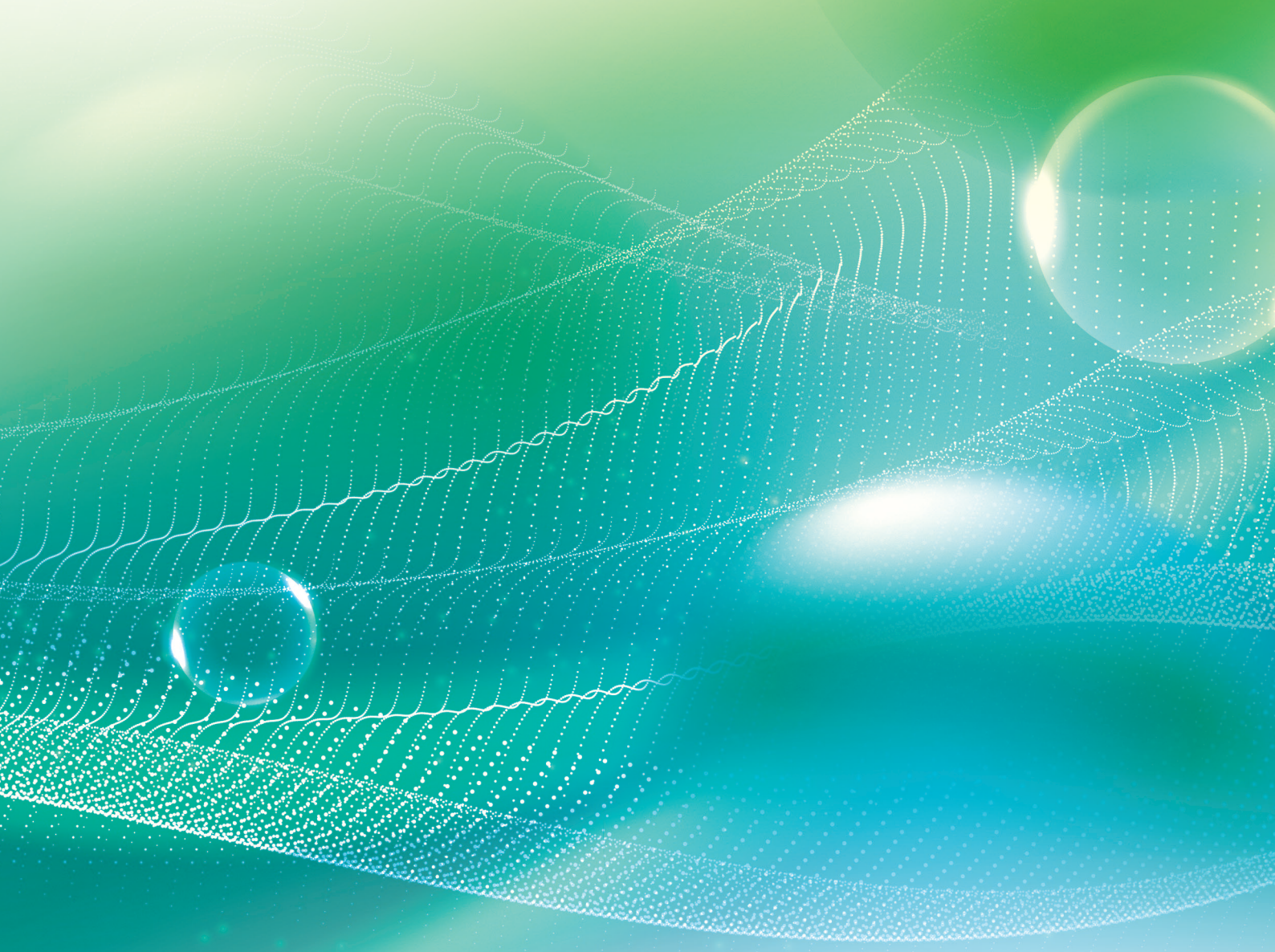




# UTS MARKETING SOLUTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 6113



# 2024

## ANNUAL REPORT

# CONTENTS

<b>2</b>	Corporate Information
<b>3</b>	Chairman's Statement
<b>4</b>	Management Discussion and Analysis
<b>13</b>	Directors and Management Profiles
<b>17</b>	Corporate Governance Report
<b>26</b>	Directors' Report
<b>34</b>	Independent Auditor's Report
<b>39</b>	Consolidated Statement of Profit or Loss and Other Comprehensive Income
<b>40</b>	Consolidated Statement of Financial Position
<b>42</b>	Consolidated Statement of Changes in Equity
<b>43</b>	Consolidated Statement of Cash Flows
<b>45</b>	Notes to the Consolidated Financial Statements
<b>97</b>	Five-Year Financial Summary

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Mr. Ng Chee Wai (*Chairman*)  
Mr. Lee Koon Yew  
Mr. Kwan Kah Yew

### Independent Non-Executive Directors

Mr. Kow Chee Seng  
Mr. Chan Hoi Kuen Matthew  
Ms. Tan Yee Vean (appointed on 15 July 2024)  
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HEADQUARTERS IN MALAYSIA

23rd Floor, Plaza See Hoy Chan  
Jalan Raja Chulan  
50200, Kuala Lumpur  
Malaysia

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1802, 18/F  
Ruttonjee House  
Ruttonjee Centre  
11 Duddell Street  
Central, Hong Kong

## COMPANY SECRETARY

Mr. Siu Chun Pong Raymond

## AUTHORISED REPRESENTATIVES

Mr. Kwan Kah Yew  
Mr. Chan Hoi Kuen Matthew

## AUDIT COMMITTEE

Mr. Kow Chee Seng (*Chairman*)  
Mr. Chan Hoi Kuen Matthew  
Ms. Tan Yee Vean (appointed on 15 July 2024)  
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)

## REMUNERATION COMMITTEE

Mr. Chan Hoi Kuen Matthew (*Chairman*)  
Mr. Kow Chee Seng  
Mr. Lee Koon Yew  
Ms. Tan Yee Vean (appointed on 15 July 2024)  
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)

## NOMINATION COMMITTEE

Ms. Tan Yee Vean (*Chairman*) (appointed on 15 July 2024)  
Mr. Kow Chee Seng  
Mr. Chan Hoi Kuen Matthew  
