024

### **Directors' remuneration (Cont'd.)**

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company or its subsidiary company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company or its subsidiary company by the directors or past directors of the Company during the financial year.

### **Indemnifying Directors, Officers or Auditors**

No indemnities have been given to or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

### **Directors' benefits**

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Significant event**

Detail of significant events is disclosed in Note 32 to the financial statements.



**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## **Directors' Report**

for the financial year ended 31 December 2024

### **Auditors**

- a) The auditors' remuneration of the Group and the Company for the financial year ended are RM47,410 and RM44,100 respectively.
- b) The auditors, Kreston John & Gan, Chartered Accountants, have indicated their willingness to accept re-appointment.

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

**Khoo Boo Wie**

**Ter Leong Tah**

Kuala Lumpur,  
Date: 25 April 2025

# Independent Auditors' Report

to the members of Nova Pharma Solutions Berhad  
(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Nova Pharma Solutions Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 60.

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

### 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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

# Independent Auditors' Report

to the members of Nova Pharma Solutions Berhad  
(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## 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 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.

| <b>1. Revenue recognition</b>  | <b>How our audit addresses this matter</b>   |
|--|--|
| <p>Refer to Note 3(g) – material accounting policy information – Revenue</p> <p>Revenue is one of the significant accounts in the financial statements and also an important driver of the Group's operating results.</p> <p>The Group and the Company recognise revenue from contract customers progressively over time. The revenue recognised progressively over time is measured using the input method, which is based on the proportion that the actual contract costs incurred for the work performed to date to the estimated total contract costs, which includes estimates and judgements by directors on costs to be incurred on the contracts.</p> <p>The Group and the Company recognised revenue from contract customer of RM12,602,573 and RM11,644,698 respectively for the financial year ended 31 December 2024.</p> | <p>Our procedures included, amongst others : -</p> <ul style="list-style-type: none"><li>• Identified and assessed key judgements inherent in the recognition of revenue and costs arising from contracts;</li><li>• Tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to-date;</li><li>• Corroborated the stage of completion with the level of completion based on actual costs incurred to-date over the estimated total costs;</li><li>• Agreed on a sample basis, costs incurred to supporting documentation; i.e. invoices from vendors; and</li><li>• Agreed total budgeted revenue, on a sample basis, of material projects to supporting documentation, i.e. sales contracts.</li></ul> |

## Responsibilities of the Directors for the Financial Statements

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

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

# Independent Auditors' Report

to the members of Nova Pharma Solutions Berhad  
(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

# Independent Auditors' Report

to the members of Nova Pharma Solutions Berhad  
(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd.)**

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

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

## **Other Matter**

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.

**Kreston John & Gan**  
(AF 0113)  
Chartered Accountant

**Thien Tze Vui**  
Approval No: 03653/04/2026 J  
Chartered Accountant

# Statements of Financial Position

31 December 2024

|   |             | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
|   | <b>Note</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
| <b>ASSETS</b>                                       |             |                    |                    |                    |                    |
| <b>Non-Current Assets</b>                           |             |                    |                    |                    |                    |
| Plant and equipment                                 | 4           | 174,532            | 177,279            | 174,532            | 177,279            |
| Right-of-use assets                                 | 5           | 38,105             | 95,263             | 38,105             | 95,263             |
| Investment in subsidiary company                    | 6           | -                  | -                  | -                  | -                  |
| <b>Total Non-Current Assets</b>                     |             | <b>212,637</b>     | <b>272,542</b>     | <b>212,637</b>     | <b>272,542</b>     |
| <b>Current Assets</b>                               |             |                    |                    |                    |                    |
| Trade receivables                                   | 7           | 168,902            | 1,021,606          | 128,802            | 933,406            |
| Contract assets                                     | 8           | 4,286,739          | 1,263,353          | 4,246,839          | 1,197,828          |
| Deposits and prepayments                            | 9           | 329,289            | 179,252            | 329,289            | 179,252            |
| Amount due from subsidiary company                  | 10          | -                  | -                  | 1,064,258          | 923,796            |
| Current tax asset                                   |             | 368,172            | 497,781            | -                  | 180,649            |
| Short-term funds                                    | 11          | 3,425,734          | 9,782,071          | 3,425,734          | 9,782,071          |
| Fixed deposit with a licensed bank                  | 12          | 12,582,242         | 581,666            | 12,582,242         | 581,666            |
| Cash and bank balances                              |             | 683,192            | 3,738,926          | 103,632            | 3,575,047          |
| <b>Total Current Assets</b>                         |             | <b>21,844,270</b>  | <b>17,064,655</b>  | <b>21,880,796</b>  | <b>17,353,715</b>  |
| <b>Total Assets</b>                                 |             | <b>22,056,907</b>  | <b>17,337,197</b>  | <b>22,093,433</b>  | <b>17,626,257</b>  |
| <b>EQUITY AND LIABILITIES</b>                       |             |                    |                    |                    |                    |
| <b>Equity Attributable to Owners of the Company</b> |             |                    |                    |                    |                    |
| Share capital                                       | 13          | 7,985,000          | 7,985,000          | 7,985,000          | 7,985,000          |
| Retained Profits                                    |             | 10,460,745         | 6,266,991          | 10,627,571         | 6,626,283          |
| <b>Total Equity</b>                                 |             | <b>18,445,745</b>  | <b>14,251,991</b>  | <b>18,612,571</b>  | <b>14,611,283</b>  |
| <b>Non-Current Liabilities</b>                      |             |                    |                    |                    |                    |
| Deferred tax liabilities                            | 14          | 10,430             | 10,430             | 10,430             | 10,430             |
| Lease liabilities                                   | 15          | -                  | 40,710             | -                  | 40,710             |
| <b>Total Non-Current Liabilities</b>                |             | <b>10,430</b>      | <b>51,140</b>      | <b>10,430</b>      | <b>51,140</b>      |
| <b>Current Liabilities</b>                          |             |                    |                    |                    |                    |
| Trade payables                                      | 16          | 264,924            | 225,599            | 211,850            | 189,538            |
| Contract liabilities                                | 8           | 940,892            | 841,984            | 940,892            | 841,984            |
| Other payables and accruals                         | 17          | 1,962,269          | 1,908,081          | 1,885,043          | 1,873,910          |
| Current tax liabilities                             |             | 391,937            | -                  | 391,937            | -                  |
| Lease Liabilities                                   | 15          | 40,710             | 58,402             | 40,710             | 58,402             |
| <b>Total Current Liabilities</b>                    |             | <b>3,600,732</b>   | <b>3,034,066</b>   | <b>3,470,432</b>   | <b>2,963,834</b>   |
| <b>Total Liabilities</b>                            |             | <b>3,611,162</b>   | <b>3,085,206</b>   | <b>3,480,862</b>   | <b>3,014,974</b>   |
| <b>Total Equity and Liabilities</b>                 |             | <b>22,056,907</b>  | <b>17,337,197</b>  | <b>22,093,433</b>  | <b>17,626,257</b>  |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

**Statements of Profit or Loss and Other Comprehensive Income**

for the financial year ended 31 December 2024

|  |             | <b>Group</b> |             | <b>Company</b> |             |
|--|-------------|--------------|-------------|----------------|-------------|
|  | <b>Note</b> | <b>2024</b>  | <b>2023</b> | <b>2024</b>    | <b>2023</b> |
|  |             | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| Revenue  | 18          | 12,602,573   | 9,930,270   | 11,644,698     | 9,274,315   |
| Cost of sales  |             | (3,867,254)  | (3,566,939) | (3,173,622)    | (3,009,365) |
| Gross profit   |             | 8,735,319    | 6,363,331   | 8,471,076      | 6,264,950   |
| Other income   | 19          | 656,919      | 1,222,255   | 661,181        | 1,233,093   |
| Selling and distribution costs   |             | (25,785)     | (27,279)    | (21,926)       | (25,023)    |
| Administration expenses  |             | (2,414,633)  | (2,568,009) | (2,350,977)    | (2,490,968) |
| Other expenses   |             | (364,663)    | (74,202)    | (364,663)      | (74,202)    |
| Profit from operations   |             | 6,587,157    | 4,916,096   | 6,394,691      | 4,907,850   |
| Finance costs  | 20          | (34,376)     | (14,847)    | (34,376)       | (14,847)    |
| Profit before taxation   | 21          | 6,552,781    | 4,901,249   | 6,360,315      | 4,893,003   |
| Income tax expense   | 24          | (1,464,970)  | (1,063,351) | (1,464,970)    | (1,063,351) |
| Profit for the financial year,<br>representing total<br>comprehensive income for the<br>financial year attributable to<br>the owner of the Company |             | 5,087,811    | 3,837,898   | 4,895,345      | 3,829,652   |
| Basic earnings per share (sen)   | 25          | 3.41         | 2.58        |                |             |

The accompanying accounting policies and explanatory notes form an integral part of the financial statement

**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

**Statements of Changes in Equity**

for the financial year ended 31 December 2024

| <u>Group</u>   | <b>Non-<br/>distributable<br/>Share<br/>capital<br/>RM</b> | <b>Distributable<br/>retained<br/>profits<br/>RM</b> | <b>Total<br/>equity<br/>RM</b> |
|--|--|--|--------------------------------|
| At 1 January 2023                                    | 7,985,000  | 3,174,141  | 11,159,141                     |
| Dividend paid (Note 26)                              | -  | (745,048)  | (745,048)                      |
| Total comprehensive income for the<br>financial year | -  | 3,837,898  | 3,837,898                      |
| At 31 December 2023                                  | 7,985,000  | 6,266,991  | 14,251,991                     |
| Dividend paid (Note 26)                              | -  | (894,057)  | (894,057)                      |
| Total comprehensive income for the<br>financial year | -  | 5,087,811  | 5,087,811                      |
| At 31 December 2024                                  | 7,985,000  | 10,460,745   | 18,445,745                     |
| <u>Company</u>                                       |  |  |                                |
| At 1 January 2023                                    | 7,985,000  | 3,541,679  | 11,526,679                     |
| Dividend paid (Note 26)                              | -  | (745,048)  | (745,048)                      |
| Total comprehensive income for the<br>financial year | -  | 3,829,652  | 3,829,652                      |
| At 31 December 2023                                  | 7,985,000  | 6,626,283  | 14,611,283                     |
| Dividend paid (Note 26)                              | -  | (894,057)  | (894,057)                      |
| Total comprehensive income for the<br>financial year | -  | 4,895,345  | 4,895,345                      |
| At 31 December 2024                                  | 7,985,000  | 10,627,571   | 18,612,571                     |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements



## Statements of Cash Flows

for the financial year ended 31 December 2024

|   | Note | Group       |             | Company     |             |
|---|------|-------------|-------------|-------------|-------------|
|   |      | 2024<br>RM  | 2023<br>RM  | 2024<br>RM  | 2023<br>RM  |
| <b>Cash flow from operating activities</b>                          |      |             |             |             |             |
| Profit before taxation  |      | 6,552,781   | 4,901,249   | 6,360,315   | 4,893,003   |
| Adjustment for : -  |      |             |             |             |             |
| Depreciation of plant and equipment                                 |      | 76,517      | 75,007      | 76,517      | 75,007      |
| Depreciation of right-of-use assets                                 |      | 57,158      | 57,157      | 57,158      | 57,157      |
| Investment measured at fair value through profit or loss            |      |             |             |             |             |
| - dividends received  |      | (50,993)    | (43,550)    | (50,993)    | (43,550)    |
| - fair value gain on short-term funds                               |      | (174,752)   | (243,987)   | (174,752)   | (243,987)   |
| Interest income   |      | (297,384)   | (21,491)    | (297,384)   | (21,491)    |
| Interest expenses   |      | 34,376      | 14,847      | 34,376      | 14,847      |
| Reversal of impairment loss on trade receivables no longer required |      | (76,000)    | (727,646)   | (76,000)    | (727,646)   |
| Unrealised loss on foreign exchange                                 |      | 315,194     | 74,202      | 315,194     | 74,202      |
| Unrealised gain on foreign exchange                                 |      | (41,258)    | (179,843)   | (41,258)    | (179,843)   |
| Operating profit before working capital changes                     |      | 6,395,639   | 3,905,945   | 6,203,173   | 3,897,699   |
| Changes in working capital : -                                      |      |             |             |             |             |
| Trade receivables   |      | 950,422     | 2,505,771   | 902,322     | 2,593,971   |
| Contract assets   |      | (3,023,386) | 240,875     | (3,049,011) | 306,400     |
| Deposits and prepayment   |      | (150,037)   | (7,585)     | (150,037)   | (7,585)     |
| Trade payables  |      | 38,789      | (168,356)   | 21,776      | (202,817)   |
| Contract liabilities  |      | 98,908      | 787,086     | 98,908      | 787,086     |
| Other payables and accruals   |      | 54,188      | (210,956)   | 11,133      | (224,727)   |
| Cash from operations  |      | 4,364,523   | 7,052,780   | 4,038,264   | 7,150,027   |
| Interest expenses   |      | (34,376)    | (14,847)    | (34,376)    | (14,847)    |
| Tax paid  |      | (943,424)   | (1,099,607) | (892,384)   | (1,034,095) |
| Tax refund  |      | -           | 667,166     | -           | 362,920     |
| Net cash generated from operations                                  |      | 3,386,723   | 6,605,492   | 3,111,504   | 6,464,005   |
| Balance carried forward   |      | 3,386,723   | 6,605,492   | 3,111,504   | 6,464,005   |

## Statements of Cash Flows (Cont'd.)

for the financial year ended 31 December 2024

|  |             | <b>Group</b>        |                   | <b>Company</b>      |                   |
|--|-------------|---------------------|-------------------|---------------------|-------------------|
|  | <b>Note</b> | <b>2024</b>         | <b>2023</b>       | <b>2024</b>         | <b>2023</b>       |
|  |             | <b>RM</b>           | <b>RM</b>         | <b>RM</b>           | <b>RM</b>         |
| Balance brought forward  |             | 3,386,723           | 6,605,492         | 3,111,504           | 6,464,005         |
| <b>Cash flows from investing activities</b>                      |             |                     |                   |                     |                   |
| (Advance to)/Repayment from subsidiary company                   |             | -                   | -                 | (140,462)           | 99,142            |
| Investment measured at fair value through profit or loss         |             |                     |                   |                     |                   |
| - dividends received   |             | 50,993              | 43,550            | 50,993              | 43,550            |
| - fair value gain on short-term funds                            |             | 174,752             | 243,987           | 174,752             | 243,987           |
| Interest received  |             | 297,384             | 21,491            | 297,384             | 21,491            |
| Purchase of plant and equipment                                  | 4           | (73,770)            | (81,984)          | (73,770)            | (81,984)          |
| Net cash from investing activities                               |             | <u>449,359</u>      | <u>227,044</u>    | <u>308,897</u>      | <u>326,186</u>    |
| <b>Cash flows from financing activities</b>                      |             |                     |                   |                     |                   |
| Dividend paid  |             | (894,057)           | (745,048)         | (894,057)           | (745,048)         |
| Fixed deposits pledged as securities                             |             | (297,384)           | (21,491)          | (297,384)           | (21,491)          |
| Placement of fixed deposits                                      |             | (11,964,313)        | -                 | (11,964,313)        | -                 |
| Repayment of lease liabilities                                   | 16(b)       | (58,402)            | (54,582)          | (58,402)            | (54,582)          |
| Net cash used in financing activities                            |             | <u>(13,214,156)</u> | <u>(821,121)</u>  | <u>(13,214,156)</u> | <u>(821,121)</u>  |
| Net (decrease)/increase in cash and cash equivalents             |             | (9,378,074)         | 6,011,415         | (9,793,755)         | 5,969,070         |
| Effect of foreign exchange rate changes                          |             | (33,997)            | 150,083           | (33,997)            | 150,083           |
| Cash and cash equivalents at the beginning of the financial year |             | <u>13,520,997</u>   | <u>7,359,499</u>  | <u>13,357,118</u>   | <u>7,237,965</u>  |
| Cash and cash equivalents at the end of the financial year       | 27          | <u>4,108,926</u>    | <u>13,520,997</u> | <u>3,529,366</u>    | <u>13,357,118</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# Notes to the Financial Statements

31 December 2024

## 1. General information

Nova Pharma Solutions Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Leap Market of Bursa Malaysia Securities Berhad.

The addresses of the registered office and principal place of business of the Company are as follows : -

Registered office : No. 9A, Jalan Medan Tuanku  
Medan Tuanku  
50300 Kuala Lumpur

Principal place of business : Suite C-5-1 & 2, Level 5  
Block C, Sky Park One City  
Jalan USJ 25/1  
47650 Subang Jaya  
Selangor Darul Ehsan

The Company is principally engaged in the business of provision of technical documentation, validation and project execution in the pharmaceutical and biological industries. The principal activities of its subsidiary company are set out in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 25 April 2025.

## 2. Basis of preparation of financial statements

### a) Statement of compliance

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

### b) Adoption of amendments to MFRSs

The Group and the Company have applied to the following accounting standards and amendments of the MFRSs for the financial year beginning on 1 January 2024 : -

#### Amendments to MFRSs

|          |  |
|----------|--|
| MFRS 7   | Financial Instruments: Disclosures – Supplier Finance Arrangements                             |
| MFRS 16  | Leases – Lease Liability in a Sale and Leaseback   |
| MFRS 101 | Presentation of Financial Statements – Non-current Liabilities with Covenants                  |
| MFRS 101 | Presentation of Financial Statements – Classification of Liabilities as Current or Non-current |
| MFRS 107 | Statement of Cash Flows – Supplier Finance Arrangements  |

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Company and did not result in significant changes to the Company's existing accounting policies.

# Notes to the Financial Statements

31 December 2024

## 2. Basis of preparation of financial statements (Cont'd.)

### c) New MFRS and Amendments to MFRSs that have been issued, but yet to be effective

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

|   |  | Effective for<br>financial<br>periods<br>beginning on or<br>after |
|---|--|---|
| <u>New MFRS</u>   |  |   |
| MFRS 18   | Presentation and Disclosure in Financial Statements            | 1 January 2027  |
| <u>Amendments to MFRSs</u>                                      |  |   |
| MFRS 121  | The Effect of Changes in Foreign Exchange Rates                | 1 January 2025  |
| MFRS 7  | Financial Instruments: Disclosure                              | 1 January 2026  |
| MFRS 9  | Financial Instruments  | 1 January 2026  |
| Amendments that are part of Annual improvements – Volume II : - |  | 1 January 2026  |
| • Amendments to MFRS 1  | First-time Adoption of Malaysian Financial Reporting Standards |   |
| • Amendments to MFRS 7  | Financial Instruments: Disclosures                             |   |
| • Amendments to MFRS 9  | Financial Instruments  |   |
| • Amendments to MFRS 10   | Consolidated Financial Statements                              |   |
| • Amendments to MFRS 107  | Statement of Cash Flows  |   |
| MFRS 10   | Consolidated Financial Statements                              | Deferred  |
| MFRS 128  | Investment in Associates and Joint Ventures                    | Deferred  |

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

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

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

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

# Notes to the Financial Statements

31 December 2024

## **2. Basis of preparation of financial statements (Cont'd.)**

### **c) New MFRS and Amendments to MFRSs that have been issued, but yet to be effective (Cont'd.)**

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

#### **MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd.)**

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

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

#### **Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates**

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

# Notes to the Financial Statements

31 December 2024

## 2. Basis of preparation of financial statements (Cont'd.)

### iii) New MFRS and Amendments to MFRSs that have been issued, but yet to be effective (Cont'd.)

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

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

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including : -

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

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Other than described above, the initial application of the new MFRS and amendments to MFRSs are not expected to have any significant impact on the financial statements of the the Group and of the Company.