Mr. Kwan Kah Yew  
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)

## AUDITOR

RSM Hong Kong  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
29/F, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay, Hong Kong

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong

## PRINCIPAL BANKERS

The Bank of East Asia  
CIMB Bank Berhad

## STOCK CODE

6113

## WEBSITE

<http://unitedteleservice.com>

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of UTS Marketing Solutions Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024 (the "Reporting Period").

The Group's net profit for the Reporting Period amounted to approximately RM13.29 million, representing an increase of approximately RM2.99 million as compared to approximately RM10.30 million for the corresponding year ended 31 December 2023.

The overall average number of workstations ordered per month decreased slightly from approximately 1,110 for the year ended 31 December 2023 to 1,095 for the year ended 31 December 2024.

However, despite the slight decrease in seat orders, the revenue generated per workstation per month remained relatively stable at RM7,082 for the year ended 31 December 2024 (31 December 2023: RM7,090).

Looking forward, the Group is determined to continue to maintain its leading role in the telemarketing industry and further strengthen its market position as one of the leading outbound contact service providers in Malaysia by expanding capacity; capitalise on the potential of inbound contact services by setting up an inbound contact centre; and upgrade and enhance existing information technology system and develop a comprehensive system for billing and reconciliation services.

Last but not the least, with the rapid development in technology nowadays, the Group will continue to embrace innovations, and will try its best endeavours to turn every challenge into opportunity to provide the best services to its customers.