### d) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

### e) Functional and presentation currency

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

# Notes to the Financial Statements

31 December 2024

## **2. Basis of preparation of financial statements (Cont'd.)**

### **f) Use of estimates and judgements**

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following items : -

#### **i) Depreciation of plant and equipment**

Plant and equipment are depreciated on a straight-line basis over their estimated useful life. Management estimated the useful life of these assets to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

#### **ii) Depreciation of right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis over their useful life or the end of the lease term. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

#### **iii) Impairment of investment in subsidiary company**

The Company reviews the investments in subsidiary company for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts due from subsidiary company when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiary company and amounts due from subsidiary company are assessed by reference to the value in use of the respective subsidiary company.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiary company discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set assumption to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiary company.

The carrying amounts of investment in subsidiary companies is disclosed in Note 7 to the financial statements respectively.

## Notes to the Financial Statements

31 December 2024

### **2. Basis of preparation of financial statements (Cont'd.)**

#### **f) Use of estimates and judgements (Cont'd.)**

##### **iv) Measurement of Expected Credit Loss ("ECL") allowance for financial assets**

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

##### **v) Income tax expense**

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



# Notes to the Financial Statements

31 December 2024

## 3. Material accounting policy information

### a) Basis of consolidation

#### i) Subsidiary and business combinations

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 Group.

### b) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs

### c) Financial instruments

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

##### Debt instruments at amortised cost

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

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

Financial liabilities are classified at amortised cost. Financial liabilities are subsequently measured 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.

### d) Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

|                               | <b>Rate (%)</b> |
|-------------------------------|-----------------|
| Office and computer equipment | 20 - 33         |
| Furniture and fittings        | 10              |
| Motor vehicles                | 20              |
| Renovation                    | 33              |

## Notes to the Financial Statements

31 December 2024

### 3. Material accounting policy information (Cont'd.)

#### e) Contract asset/liability

The contract assets represent the Group's and the Company's rights to consideration for the work performed for the construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group and the Company issue progress billings to the customers.

The contract liability represent amount received on progress billings for construction contracts for which performance obligation have not been satisfied.

#### f) Leases

##### i) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines 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 lease.

##### Right-of-use assets

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

##### Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### g) Revenue and other income

##### Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

## Notes to the Financial Statements

31 December 2024

### **3. Material accounting policy information (Cont'd.)**

#### **g) Revenue and other income (Cont'd.)**

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met : -

- the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

If control of the assets is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards the satisfaction of each of those performance obligations. Otherwise, revenue is recognised at a point in time when the customer obtain control over the goods or service.

#### **i) Services rendered**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

#### **ii) Management fee**

Management fee is recognised upon the service rendered.

#### **iii) Dividend income**

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

#### **iv) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

## Notes to the Financial Statements

31 December 2024

### **3. Material accounting policy information (Cont'd.)**

#### **h) Earnings per ordinary shares**

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

#### **i) Operating segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

## Notes to the Financial Statements

31 December 2024

### 4. Plant and equipment

| <u>Group and Company</u>            | <b>Office and<br/>computer<br/>equipment<br/>RM</b> | <b>Furniture<br/>and<br/>fittings<br/>RM</b> | <b>Motor<br/>vehicles<br/>RM</b> | <b>Renovation<br/>RM</b> | <b>Total<br/>RM</b> |
|-------------------------------------|---|--|----------------------------------|--------------------------|---------------------|
| <b>2024</b>                         |   |  |                                  |                          |                     |
| <b>Costs</b>                        |   |  |                                  |                          |                     |
| At 1.1.2024                         | 659,988   | 28,016                                       | 568,182                          | 101,230                  | 1,357,416           |
| Additions                           | 72,340  | 1,430  | -                                | -                        | 73,770              |
| At 31.12.2024                       | 732,328   | 29,446                                       | 568,182                          | 101,230                  | 1,431,186           |
| <b>Accumulated<br/>depreciation</b> |   |  |                                  |                          |                     |
| At 1.1.2024                         | 577,608   | 27,172                                       | 474,130                          | 101,227                  | 1,180,137           |
| Charge for the<br>financial year    | 44,892  | 275  | 31,350                           | -                        | 76,517              |
| At 31.12.2024                       | 622,500   | 27,447                                       | 505,480                          | 101,227                  | 1,256,654           |
| Carrying amount as<br>at 31.12.2024 | 109,828   | 1,999  | 62,702                           | 3                        | 174,532             |
| <b>2023</b>                         |   |  |                                  |                          |                     |
| <b>Costs</b>                        |   |  |                                  |                          |                     |
| At 1.1.2023                         | 578,004   | 28,016                                       | 568,182                          | 101,230                  | 1,275,432           |
| Additions                           | 81,984  | -  | -                                | -                        | 81,984              |
| At 31.12.2023                       | 659,988   | 28,016                                       | 568,182                          | 101,230                  | 1,357,416           |
| <b>Accumulated<br/>depreciation</b> |   |  |                                  |                          |                     |
| At 1.1.2023                         | 537,644   | 24,556                                       | 441,703                          | 101,227                  | 1,105,130           |
| Charge for the<br>financial year    | 39,964  | 2,616  | 32,427                           | -                        | 75,007              |
| At 31.12.2023                       | 577,608   | 27,172                                       | 474,130                          | 101,227                  | 1,180,137           |
| Carrying amount as<br>at 31.12.2023 | 82,380  | 844  | 94,052                           | 3                        | 177,279             |

## Notes to the Financial Statements

31 December 2024

### 4. Plant and equipment (Cont'd.)

The costs of fully depreciated plant and equipment of the Group and of the Company are as follows :-

|                               | <b>Group and Company</b> |                  |
|-------------------------------|--------------------------|------------------|
|                               | <b>2024</b>              | <b>2023</b>      |
|                               | <b>RM</b>                | <b>RM</b>        |
| Office and computer equipment | 566,872                  | 544,412          |
| Furniture and fittings        | 27,448                   | 23,165           |
| Motor vehicles                | 411,433                  | 411,433          |
| Renovations                   | 101,230                  | 101,230          |
|                               | <u>1,106,983</u>         | <u>1,080,240</u> |

### 5. Right-of-use assets

| <b>Group and Company</b>         | <b>Office building RM</b> |
|----------------------------------|---------------------------|
| <b>2024</b>                      |                           |
| <b>Costs</b>                     |                           |
| At 1.1.2024/31.12.2024           | <u>171,473</u>            |
| <b>Accumulated depreciation</b>  |                           |
| At 1.1.2024                      | 76,210                    |
| Charge for the financial year    | <u>57,158</u>             |
| At 31.12.2024                    | <u>133,368</u>            |
| Carrying amount as at 31.12.2024 | <u>38,105</u>             |
| <b>2023</b>                      |                           |
| <b>Costs</b>                     |                           |
| At 1.1.2023/31.12.2023           | <u>171,473</u>            |
| <b>Accumulated depreciation</b>  |                           |
| At 1.1.2023                      | 19,053                    |
| Charge for the financial year    | <u>57,157</u>             |
| At 31.12.2023                    | <u>76,210</u>             |
| Carrying amount as at 31.12.2023 | <u>95,263</u>             |

The Group and the Company lease an office building from one of the directors for a period of 36 months commencing from 1 September 2022, with an option to renew the lease after the expiry of the lease period.

# Notes to the Financial Statements

31 December 2024

## 6. Investment in subsidiary company

|                                      | <b>Company</b> |             |
|--------------------------------------|----------------|-------------|
|                                      | <b>2024</b>    | <b>2023</b> |
|                                      | <b>RM</b>      | <b>RM</b>   |
| Unquoted shares, at cost             | 100,000        | 100,000     |
| Less : Allowance for impairment loss | (100,000)      | (100,000)   |
| Carrying amount                      | -              | -           |

The details of the subsidiary company is as follows : -

| <u>Name of subsidiary</u>       | <u>Place of incorporation</u> | <u>Principal activities</u>   | <u>Effective ownership interest</u> |             |
|---------------------------------|-------------------------------|---|-------------------------------------|-------------|
|                                 |                               |   | <b>2024</b>                         | <b>2023</b> |
|                                 |                               |   | <b>%</b>                            | <b>%</b>    |
| Nova HiTech Solutions Sdn. Bhd. | Malaysia                      | Providing a total engineering solutions business focusing in engineering, procurement, construction and commissioning ("EPCC") services for advanced technology facility setup. | 100                                 | 100         |

## 7. Trade receivables

|  | <b>Group</b>   |                  | <b>Company</b> |                |
|--|----------------|------------------|----------------|----------------|
|  | <b>2024</b>    | <b>2023</b>      | <b>2024</b>    | <b>2023</b>    |
|  | <b>RM</b>      | <b>RM</b>        | <b>RM</b>      | <b>RM</b>      |
| Trade receivables                        | 168,902        | 1,097,606        | 128,802        | 1,009,406      |
| Less : Impairment losses (Note 30(b)(i)) | -              | (76,000)         | -              | (76,000)       |
|  | <u>168,902</u> | <u>1,021,606</u> | <u>128,802</u> | <u>933,406</u> |

### Group

The normal credit terms of trade receivables range from 14 to 75 days (2023 – 14 to 75 days). Other terms are assessed and approved on a case-by-case basis.

### Company

The normal credit terms of trade receivables range from 14 to 60 days (2023 – 14 to 60 days). Other terms are assessed and approved on a case-by-case basis.