On behalf of the Board, I would like to express my sincere gratitude to the support and recognition of all our shareholders, investors, suppliers, business partners and customers. The management team and all staff members of the Group will continue striving for better results for the Group and bringing value to the Company and returns to the shareholders in the long run.

## **Ng Chee Wai**

*Chairman and Executive Director*

Hong Kong, 28 March 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in the provision of outbound telemarketing services and contact centre facilities for promotion of financial products and its related activities issued by authorised financial institutions, card companies or organisations worldwide.

As at 31 December 2024, the Group was operating eight contact centres located within the central business district of Kuala Lumpur, Malaysia and one branch contact center in the State of Melaka, Malaysia.

The Group's net profit for the year ended 31 December 2024 amounted to approximately RM13.3 million, representing an increase of approximately RM3.0 million as compared to approximately RM10.3 million for the year ended 31 December 2023.

The increase in net profit was mainly attributable to non-recurring written-off losses of a one-off deposit of approximately RM2.69 million as liquidated damages in 2023.

## FINANCIAL REVIEW

### Revenue

	2024 RM'000	2023 RM'000
<b>Industry Sector</b>		
Insurance	<b>54,631</b>	59,300
Banking and financial	<b>11,279</b>	8,201
Others	<b>27,154</b>	26,938
Total	<b>93,064</b>	94,439

For the year ended 31 December 2024, the Group recorded revenue of approximately RM93.06 million, representing a slight decrease of approximately 1.46% as compared with approximately RM94.44 million for the year ended 31 December 2023.

The overall average number of workstations ordered per month decreased slightly from approximately 1,110 for the year ended 31 December 2023 to 1,095 for the year ended 31 December 2024.

However, despite the slight decrease in seat orders, the revenue generated per workstation per month remained relatively stable at RM7,082 for the year ended 31 December 2024 (31 December 2023: RM7,090)

### Other income

For the year ended 31 December 2024, other income decreased by approximately RM0.46 million as compared to prior year mainly due to lower imputed interest income from financial assets at amortised costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other gains and losses

For the year ended 31 December 2024, other losses decreased by approximately RM2.27 million from losses of approximately RM2.51 million for the year ended 31 December 2023 to losses of approximately RM0.24 million for the year ended 31 December 2024, mainly due to non-recurring written-off losses of a one-off deposit of approximately RM2.69 million as liquidated damages to the developer as a result of the termination of the acquisition agreements of properties in 2023.

## Staff Costs

For the year ended 31 December 2024, staff costs decreased by approximately RM4.94 million or 7.8% from approximately RM63.36 million for the year ended 31 December 2023 to approximately RM58.42 million.

The average number of staff decreased from a monthly average of 1,417 for the year ended 31 December 2023 to 1,297 for the year ended 31 December 2024.

Overall staff costs per staff per month remained relatively stable at approximately RM3,753 for the year ended 31 December 2024 as compared to approximately RM3,726 for the year ended 31 December 2023.

## Depreciation

For the year ended 31 December 2024, depreciation charges remained relatively stable at approximately RM5.03 million as compared to RM4.86 million for the year ended 31 December 2023.

## Other operating expense

For the year ended 31 December 2024, other operating expenses increased by approximately RM2.28 million or 20.6%, from approximately RM11.05 million for the year ended 31 December 2023 to approximately RM13.33 million for the year ended 31 December 2024.

The increase was primarily due to higher telemarketing campaign cost of RM0.60 million and higher analytical consultation fee of RM1.97 million.

## Finance costs

For the year ended 31 December 2024, finance costs decreased by approximately RM0.17 million from approximately RM0.49 million for the year ended 31 December 2023 to approximately RM0.32 million for the year ended 31 December 2024.

## Income tax expenses

The Group reported an income tax expense provision of RM4.90 million and RM4.78 million from the assessable profits for the years ended 31 December 2024 and 2023 respectively.