## Notes to the Financial Statements

31 December 2024

### 7. Trade receivables (Cont'd.)

The foreign currencies exposures of trade receivables are as follows : -

|           | <u>Group</u> |         | <u>Company</u> |         |
|-----------|--------------|---------|----------------|---------|
|           | 2024         | 2023    | 2024           | 2023    |
|           | RM           | RM      | RM             | RM      |
| US Dollar | 98,878       | 911,458 | 98,878         | 911,458 |

### 8. Contract assets/(liabilities)

|                      | <u>Group</u> |           | <u>Company</u> |           |
|----------------------|--------------|-----------|----------------|-----------|
|                      | 2024         | 2023      | 2024           | 2023      |
|                      | RM           | RM        | RM             | RM        |
| Contract assets      | 4,286,739    | 1,263,353 | 4,246,839      | 1,197,828 |
| Contract liabilities | 940,892      | 841,984   | 940,892        | 841,984   |

Contract assets and contract liabilities of the Group and the Company mainly relate to revenue earned from construction contracts. As such, the balances of these accounts vary and depend on the number of ongoing projects at the end of the year.

The foreign currency exposures of contract assets/(liabilities) of the Group and the Company are as follows : -

|           | <u>Group and Company</u> |         |
|-----------|--------------------------|---------|
|           | 2024                     | 2023    |
|           | RM                       | RM      |
| US Dollar | (27,257)                 | 852,781 |

### 9. Deposits and prepayments

|             | <u>Group and Company</u> |                |
|-------------|--------------------------|----------------|
|             | 2024                     | 2023           |
|             | RM                       | RM             |
| Deposits    | 5,080                    | 108,795        |
| Prepayments | 324,209                  | 70,457         |
|             | <u>329,289</u>           | <u>179,252</u> |



## Notes to the Financial Statements

31 December 2024

### 10. Amounts due from subsidiary company

|           | <u>Company</u> |             |
|-----------|----------------|-------------|
|           | <b>2024</b>    | <b>2023</b> |
|           | <b>RM</b>      | <b>RM</b>   |
| Non-trade | 1,064,258      | 923,796     |

Non-trade balances due from subsidiary company is in respect of advances and payments made on behalf, which is unsecured, interest free and repayable on demand in cash and cash equivalent.

### 11. Short-term funds

|  | <u>Group and Company</u> |             |
|--|--------------------------|-------------|
|  | <b>2024</b>              | <b>2023</b> |
|  | <b>RM</b>                | <b>RM</b>   |
| Investments in unquoted unit trusts in Malaysia at fair value through profit or loss | 3,425,734                | 9,782,071   |

Investments in unquoted unit trusts represent investments in highly liquid money market instrument and deposits with financial institution in Malaysia and are redeemable with 1 day notice. These short-term funds are subject to insignificant risk of changes in value. The distribution income from these funds is tax exempted.

### 12. Fixed deposit with a licensed bank

Fixed deposit with a licensed bank of the Group and of the Company are pledged to a licensed bank as performance security.

The effective interest rate of fixed deposit with a licensed bank during the financial year is 3.10% (2023 – 3.10%) per annum.

### 13. Share capital

|                                   | <u>Group and Company</u> |             |
|-----------------------------------|--------------------------|-------------|
|                                   | <b>2024</b>              | <b>2023</b> |
|                                   | <b>RM</b>                | <b>RM</b>   |
| Issued and fully paid up : -      |                          |             |
| Ordinary shares with no par value |                          |             |
| 149,009,507 ordinary shares       | 7,985,000                | 7,985,000   |

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.

## Notes to the Financial Statements

31 December 2024

### 14. Deferred tax liabilities

|                          | <b>Group and Company</b> |             |
|--------------------------|--------------------------|-------------|
|                          | <b>2024</b>              | <b>2023</b> |
|                          | <b>RM</b>                | <b>RM</b>   |
| Deferred tax liabilities | 10,430                   | 10,430      |

The components and movements of deferred tax liabilities during the financial year are as follows :-

| <b>Group and Company</b> | <b>At 1 January</b> | <b>Recognised in</b>   | <b>At 31 December</b> |
|--------------------------|---------------------|------------------------|-----------------------|
|                          | <b>RM</b>           | <b>profits or loss</b> | <b>RM</b>             |
|                          |                     | <b>RM</b>              |                       |
| <b>2024</b>              |                     |                        |                       |
| Plant and equipment      | 10,430              | -                      | 10,430                |
| <b>2023</b>              |                     |                        |                       |
| Plant and equipment      | 10,430              | -                      | 10,430                |

### 15. Lease liabilities

|   | <b>Group and Company</b> |             |
|---|--------------------------|-------------|
|   | <b>2024</b>              | <b>2023</b> |
|   | <b>RM</b>                | <b>RM</b>   |
| <u>Minimum lease payments : -</u>               |                          |             |
| - not later than one year                       | 43,560                   | 65,340      |
| - later than one years not later than two years | -                        | 43,560      |
|   | 43,560                   | 108,900     |
| Less : Future interest charges                  | (2,850)                  | (9,788)     |
| Present value of lease liabilities              | 40,710                   | 99,112      |
| Repayable as follows : -                        |                          |             |
| Non-Current Liabilities                         |                          |             |
| - later than one year not later than two years  | -                        | 40,710      |
|   | -                        | 40,710      |
| Current Liabilities                             |                          |             |
| - not later than one year                       | 40,710                   | 58,402      |
|   | 40,710                   | 99,112      |

The lease liabilities related to an office building that leased from one of the directors for a period of 36 months, with an option to renew the lease after the expiry of the lease period.

## Notes to the Financial Statements

31 December 2024

### 15. Lease liabilities (Cont'd.)

- a) Reconciliation of movements in lease liabilities to cash flows arising from financing activities

|                                      | <b><u>Group and Company</u></b> |               |
|--------------------------------------|---------------------------------|---------------|
|                                      | <b>2024</b>                     | <b>2023</b>   |
|                                      | <b>RM</b>                       | <b>RM</b>     |
| At 1 January                         | 99,112                          | 153,694       |
| Net changes from financing cash flow | (58,402)                        | (54,582)      |
| At 31 December                       | <u>40,710</u>                   | <u>99,112</u> |

- b) Amounts recognised in statement of cash flows

|  | <b><u>Group</u></b> |               | <b><u>Company</u></b> |               |
|--|---------------------|---------------|-----------------------|---------------|
|  | <b>2024</b>         | <b>2023</b>   | <b>2024</b>           | <b>2023</b>   |
|  | <b>RM</b>           | <b>RM</b>     | <b>RM</b>             | <b>RM</b>     |
| <b>Included in net cash from operating activities</b>    |                     |               |                       |               |
| Interest paid in relation to lease liabilities (Note 20) | 6,938               | 10,759        | 6,938                 | 10,759        |
| Payment relating to lease of low value assets            | 160                 | 5,028         | 160                   | 3,652         |
| <b>Included in net cash from financing activities</b>    |                     |               |                       |               |
| Repayment of lease liabilities                           | 58,402              | 54,582        | 58,402                | 54,582        |
|  | <u>65,500</u>       | <u>70,369</u> | <u>65,500</u>         | <u>68,993</u> |

### 16. Trade payables

#### Group

The normal credit terms of trade payables range from immediate payment to 60 days (2023 – immediate payment to 60 days). However, the term may vary upon negotiation with the trade payables.

#### Company

The normal credit terms of trade payables range from immediate payment to 45 days (2023 – 45 days). However, the credit term may vary dependent on negotiation with the suppliers.

The currency exposure profile of trade payables is as follows : -

|           | <b><u>Group and Company</u></b> |               |
|-----------|---------------------------------|---------------|
|           | <b>2024</b>                     | <b>2023</b>   |
|           | <b>RM</b>                       | <b>RM</b>     |
| US Dollar | <u>5,285</u>                    | <u>54,625</u> |

## Notes to the Financial Statements

31 December 2024

### 17. Other payables and accruals

|                   | <u>Group</u>     |                  | <u>Company</u>   |                  |
|-------------------|------------------|------------------|------------------|------------------|
|                   | 2024             | 2023             | 2024             | 2023             |
|                   | RM               | RM               | RM               | RM               |
| Other payables    | 212,580          | 11,686           | 212,580          | 11,686           |
| Accruals          | 1,707,489        | 1,854,895        | 1,630,263        | 1,820,724        |
| Deposits received | 42,200           | 41,500           | 42,200           | 41,500           |
|                   | <u>1,962,269</u> | <u>1,908,081</u> | <u>1,885,043</u> | <u>1,873,910</u> |

#### Group and Company

Included in other payables and accruals is an accrued project cost of RM1,122,262 (2023 – RM1,343,135).

The amount outstanding is unsecured, interest free and repayable on demand in cash and cash equivalents.

### 18. Revenue

|                                      | <u>Group</u>      |                  | <u>Company</u>    |                  |
|--------------------------------------|-------------------|------------------|-------------------|------------------|
|                                      | 2024              | 2023             | 2024              | 2023             |
|                                      | RM                | RM               | RM                | RM               |
| Revenue from contract with customers |                   |                  |                   |                  |
| - Services rendered                  | <u>12,602,573</u> | <u>9,930,270</u> | <u>11,644,698</u> | <u>9,274,315</u> |
| Timing of revenue recognition        |                   |                  |                   |                  |
| - over time                          | <u>12,602,573</u> | <u>9,930,270</u> | <u>11,644,698</u> | <u>9,274,315</u> |

## Notes to the Financial Statements

31 December 2024

### 19. Other income

|   | <u>Group</u>   |                  | <u>Company</u> |                  |
|---|----------------|------------------|----------------|------------------|
|   | 2024           | 2023             | 2024           | 2023             |
|   | RM             | RM               | RM             | RM               |
| Investment measured at fair value through profit or loss : -                        |                |                  |                |                  |
| - dividends received  | 50,993         | 43,550           | 50,993         | 43,550           |
| - fair value gain on short-term funds   | 174,752        | 243,987          | 174,752        | 243,987          |
| Interest income   | 297,384        | 21,491           | 297,384        | 21,491           |
| Management fees   | -              | -                | 6,000          | 6,000            |
| Other income  | 8,032          | 533              | 2,094          | 533              |
| Rental income   | 8,500          | -                | 12,700         | 4,838            |
| Reversal of impairment loss on trade receivables no longer required (Note 30(b)(i)) | 76,000         | 727,646          | 76,000         | 727,646          |
| Realised gain on foreign exchange   | -              | 5,205            | -              | 5,205            |
| Unrealised gain on foreign exchange   | 41,258         | 179,843          | 41,258         | 179,843          |
|   | <u>656,919</u> | <u>1,222,255</u> | <u>661,181</u> | <u>1,233,093</u> |