## Net profit and net profit margin

As a result of the above factors, the Group recorded profit after tax of approximately RM13.29 million and RM10.30 million for the years ended 31 December 2024 and 2023 respectively, with net profit margin of approximately 14.3% and 10.9% for the corresponding years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Financial resources

The Group generally meets its working capital requirements and capital expenditures on plant and equipment from its internally generated funds. For the year ended 31 December 2024, the Group generated net cash inflow from operating activities of approximately RM14.71 million (2023: approximately RM14.33 million). The Group was able to fulfill its repayment obligations when they became due. The Group has not experienced any material difficulties in rolling over its banking facilities.

### Banking facilities and lease liabilities

As at 31 December 2024, the Group had available and unutilised facilities from its banks amounting to approximately RM16.1 million (2023: approximately RM16.1 million). The carrying amount of the Group's facilities are denominated in Malaysian Ringgit.

The Group's average effective interest rate for the banking facilities was 9.02% (2023: 8.54%). The banking facilities are secured by the pledged bank deposits and the corporate guarantees provided by the Company.

As at 31 December 2024, the Group had an aggregate amount of current and non-current lease obligations of approximately RM5.11 million (2023: approximately RM6.78 million), denominated in Malaysian Ringgit. The average effective interest rate for the leases was 4.81% (2023: 4.35%). The carrying amount of lease obligations amounted to approximately RM1.97 million (2023: approximately RM1.78 million) and is secured by the lessor's retention of title to the leased assets.

### Capital Structure

As at 31 December 2024, the Group's total equity and liabilities amounted to approximately RM42.98 million and RM20.63 million respectively (2023: approximately RM48.95 million and RM25.03 million respectively).

### Pledge of Assets

As at 31 December 2024, the Group's bank facilities, denominated in Malaysian Ringgit, were (i) secured by the pledged bank deposits of approximately RM4.85 million (2023: approximately RM4.1 million); and (ii) guaranteed by corporate guarantees of the Company.

### Gearing Ratio

The gearing ratio of the Group as at 31 December 2024 was 11.9% (2023: 14.0%) which is calculated based on the total debt divided by equity attributable to equity holders of the Company. Total debt represents bank overdrafts and lease liabilities. The Group has a strong liquidity position to meet its operational needs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## RISKS FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The Company has identified and determined the major risks factors which may affect the operation results and financial conditions of the Group through risk management process, which include the following:

### **Risk in the ability to secure sufficient labour and control staff cost**

Contact service industry is a service-oriented and labour intensive business. Any shortage in staff, or increase in staff costs may materially and adversely affect our business, results of operations, financial condition and prospects.

As at 31 December 2024, the Group had 1,225 employees. Total staff costs incurred by the Group for the year ended 31 December 2024 was approximately RM58.42 million (2023: approximately RM63.36 million), representing approximately 62.8% of the Group's revenue for the year ended 31 December 2024 (2023: 67.1%).

To manage such risk, the Group has endeavored to attract and retain sufficient number of staff, in particular our telemarketing sales representatives by offering performance-linked commission and incentive based on pre-determined sales target.

In addition, appropriate corrective actions and re-training measures have been taken to further improve the quality of the services provided by our telemarketing sales representatives.

### **Delay in settlement of bills from the top five clients**

The majority of the Group's revenue is derived from a limited number of clients. Sales to the five largest clients accounted for 71.0% of the total revenue for the year ended 31 December 2024 (2023: 74.0%). All the five largest clients are insurance companies or charitable organisation.

The Group may be subject to the risk of delay in payment from our clients. If settlements of bills are not made in full or in a timely manner, the cash position and financial conditions of the Group will be adversely affected.

To manage such risk, the Group monitors the trade receivables collection status from time to time in order to ensure that the outstanding amounts due from our clients can be fully recovered. As at 31 December 2024, the Group has recorded trade receivables of approximately RM21.29 million. Up to the date of this report, approximately RM17.94 million or 84.3% of the outstanding trade receivables balances as at 31 December 2024 have been subsequently settled.

## CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any significant capital commitments contracted for but not yet incurred item (31 December 2023: nil).

## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2024.



# MANAGEMENT DISCUSSION AND ANALYSIS

## ADVANCE TO ENTITIES

### Advance to Mightyprop Sdn. Bhd.

On 31 January 2019, UTS Marketing Solutions Sdn. Bhd. ("**UTSM**"), a wholly-owned subsidiary of the Company, entered into an agreement with Exsim Development Sdn. Bhd. ("**Exsim**") and Mightyprop Sdn. Bhd. ("**Mightyprop**") to acquire 2% of the entire issued capital of Mightyprop from Exsim with a purchase consideration at nominal value of RM2. In addition, UTSM agreed to provide an advance of RM12,000,000 to Mightyprop (the "**Advance**"). The Advance was unsecured, bearing interest rate of 10% per annum and repayable on or before May 2020. In July 2019, an agreement was entered by UTSM with Exsim and Mightyprop, pursuant to which the proposed acquisition of 2% shareholding in Mightyprop would not be proceeded, the maturity date of the Advance was extended to June 2020 and the interest rate remained unchanged.

On 8 July 2020, UTSM, Exsim and Mightyprop entered into an extension agreement, pursuant to which Exsim has undertaken to (i) repay the advance on or before 30 June 2021 and (ii) pay the interest calculated at the rate of 10% per annum accrued from 1 July 2020 to 31 December 2020 and 30 June 2021, which shall be payable on 7 January 2021 and 7 July 2021 respectively.

On 28 June 2021, upon further negotiations between UTSM, Exsim and Mightyprop, the parties entered into a further extension agreement (the "**Further Extension Agreement**"), pursuant to which Exsim has undertaken to (i) repay the Advance on or before 30 June 2022 and (ii) pay the interest calculated at the rate of 10% per annum on a daily basis accrued from 4 February 2019 up to 30 June 2021 and at the rate of 11% per annum on a daily basis accrued from 1 July 2021 up to the date of repayment and UTSM agreed to such arrangement.

On 24 June 2022, the parties entered into a third extension agreement (the "**Third Extension Agreement**"), pursuant to which Exsim has undertaken to repay the advance on or before 30 June 2023 and to pay the interest calculated at the rate of 11% per annum accrued from 1 July 2022 up to the date of repayment on a daily basis and UTSM agreed to such arrangement. Apart from the aforesaid, all other terms of the agreement remained unchanged.

On 30 June 2023, the parties entered into a fourth extension agreement (the "**Fourth Extension Agreement**"), pursuant to which Exsim has undertaken to repay the advance on or before 1 July 2024 with the interest calculated at the increased rate of 12% per annum accrued from 1 July 2023 up to the date of repayment on a daily basis and UTSM agreed to such arrangement.

On 28 June 2024, the parties entered into a fifth extension agreement (the "**Fifth Extension Agreement**") whereby the repayment schedule shall be amended such that Mightyprop shall refund in full to UTSM of all monies advanced by UTSM (i.e. RM12,000,000.00) across four (4) quarters, with the first payment becoming due and payable on 30 September 2024 and the last payment becoming due and payable on 30 June 2025. On 24 September 2024, Mightyprop requested for deferment of the first payment to becoming due and payable on 31 December 2024 and the last payment becoming due and payable on 30 September 2025. Mightyprop had settled the first installment of RM3,000,000 on 16 December 2024. Interest will continue to accrue on the remaining unpaid portion of the advance at the rate of 12% per annum.

The Fifth Extension Agreement dated 28 June 2024 constituted a discloseable transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Advance to Arcadia Hospitality Sdn. Bhd.**

On 23 April 2019, UTSM entered into a shares subscription agreement with 2 individuals, Performance Consortium Sdn. Bhd. (collectively referred as the "**Arcadia's Shareholders**") and Arcadia Hospitality Sdn. Bhd. ("**Arcadia**"). Pursuant to the agreement, UTSM agreed to subscribe for new shares equivalent to 10% of the enlarged issued share capital of Arcadia with a consideration of RM120,000 from Arcadia's shareholders. In addition, UTSM agreed to provide an advance of RM14,000,000 to Arcadia. The advance was unsecured, bearing interest rate of 10% per annum and repayable on or before July 2020.