### 20. Finance costs

|  | <u>Group and Company</u> |               |
|--|--------------------------|---------------|
|  | 2024                     | 2023          |
|  | RM                       | RM            |
| Interest expense of financial liabilities that are not fair value through profit or loss |                          |               |
| - bank interest  | 27,438                   | 4,088         |
| - lease liabilities  | 6,938                    | 10,759        |
|  | <u>34,376</u>            | <u>14,847</u> |

# Notes to the Financial Statements

31 December 2024

## 21. Profit before taxation

|   | <u>Group</u> |           | <u>Company</u> |           |
|---|--------------|-----------|----------------|-----------|
|   | 2024         | 2023      | 2024           | 2023      |
|   | RM           | RM        | RM             | RM        |
| This is arrived at after charging : -         |              |           |                |           |
| Auditors' remuneration                        | 47,410       | 45,150    | 44,100         | 42,000    |
| Depreciation of plant and equipment           | 76,517       | 75,007    | 76,517         | 75,007    |
| Depreciation of right-of-use asset            | 57,158       | 57,157    | 57,158         | 57,157    |
| Directors' remuneration (Note 23)             | 752,235      | 725,329   | 752,235        | 725,329   |
| Employee benefits expense (Note 22)           | 2,718,768    | 2,240,676 | 2,633,802      | 2,159,650 |
| Expense relating to lease of low value assets | 160          | 5,028     | 160            | 3,652     |
| Finance costs (Note 20)                       | 34,376       | 14,847    | 34,376         | 14,847    |
| Realised loss in foreign exchange             | 49,469       | -         | 49,469         | -         |
| Unrealised loss in foreign exchange           | 315,194      | 74,202    | 315,194        | 74,202    |

and crediting : -

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Investment measured at fair value through profit or loss           |         |         |         |         |
| - dividends received   | 50,993  | 43,550  | 50,993  | 43,550  |
| - fair value gain on short-term fund:                              | 174,752 | 243,987 | 174,752 | 243,987 |
| Interest income  | 297,384 | 21,491  | 297,384 | 21,491  |
| Management fee   | -       | -       | 6,000   | 6,000   |
| Rental income  | 8,500   | -       | 12,700  | 4,838   |
| Revesal of impairment loss on trade receivables no longer required | 76,000  | 727,646 | 76,000  | 727,646 |
| Realised gain on foreign exchange                                  | -       | 5,205   | -       | 5,205   |
| Unrealised gain on foreign exchange                                | 41,258  | 179,843 | 41,258  | 179,843 |

The Company leases an office equipment with contract term of 1 to 3 years. These leases are leases of low value items.

## Notes to the Financial Statements

31 December 2024

### 22. Employee benefits expense

|                               | <u>Group</u>     |                  | <u>Company</u>   |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
|                               | 2024             | 2023             | 2024             | 2023             |
|                               | RM               | RM               | RM               | RM               |
| Salaries, allowance and bonus | 2,316,955        | 1,907,659        | 2,235,352        | 1,831,326        |
| Employee Provident Fund       | 242,913          | 204,476          | 240,453          | 201,108          |
| Employment Insurance System   | 2,602            | 2,071            | 2,602            | 2,065            |
| Social Security Costs         | 23,877           | 19,568           | 23,111           | 18,775           |
| Other staff related expenses  | 132,421          | 106,902          | 132,284          | 106,376          |
|                               | <u>2,718,768</u> | <u>2,240,676</u> | <u>2,633,802</u> | <u>2,159,650</u> |

### 23. Director's remuneration

|                               | <u>Group and Company</u> |                |
|-------------------------------|--------------------------|----------------|
|                               | 2024                     | 2023           |
|                               | RM                       | RM             |
| Salaries, allowance and bonus | 662,633                  | 639,829        |
| Employee Provident Fund       | 77,167                   | 73,182         |
| Employment Insurance System   | 250                      | 238            |
| Social Security Costs         | 2,185                    | 2,080          |
|                               | <u>742,235</u>           | <u>715,329</u> |
| Director's fee                | 10,000                   | 10,000         |
|                               | <u>752,235</u>           | <u>725,329</u> |

### 24. Income tax expense

|  | <u>Group</u>     |                  | <u>Company</u>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2024             | 2023             | 2024             | 2023             |
|  | RM               | RM               | RM               | RM               |
| Income tax                             |                  |                  |                  |                  |
| - current year provision               | 1,531,480        | 983,200          | 1,531,480        | 983,200          |
| - under/(over) provision in prior year | (66,510)         | 80,151           | (66,510)         | 80,151           |
|  | <u>1,464,970</u> | <u>1,063,351</u> | <u>1,464,970</u> | <u>1,063,351</u> |

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

# Notes to the Financial Statements

31 December 2024

## 24. Income tax expense (Cont'd.)

The numerical reconciliation between the effective tax rate and the applicable tax rate is as follows :-

|   | <u>Group</u> |             | <u>Company</u> |             |
|---|--------------|-------------|----------------|-------------|
|   | <u>2024</u>  | <u>2023</u> | <u>2024</u>    | <u>2023</u> |
|   | %            | %           | %              | %           |
| Applicable tax rate                               | 24           | 24          | 24             | 24          |
| Non-allowable expense                             | -            | 2           | -              | 2           |
| Non-taxable income                                | (1)          | (6)         | (1)            | (6)         |
| Deferred tax assets not recognised                | -            | -           | 1              | -           |
| (Over)/Under provision of taxation in prior years | (1)          | 2           | (1)            | 2           |
| Effective tax rate                                | <u>22</u>    | <u>22</u>   | <u>23</u>      | <u>22</u>   |

## 25. Earnings per share

### **Basic :-**

Basic earnings per share is calculated by dividing the loss for the financial year attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the financial year.

|   | <u>Group</u>       |                    |
|---|--------------------|--------------------|
|   | <u>2024</u>        | <u>2023</u>        |
| Profit for the financial year attributable to ordinary equity holders of the Company (RM) | <u>5,087,811</u>   | <u>3,837,898</u>   |
| Number of shares in issue (unit)  | <u>149,009,507</u> | <u>149,009,507</u> |
| Basic earning per shares (Sen)  | <u>3.41</u>        | <u>2.58</u>        |

### **Diluted :-**

Diluted earnings per share is not computed as the Group did not have any convertible financial instruments as at 31 December 2024 and 31 December 2023.



## Notes to the Financial Statements

31 December 2024

### 26. Dividend paid

The interim dividend paid in respect of the financial year ended 31 December are as follows : -

|  | <b><u>Group and Company</u></b> |                |
|--|---------------------------------|----------------|
|  | <b>2024</b>                     | <b>2023</b>    |
|  | <b>RM</b>                       | <b>RM</b>      |
| Single-tier interim dividend of RM0.006 per shares paid on 27 December 2024  | 894,057                         | -              |
| Single-tier interim dividend of RM0.005 per shares paid on 15 September 2023 | -                               | 745,048        |
|  | <u>894,057</u>                  | <u>745,048</u> |

### 27. Cash and cash equivalents

|  | <b><u>Group</u></b> |                   | <b><u>Company</u></b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>2024</b>         | <b>2023</b>       | <b>2024</b>           | <b>2023</b>       |
|  | <b>RM</b>           | <b>RM</b>         | <b>RM</b>             | <b>RM</b>         |
| Short-term fund (Note 11)                  | 3,425,734           | 9,782,071         | 3,425,734             | 9,782,071         |
| Cash and bank balances                     | 683,192             | 3,738,926         | 103,632               | 3,575,047         |
| Fixed deposit with licensed bank (Note 12) | 12,582,242          | 581,666           | 12,582,242            | 581,666           |
|  | <u>16,691,168</u>   | <u>14,102,663</u> | <u>16,111,608</u>     | <u>13,938,784</u> |
| Less : Fixed deposit pledged               | (12,582,242)        | (581,666)         | (12,582,242)          | (581,666)         |
|  | <u>4,108,926</u>    | <u>13,520,997</u> | <u>3,529,366</u>      | <u>13,357,118</u> |

The foreign currencies exposures of Cash and cash equivalents of the Group and of the Company are as follows : -

|           | <b><u>Group and Company</u></b> |              |
|-----------|---------------------------------|--------------|
|           | <b>2024</b>                     | <b>2023</b>  |
|           | <b>RM</b>                       | <b>RM</b>    |
| Euro      | 554,222                         | 596,237      |
| US Dollar | 7,406,649                       | 2,761,205    |
| NTD       | <u>4,562</u>                    | <u>4,612</u> |

# Notes to the Financial Statements

31 December 2024

## 28. Segment information

Three reportable segments, as described below, are the Company's strategic business units. For each of the strategic business units, the Company's Chief Executive Officer who is the Company's Chief Operating Decision Maker ("CODM") reviews internal management reports on at least a quarterly basis. The following summary describes the operation in each of the Company's reportable segments : -

### ***Design fee : -***

Comprise conceptual designs which include user requirement specification, capacity analysis and process scheduling with detailed costing, list of deliverables, details specification of various equipment and processes as well as authorities' compliance requirements.

### ***Post design fee : -***

Comprise tendering and procurement support as well as construction management of plant.

### ***Other support fee : -***

Comprise of services to assist customer in the good manufacturing practice document review and gap analysis and assessment.

Performance is measured based on segment revenue, as included in the internal management reports that are reviewed by the Company's Chief Executive Officer in his capacity as the CODM. Segment revenue is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### ***EPCC : -***

Comprise of works and services pertaining to engineering and/or procurement and/or construction and/or commissioning for advanced technology facilities.

### **Segment assets**

Segment assets information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment assets.

### **Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

### **Segment capital expenditure**

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment.

## Notes to the Financial Statements

31 December 2024

### 28. Segment information (Cont'd.)

#### Business segment

|                       | Design<br>fee<br>RM | Post<br>design<br>fee<br>RM | Other<br>support<br>fee<br>RM | EPCC*<br>RM | Total<br>RM |
|-----------------------|---------------------|-----------------------------|-------------------------------|-------------|-------------|
| <b><u>Group</u></b>   |                     |                             |                               |             |             |
| <b>2024</b>           |                     |                             |                               |             |             |
| External revenue      | 2,162,821           | 4,202,493                   | 2,405,891                     | 3,831,368   | 12,602,573  |
| <b>2023</b>           |                     |                             |                               |             |             |
| External revenue      | 7,113,022           | (348,538)                   | 3,165,786                     | -           | 9,930,270   |
| <b><u>Company</u></b> |                     |                             |                               |             |             |
| <b>2024</b>           |                     |                             |                               |             |             |
| External revenue      | 2,162,821           | 4,202,493                   | 1,448,016                     | 3,831,368   | 11,644,698  |
| <b>2023</b>           |                     |                             |                               |             |             |
| External revenue      | 7,113,022           | (348,538)                   | 2,509,831                     | -           | 9,274,315   |

The Group and the Company's revenue by industry is presented as follows : -

|                | <b><u>Group</u></b> |                    | <b><u>Company</u></b> |                    |
|----------------|---------------------|--------------------|-----------------------|--------------------|
|                | <b>2024<br/>RM</b>  | <b>2023<br/>RM</b> | <b>2024<br/>RM</b>    | <b>2023<br/>RM</b> |
| Pharmaceutical | 5,583,006           | 3,329,233          | 5,583,006             | 3,329,233          |
| Biotechnology  | 6,061,692           | 5,945,082          | 6,061,692             | 5,945,082          |
| Other*         | 957,875             | 655,955            | -                     | -                  |
|                | <u>12,602,573</u>   | <u>9,930,270</u>   | <u>11,644,698</u>     | <u>9,274,315</u>   |

\* EPCC comprise of works and services pertaining to engineering, procurement, construction and commissioning

## Notes to the Financial Statements

31 December 2024

### 28. Segment information (Cont'd.)

\*\* Other comprise of advanced technology facilities in various industries other than pharmaceutical and biotechnology. The Group and the Company's revenue by geographical location is presented as follows : -

|          | <u>Group</u>      |                  | <u>Company</u>    |                  |
|----------|-------------------|------------------|-------------------|------------------|
|          | <b>2024</b>       | <b>2023</b>      | <b>2024</b>       | <b>2023</b>      |
|          | <b>RM</b>         | <b>RM</b>        | <b>RM</b>         | <b>RM</b>        |
| Malaysia | 10,380,378        | 3,987,113        | 9,422,503         | 3,331,158        |
| Taiwan   | 2,222,195         | 4,936,190        | 2,222,195         | 4,936,190        |
| Thailand | -                 | 1,006,967        | -                 | 1,006,967        |
|          | <u>12,602,573</u> | <u>9,930,270</u> | <u>11,644,698</u> | <u>9,274,315</u> |

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

|            | <u>Group and Company</u> |                  |
|------------|--------------------------|------------------|
|            | <b>2024</b>              | <b>2023</b>      |
|            | <b>RM</b>                | <b>RM</b>        |
| Customer A | 4,200,000                | 900,000          |
| Customer B | 3,831,368                | -                |
| Customer C | 1,464,934                | -                |
| Customer D | -                        | 2,562,000        |
| Customer E | -                        | 1,769,207        |
| Customer F | -                        | 1,355,096        |
| Customer G | -                        | 1,061,828        |
| Customer H | -                        | 1,006,967        |
|            | <u>9,496,302</u>         | <u>8,655,098</u> |

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments

### a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows : -

- (i) Financial assets measured at fair value through profit or loss ("FVPL");
- (ii) Financial assets measured at amortised cost ("FAAC"); and
- (iii) Financial liabilities measured at amortised cost ("FLAC").

| <u>Group</u>                       | <b>Carrying<br/>amount<br/>RM</b> | <b>FVPL<br/>RM</b> | <b>FAAC<br/>RM</b> | <b>FLAC<br/>RM</b> |
|------------------------------------|-----------------------------------|--------------------|--------------------|--------------------|
| <b>2024</b>                        |                                   |                    |                    |                    |
| <b>Financial assets</b>            |                                   |                    |                    |                    |
| Trade receivables                  | 168,902                           | -                  | 168,902            | -                  |
| Contract assets                    | 4,286,739                         | -                  | 4,286,739          | -                  |
| Deposits                           | 5,080                             | -                  | 5,080              | -                  |
| Short-term funds                   | 3,425,734                         | 3,425,734          | -                  | -                  |
| Fixed deposit with a licensed bank | 12,582,242                        | -                  | 12,582,242         | -                  |
| Cash and bank balance              | 683,192                           | -                  | 683,192            | -                  |
|                                    | <u>21,151,889</u>                 | <u>3,425,734</u>   | <u>17,726,155</u>  | <u>-</u>           |
| <b>Financial liabilities</b>       |                                   |                    |                    |                    |
| Trade payables                     | (264,924)                         | -                  | -                  | (264,924)          |
| Contract liabilities               | (940,892)                         | -                  | -                  | (940,892)          |
| Other payables and accruals        | (1,962,269)                       | -                  | -                  | (1,962,269)        |
| Lease liabilities                  | (40,710)                          | -                  | -                  | (40,710)           |
|                                    | <u>(3,208,795)</u>                | <u>-</u>           | <u>-</u>           | <u>(3,208,795)</u> |
| <b>2023</b>                        |                                   |                    |                    |                    |
| <b>Financial assets</b>            |                                   |                    |                    |                    |
| Trade receivables                  | 1,021,606                         | -                  | 1,021,606          | -                  |
| Contract assets                    | 1,263,353                         | -                  | 1,263,353          | -                  |
| Deposits                           | 108,795                           | -                  | 108,795            | -                  |
| Short-term funds                   | 9,782,071                         | 9,782,071          | -                  | -                  |
| Fixed deposit with a licensed bank | 581,666                           | -                  | 581,666            | -                  |
| Cash and bank balances             | 3,738,926                         | -                  | 3,738,926          | -                  |
|                                    | <u>16,496,417</u>                 | <u>9,782,071</u>   | <u>6,714,346</u>   | <u>-</u>           |
| <b>Financial liabilities</b>       |                                   |                    |                    |                    |
| Trade payables                     | (225,599)                         | -                  | -                  | (225,599)          |
| Contract liabilities               | (841,984)                         | -                  | -                  | (841,984)          |
| Other payables and accruals        | (1,908,081)                       | -                  | -                  | (1,908,081)        |
| Lease liabilities                  | (99,112)                          | -                  | -                  | (99,112)           |
|                                    | <u>(3,074,776)</u>                | <u>-</u>           | <u>-</u>           | <u>(3,074,776)</u> |

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

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

| <u>Company</u>                        | <b>Carrying<br/>amount<br/>RM</b> | <b>FVPL<br/>RM</b> | <b>FAAC<br/>RM</b> | <b>FLAC<br/>RM</b> |
|---------------------------------------|-----------------------------------|--------------------|--------------------|--------------------|
| <b>2024</b>                           |                                   |                    |                    |                    |
| <b>Financial assets</b>               |                                   |                    |                    |                    |
| Trade receivables                     | 128,802                           | -                  | 128,802            | -                  |
| Contract assets                       | 4,246,839                         | -                  | 4,246,839          | -                  |
| Deposits                              | 5,080                             | -                  | 5,080              | -                  |
| Amount due from subsidiary<br>company | 1,064,258                         | -                  | 1,064,258          | -                  |
| Short-term funds                      | 3,425,734                         | 3,425,734          | -                  | -                  |
| Fixed deposit with a licensed bank    | 12,582,242                        | -                  | 12,582,242         | -                  |
| Cash and bank balances                | 103,632                           | -                  | 103,632            | -                  |
|                                       | <u>21,556,587</u>                 | <u>3,425,734</u>   | <u>18,130,853</u>  | <u>-</u>           |
| <b>Financial liabilities</b>          |                                   |                    |                    |                    |
| Trade payables                        | (211,850)                         | -                  | -                  | (211,850)          |
| Contract liabilities                  | (940,892)                         | -                  | -                  | (940,892)          |
| Other payables and accruals           | (1,885,043)                       | -                  | -                  | (1,885,043)        |
| Lease liabilities                     | (40,710)                          | -                  | -                  | (40,710)           |
|                                       | <u>(3,078,495)</u>                | <u>-</u>           | <u>-</u>           | <u>(3,078,495)</u> |
| <b>2023</b>                           |                                   |                    |                    |                    |
| <b>Financial assets</b>               |                                   |                    |                    |                    |
| Trade receivables                     | 933,406                           | -                  | 933,406            | -                  |
| Contract assets                       | 1,197,828                         | -                  | 1,197,828          | -                  |
| Deposits                              | 108,795                           | -                  | 108,795            | -                  |
| Amount due from<br>subsidiary company | 923,796                           | -                  | 923,796            | -                  |
| Short-term funds                      | 9,782,071                         | 9,782,071          | -                  | -                  |
| Fixed deposit with a licensed bank    | 581,666                           | -                  | 581,666            | -                  |
| Cash and bank balances                | 3,575,047                         | -                  | 3,575,047          | -                  |
|                                       | <u>17,102,609</u>                 | <u>9,782,071</u>   | <u>7,320,538</u>   | <u>-</u>           |
| <b>Financial liabilities</b>          |                                   |                    |                    |                    |
| Trade payables                        | (189,538)                         | -                  | -                  | (189,538)          |
| Contract liabilities                  | (841,984)                         | -                  | -                  | (841,984)          |
| Other payables and accruals           | (1,873,910)                       | -                  | -                  | (1,873,910)        |
| Lease liabilities                     | (99,112)                          | -                  | -                  | (99,112)           |
|                                       | <u>(3,004,544)</u>                | <u>-</u>           | <u>-</u>           | <u>(3,004,544)</u> |