On 13 July 2020, the Arcadia's Shareholders requested for further extension of long-stop date of the conditions precedent to complete the share subscription transaction and UTSM agreed to further extend the same to 31 December 2020. Incidental to the said extension, UTSM may refrain from demanding immediate repayment of the advance until 31 December 2020 with interest rate remains unchanged.

On 30 December 2020, upon further discussion among the parties to the said shares subscription agreement, the parties have entered into an agreement on 30 December 2020 to amend the long-stop date for the fulfilment of the conditions precedent to the shares subscription agreement to 31 December 2021 and the final repayment date of the advance to Arcadia to be extended to 31 December 2021, with the interest of 11% per annum, an additional rate of 1% per annum from 10% per annum on the extended term effective from 1 January 2021.

On 30 December 2021, the parties entered into a second supplemental agreement to extend the long-stop date for the fulfilment of the conditions precedent for the subscription of the shares in Arcadia to 31 December 2022 and the final payment date of the advance to 31 December 2022 at the interest rate fixed at 11% per annum on the extended term.

On 31 October 2022, Arcadia has delivered a notice of termination to UTSM to terminate the said shares subscription agreement due to non-fulfilment of the conditions precedent. UTSM confirmed acceptance of the termination of the agreement on 10 November 2022. In connection with the termination, it was agreed that the repayment schedule of the advance shall be amended such that Arcadia shall refund in full to UTSM of all monies advanced by UTSM (i.e. RM14,000,000.00) via few instalment payments across five (5) quarters, with the first payment becoming due and payable on 30 December 2022 and the last payment becoming due and payable on 29 December 2023 in accordance with the agreed repayment arrangement. Interest will continue to accrue on the remaining unpaid portion of the advance at the rate of 11% per annum calculated on a daily basis. The interest shall be paid on a quarterly basis on the proposed quarterly payment dates as agreed or such other period as may be mutually agreed between the parties. Arcadia had fully settled the last instalment on 28 June 2024.

The financial advances to entities under Rule 13.20 of the Listing Rules and the details of the above transactions have been disclosed in the Company's announcements dated 31 January 2019, 23 April 2019, 8 July 2019, 8 July 2020, 10 July 2020, 30 December 2020, 28 June 2021, 30 December 2021, 24 June 2022, 18 October 2022, 10 November 2022, 3 July 2023, 27 July 2023 and 3 July 2024 respectively.

As at 31 December 2024, the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules exist and the advances by the Group to Mightyprop as at 31 December 2024 amounted to aggregate principal values of RM9 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 1,225 (31 December 2023: 1,412) employees. Total staff costs incurred by the Group for the year ended 31 December 2024 were approximately RM58.42 million (2023: approximately RM63.36 million).

The employees of the Group are remunerated according to their job scope and responsibilities. Performance-linked commission and allowances on top of fixed salary were given to the employees to motivate productivity and stimulate better performance. The employees are also entitled to annual discretionary performance bonus, salary increment and promotion based on regular performance reviews and annual appraisals.

## INTEREST RATE RISK

As at 31 December 2024, the Group's pledged bank deposits, financial advances and lease liabilities bore interest at fixed interest rates and therefore were subject to fair value interest rate risk. The Group's exposure to cash flow interest rate risk arises from its bank deposits and bank overdrafts. These deposits and bank overdrafts bore interests at variable rates that are subject to the then prevailing market condition. The Board believes that the Group does not have significant interest rate risk exposures.