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments as follows : -

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

#### i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiary.

#### Trade Receivables

##### *Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by shareholders or directors of customers are obtained, and credit valuations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

##### *Exposure to credit risk, credit quality and collateral*

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

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

### b) Financial risk management (Cont'd.)

#### i) Credit risk (Cont'd.)

#### Trade Receivables (Cont'd.)

#### *Concentration of credit risk*

The following shows the total amount due from the top one(1) (2023 – one(1)) major customers as at the reporting date, which represents more than 59% (2023 – 89%) of the total trade receivables.

|                   | <b><u>Group and Company</u></b> |             |
|-------------------|---------------------------------|-------------|
|                   | <b>2024</b>                     | <b>2023</b> |
|                   | <b>RM</b>                       | <b>RM</b>   |
| Trade receivables | 98,878                          | 904,138     |

#### *Recognition and measurement of impairment losses*

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

The Group uses an allowance matrix to measure the expected credit losses (“ECL”) of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024 which are grouped together as they are expected to have similar risk nature : -



## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### i) Credit risk (Cont'd.)

##### Trade Receivables (Cont'd.)

##### *Recognition and measurement of impairment losses (Cont'd.)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024 which are grouped together as they are expected to have similar risk nature : - (Cont'd.)

| <u>Group</u>           | <b>Gross<br/>RM</b> | <b>Loss<br/>allowance<br/>RM</b> | <b>Net<br/>RM</b> |
|------------------------|---------------------|----------------------------------|-------------------|
| <b>2024</b>            |                     |                                  |                   |
| Current (not past due) | 30,551              | -                                | 30,551            |
| 1 - 90 days past due   | 137,851             | -                                | 137,851           |
| Past due over 90 days  | 500                 | -                                | 500               |
|                        | <u>168,902</u>      | <u>-</u>                         | <u>168,902</u>    |
| <b>Credit impaired</b> |                     |                                  |                   |
| Individually impaired  | -                   | -                                | -                 |
|                        | <u>168,902</u>      | <u>-</u>                         | <u>168,902</u>    |
| <b>2023</b>            |                     |                                  |                   |
| Current (not past due) | 93,195              | -                                | 93,195            |
| 1 - 90 days past due   | 572,234             | -                                | 572,234           |
| Past due over 90 days  | 432,177             | -                                | 432,177           |
|                        | <u>1,097,606</u>    | <u>-</u>                         | <u>1,097,606</u>  |
| <b>Credit impaired</b> |                     |                                  |                   |
| Individually impaired  | (76,000)            | -                                | (76,000)          |
|                        | <u>1,021,606</u>    | <u>-</u>                         | <u>1,021,606</u>  |

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### i) Credit risk (Cont'd.)

##### Trade Receivables (Cont'd.)

##### *Recognition and measurement of impairment losses (Cont'd.)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024 which are grouped together as they are expected to have similar risk nature : - (Cont'd.)

|                        | <b>Gross<br/>RM</b> | <b>Loss<br/>allowance<br/>RM</b> | <b>Net<br/>RM</b> |
|------------------------|---------------------|----------------------------------|-------------------|
| <b><u>Company</u></b>  |                     |                                  |                   |
| <b>2024</b>            |                     |                                  |                   |
| Current (not past due) | 16,351              | -                                | 16,351            |
| 1 - 90 days past due   | 112,451             | -                                | 112,451           |
|                        | <u>128,802</u>      | <u>-</u>                         | <u>128,802</u>    |
| <b>Credit impaired</b> |                     |                                  |                   |
| Individually impaired  | -                   | -                                | -                 |
|                        | <u>128,802</u>      | <u>-</u>                         | <u>128,802</u>    |
| <b>2023</b>            |                     |                                  |                   |
| Current (not past due) | 12,495              | -                                | 12,495            |
| 1 - 90 days past due   | 572,234             | -                                | 572,234           |
| Past due over 90 days  | 424,677             | -                                | 424,677           |
|                        | <u>1,009,406</u>    | <u>-</u>                         | <u>1,009,406</u>  |
| <b>Credit impaired</b> |                     |                                  |                   |
| Individually impaired  | (76,000)            | -                                | (76,000)          |
|                        | <u>933,406</u>      | <u>-</u>                         | <u>933,406</u>    |

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### i) Credit risk (Cont'd.)

##### Trade Receivables (Cont'd.)

##### *Recognition and measurement of impairment losses (Cont'd.)*

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below : -

| <u>Group</u>                                     | <b>Lifetime<br/>ECL<br/>RM</b> | <b>Credit<br/>impaired<br/>RM</b> | <b>Total<br/>RM</b> |
|--|--------------------------------|-----------------------------------|---------------------|
| At 1 January 2023                                | 52,000                         | 751,646                           | 803,646             |
| Revesal of impairment loss no<br>longer required | (52,000)                       | (675,646)                         | (727,646)           |
| At 31 December 2023                              | -                              | 76,000                            | 76,000              |
| Revesal of impairment loss no<br>longer required | -                              | (76,000)                          | (76,000)            |
| At 31 December 2024                              | -                              | -                                 | -                   |

  

| <u>Company</u>                                   | <b>Lifetime<br/>ECL<br/>RM</b> | <b>Credit<br/>impaired<br/>RM</b> | <b>Total<br/>RM</b> |
|--|--------------------------------|-----------------------------------|---------------------|
| At 1 January 2023                                | 52,000                         | 751,646                           | 803,646             |
| Revesal of impairment loss no<br>longer required | (52,000)                       | (675,646)                         | (727,646)           |
| At 31 December 2023                              | -                              | 76,000                            | 76,000              |
| Revesal of impairment loss no<br>longer required | -                              | (76,000)                          | (76,000)            |
| At 31 December 2024                              | -                              | -                                 | -                   |

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### i) Credit risk (Cont'd.)

###### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

###### Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognised any allowance for impairment losses.

###### Inter-company loans and advances

###### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiary company. The Company monitors the ability of the subsidiary company to repay the loans and advances on an individual basis.

###### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### i) Credit risk (Cont'd.)

##### Inter-company loans and advances (Cont'd.)

##### *Recognition and measurement of impairment losses*

Generally, the Company considers loans and advances to subsidiary company have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary company's loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary company is not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when : -

- The subsidiary company is unlikely to repay its loan or advance to the Company in full,
- The subsidiary company's loan or advance is overdue for more than 365 days; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, the Company did not recognised any allowance for impairment losses.

##### ii) Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### ii) Liquidity risks (Cont'd.)

##### *Maturity analysis*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

| <u>Group</u>                                | <b>Carrying<br/>amount<br/>RM</b> | <b>interest<br/>rate<br/>%</b> | <b>Contractual<br/>cash flows<br/>RM</b> | <b>Under<br/>1 year<br/>RM</b> | <b>1 - 2<br/>years<br/>RM</b> | <b>2 - 5<br/>years<br/>RM</b> |
|---|-----------------------------------|--------------------------------|--|--------------------------------|-------------------------------|-------------------------------|
| <b>2024</b>                                 |                                   |                                |  |                                |                               |                               |
| <i>Non-derivative financial liabilities</i> |                                   |                                |  |                                |                               |                               |
| Trade payables                              | 264,924                           | -                              | 264,924                                  | 264,924                        | -                             | -                             |
| Contract liabilities                        | 940,892                           | -                              | 940,892                                  | 940,892                        | -                             | -                             |
| Other payables and accruals                 | 1,962,269                         | -                              | 1,962,269                                | 1,962,269                      | -                             | -                             |
| Lease liabilities                           | 40,710                            | 7.00                           | 43,560                                   | 43,560                         | -                             | -                             |
|   | <u>3,208,795</u>                  |                                | <u>3,211,645</u>                         | <u>3,211,645</u>               | <u>-</u>                      | <u>-</u>                      |

## Notes to the Financial Statements

31 December 2024

### 29. Financial instruments (Cont'd.)

#### b) Financial risk management (Cont'd.)

##### ii) Liquidity risks (Cont'd.)

##### *Maturity analysis (Cont'd.)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (Cont'd.)

| <u>Group</u>                                | <b>Carrying<br/>amount<br/>RM</b> | <b>interest<br/>rate<br/>%</b> | <b>Contractual<br/>cash flows<br/>RM</b> | <b>Under<br/>1 year<br/>RM</b> | <b>1 - 2<br/>years<br/>RM</b> | <b>2 - 5<br/>years<br/>RM</b> |
|---|-----------------------------------|--------------------------------|--|--------------------------------|-------------------------------|-------------------------------|
| <b>2023</b>                                 |                                   |                                |  |                                |                               |                               |
| <i>Non-derivative financial liabilities</i> |                                   |                                |  |                                |                               |                               |
| Trade payables                              | 225,599                           | -                              | 225,599                                  | 225,599                        | -                             | -                             |
| Contract liabilities                        | 841,984                           | -                              | 841,984                                  | 841,984                        | -                             | -                             |
| Other payables and accruals                 | 1,908,081                         | -                              | 1,908,081                                | 1,908,081                      | -                             | -                             |
| Lease liabilities                           | 99,112                            | 7.00                           | 108,900                                  | 65,340                         | 43,560                        | -                             |
|   | <u>3,074,776</u>                  |                                | <u>3,084,564</u>                         | <u>3,041,004</u>               | <u>43,560</u>                 | <u>-</u>                      |

**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

**Notes to the Financial Statements**

31 December 2024

**29. Financial instruments (Cont'd.)**

## b) Financial risk management (Cont'd.)

## ii) Liquidity risks (Cont'd.)

*Maturity analysis (Cont'd.)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (Cont'd.)

| <b><u>Company</u></b>                       | <b>Carrying<br/>amount<br/>RM</b> | <b>interest<br/>rate<br/>%</b> | <b>Contractual<br/>cash flows<br/>RM</b> | <b>Under<br/>1 year<br/>RM</b> | <b>1 - 2<br/>years<br/>RM</b> | <b>2 - 5<br/>years<br/>RM</b> |
|---|-----------------------------------|--------------------------------|--|--------------------------------|-------------------------------|-------------------------------|
| <b>2024</b>                                 |                                   |                                |  |                                |                               |                               |
| <i>Non-derivative financial liabilities</i> |                                   |                                |  |                                |                               |                               |
| Trade payables                              | 211,850                           | -                              | 211,850                                  | 211,850                        | -                             | -                             |
| Contract liabilities                        | 940,892                           | -                              | 940,892                                  | 940,892                        | -                             | -                             |
| Other payables and accruals                 | 1,885,043                         | -                              | 1,885,043                                | 1,885,043                      | -                             | -                             |
| Lease liabilities                           | 40,710                            | 7.00                           | 43,560                                   | 43,560                         | -                             | -                             |
|   | <u>3,078,495</u>                  |                                | <u>3,081,345</u>                         | <u>3,081,345</u>               | <u>-</u>                      | <u>-</u>                      |



**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

**Notes to the Financial Statements**

31 December 2024

**29. Financial instruments (Cont'd.)**

## b) Financial risk management (Cont'd.)

## ii) Liquidity risks (Cont'd.)

*Maturity analysis (Cont'd.)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (Cont'd.)

| <u>Company</u>                              | Carrying<br>amount<br>RM | Contractual<br>interest rate<br>% | Contractual<br>cash flows<br>RM | Under<br>1 year<br>RM | 1 - 2<br>years<br>RM | 2 - 5<br>years<br>RM |
|---|--------------------------|-----------------------------------|---------------------------------|-----------------------|----------------------|----------------------|
| <b>2023</b>                                 |                          |                                   |                                 |                       |                      |                      |
| <i>Non-derivative financial liabilities</i> |                          |                                   |                                 |                       |                      |                      |
| Trade payables                              | 189,538                  | -                                 | 189,538                         | 189,538               | -                    | -                    |
| Contract liabilities                        | 841,984                  | -                                 | 841,984                         | 841,984               | -                    | -                    |
| Other payables and accruals                 | 1,873,910                | -                                 | 1,873,910                       | 1,873,910             | -                    | -                    |
| Lease liabilities                           | 99,112                   | 7.00                              | 108,900                         | 65,340                | 43,560               | -                    |
|   | <u>3,004,544</u>         |                                   | <u>3,014,332</u>                | <u>2,970,772</u>      | <u>43,560</u>        | <u>-</u>             |

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

### b) Financial risk management (Cont'd.)

#### iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows. Other than interest rates risk and foreign exchange rate risk, the Group is not expose to other prices risk.

#### Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Euro ("EURO"), US Dollar ("USD") and New Taiwan dollars ("NTD").

#### *Risk management objectives, policies and processes for managing the risk*

The Group is closely monitoring the foreign currency risk on an ongoing basis to ensure that the net exposure is at acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

#### *Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows : -

|   | <b><u>Group and Company</u></b> |                  |
|---|---------------------------------|------------------|
|   | <b>2024</b>                     | <b>2023</b>      |
|   | <b>RM</b>                       | <b>RM</b>        |
| Balance recognised in statement of financial position |                                 |                  |
| Denominated in US Dollar                              |                                 |                  |
| Trade receivables (Note 7)                            | 98,878                          | 911,458          |
| Contract assets/(liabilities) (Note 8)                | 3,841,439                       | 852,781          |
| Trade payables (Note 16)                              | (5,285)                         | (54,625)         |
| Cash and cash equivalents (Note 27)                   | 7,406,649                       | 2,761,205        |
|   | <u>11,341,681</u>               | <u>4,470,819</u> |
| Denominated in EURO                                   |                                 |                  |
| Cash and cash equivalents (Note 27)                   | <u>554,222</u>                  | <u>596,237</u>   |
| Denominated in NTD                                    |                                 |                  |
| Cash and cash equivalents (Note 27)                   | <u>4,562</u>                    | <u>4,612</u>     |

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

### b) Financial risk management (Cont'd.)

#### iii) Market risk (Cont'd.)

##### Currency risk (Cont'd.)

##### *Currency risk sensitivity analysis*

A 5% strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

|                                 | 2024    |           | 2023    |           |
|---------------------------------|---------|-----------|---------|-----------|
|                                 | Equity  | Profit    | Equity  | Profit    |
|                                 | RM      | for the   | RM      | for the   |
|                                 |         | financial |         | financial |
|                                 |         | year      |         | year      |
|                                 |         | RM        |         | RM        |
| <b><u>Group and Company</u></b> |         |           |         |           |
| US Dollar                       | 430,984 | 430,984   | 169,891 | 169,891   |
| EURO                            | 21,060  | 21,060    | 22,657  | 22,657    |
| NTD                             | 173     | 173       | 175     | 175       |

A 5% of weakening of RM against the above foreign currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remained constant.

##### Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes interest rates. Short-term investment such as deposits with licensed bank are not significantly exposed to interest rate risk.

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

### b) Financial risk management (Cont'd.)

#### iii) Market risk (Cont'd.)

##### Interest rate risk (Cont'd)

##### *Risk management objectives, policies and processes for managing the risk*

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Short-term investments such as short-term funds and deposits with licensed bank are not significantly exposed to interest rate risk.

##### Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because changes in market price (other than interest or exchange rates).

The Company's investments in unquoted unit trust are subject to market price risk. The Company does not hedge this exposure because of its investments are in highly liquid money market instrument and deposits with financial institution in Malaysia, where the risks accepted are commensurate with the expected returns.

#### iv) Operational risk

The operational risk arises from the daily activities of the Group which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

# Notes to the Financial Statements

31 December 2024

## 29. Financial instruments (Cont'd.)

### c) Fair value information

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

|                          | Fair value of financial instruments carried at |               |               |             | Carrying<br>Amount |
|--------------------------|--|---------------|---------------|-------------|--------------------|
|                          | Level 1<br>RM                                  | Level 2<br>RM | Level 3<br>RM | Total<br>RM |                    |
| <u>Group and Company</u> |  |               |               |             |                    |
| 2024                     |  |               |               |             |                    |
| Financial assets         |  |               |               |             |                    |
| Short-term funds         | 3,425,734                                      | -             | -             | 3,425,734   | 3,425,734          |
| 2023                     |  |               |               |             |                    |
| Financial assets         |  |               |               |             |                    |
| Short-term funds         | 9,782,071                                      | -             | -             | 9,782,071   | 9,782,071          |

### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

### *Transfer between Level 1 and Level 2 fair values*

There has been no transfer between Level 1 and 2 fair values during the financial year.

### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

## Notes to the Financial Statements

31 December 2024

### 30. Capital management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

The Group has no borrowings from financial institutions. The debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

### 31. Related parties

#### Identity of related parties

For the purposes of these financial statements, 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 operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of the senior management of the Group.

#### Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are show below.

a) Related party/companies transactions : -

|  | <b><u>Group and Company</u></b> |             |
|--|---------------------------------|-------------|
|  | <b>2024</b>                     | <b>2023</b> |
|  | <b>RM</b>                       | <b>RM</b>   |
| i) Transactions with a director of the Company |                                 |             |
| - Lease rental                                 | 65,340                          | 65,340      |

## Notes to the Financial Statements

31 December 2024

### 31. Related parties (Cont'd.)

#### Significant related party transactions (Cont'd.)

##### a) Related party/companies transactions : - (Cont'd.)

|  | <b><u>Company</u></b> |               |
|--|-----------------------|---------------|
|  | <b>2024</b>           | <b>2023</b>   |
|  | <b>RM</b>             | <b>RM</b>     |
| ii) Transactions with the subsidiary company |                       |               |
| - Rental income                              | 4,200                 | 4,838         |
| - Management fee received/receivable         | 6,000                 | 6,000         |
|  | <u>10,200</u>         | <u>10,838</u> |

##### b) Compensation of key management personnel

The remuneration paid by the Group and the Company to key management personnel during the financial year are disclosed in Note 23 to the financial statements.

### 32. Significant event

On 28 June 2024, the Company accepted a Letter of Acceptance from the National Institutes of Biotechnology Malaysia (NIBM) for a project titled "Perolehan Peralatan dan Menaik Taraf Fasiliti bagi Program Pembangunan dan Pengukuhan Penghasilan Vaksin Negara." The project, located at the Malaysia Genome & Vaccine Institute, National Institutes of Biotechnology Malaysia, Jalan Bangi, 43000 Kajang, Selangor Darul Ehsan.

**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## **Statement by Directors**

Pursuant to Section 251(2) of the Companies Act 2016

We, Khoo Boo Wie and Ter Leong Tah, being two of the directors of Nova Pharma Solutions Berhad, do hereby state that on behalf of the directors that in our opinion, the financial statements set out on pages 11 to 60 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 2024 and of their financial performance and cash flows for the financial year ended on that date.

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

**Khoo Boo Wie**

**Ter Leong Tah**

Kuala Lumpur,  
Date: 25 April 2025



**Nova Pharma Solutions Berhad**

(Incorporated in Malaysia, Registration No. 197701003731 (34608-K))

## Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Khoo Boo Wie, NRIC: 691104-03-5271, being the director primarily responsible for the financial management of Nova Pharma Solutions Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 60, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared at Kuala Lumpur on 25 April 2025

**Khoo Boo Wie**

Before me

**Shaiful Hilmi Bin Halim (W 804)**

Commissioner for Oaths