## FOREIGN CURRENCY EXPOSURE

Save and except that certain bank balances are denominated in Hong Kong dollars, the Group has minimal exposure to foreign currency risk because most of the business transactions, assets and liabilities are principally denominated in Malaysian Ringgit, the functional currency of the Group. The Group currently does not have a hedging policy in respect of foreign currency transactions, assets and liabilities. The management monitors the foreign currency exposure from time to time and will consider hedging significant foreign currency exposure should the need arise.

## SIGNIFICANT INVESTMENT HELD

As at 31 December 2024, the Group did not hold any significant investments.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there was no specific plan for material investments or capital assets as at 31 December 2024.

## MATERIAL ACQUISITIONS OR DISPOSALS

During the year ended 31 December 2024, the Group did not have any material acquisitions and disposals of subsidiaries, affiliated companies, associates or joint ventures.

## OUTLOOK AND FUTURE PROSPECTS

The Group's strategic objective remains unchanged and will continue focusing on the business strategies as set out in the section headed "Business — Business Strategies" of the Prospectus.

The Group continues to remain cautious and maintain its efforts to improve productivity and expects the overall outlook for the year 2025 to remain stable and resilient without material deviation from its existing outbound telemarketing workstations ordered from its existing clients.

In addition, the Group had also been constantly identifying potential opportunities to increase its number of workstations ordered beyond its current customer base by either working with new database owners, new insurers or takaful operators in order to improve the Group's financial performance.

# MANAGEMENT DISCUSSION AND ANALYSIS

## DIVIDENDS

The Directors declared a first special dividend of HKD0.04 per share (equivalent to RM0.02452 per share) out of the share premium account of the Company on 27 May 2024, the same of which was approved by the Shareholders by way of ordinary resolutions at the annual general meeting of the Company held on 26 June 2024. The first special dividend was paid on 16 July 2024.

The Directors declared a second special dividend of HKD0.04 per share (equivalent to RM0.02363 per share) on 3 December 2024. The second special dividend was paid on 10 January 2025.

The Board has resolved not to declare any final dividend for the year ended 31 December 2024.

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company, which is scheduled to be held on Thursday, 26 June 2025 (the “AGM”), the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Friday, 20 June 2025.

## RETIREMENT BENEFIT SCHEME

The Group contributes to Employees Provident Fund for their employees in accordance with the statutory requirements prescribed by the relevant Malaysian laws and regulations. The Group is required to contribute certain percentage (6%–13%) of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

For the year ended 31 December 2024, the total amount contributed by the Group to the retirement benefit scheme was approximately RM6.44 million (2023: approximately RM6.95 million).

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under its retirement benefit scheme which may be used to reduce the existing level of contributions.

## EVENTS AFTER THE REPORTING PERIOD

There had been no material event subsequent to 31 December 2024 which requires adjustment to or disclosure in this annual report.

## COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company nor any of their respective close associates that compete or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the year ended 31 December 2024.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

There had been no material changes on the business operation of the Group since 31 December 2024.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 14 June 2017 and the same became effective from 12 July 2017, the date on which the Shares were listed and commenced trading on the Stock Exchange. No option was granted, exercised, cancelled or lapsed during the year ended 31 December 2024. As at 1 January 2024 and 31 December 2024, the number of options available for grant was 40,000,000 and 40,000,000 respectively, representing 10% of the entire issued share capital of the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant options to the eligible participants as incentives or rewards for the contribution they had or may have made to the Group. The Share Option Scheme will provide the eligible participants the opportunity to have personal stake in the Company with the view to achieve the following objectives:

- (a) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

Subject to the restrictions under the Listing Rules, eligible participants of the Share Option Scheme include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; (iii) any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), contractors, suppliers, service providers, agents, customers and business partners of the Company or any of its subsidiaries; and (iv) any such other persons who in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries. Subject to the requirements under the Listing Rules relating to the grant of share options to the Directors, chief executive or substantial shareholders, unless approved by the shareholders at general meeting in the manner prescribed in the Listing Rules, the maximum entitlement of each eligible participant is that the total number of shares issued and to be issued upon exercise of the outstanding options granted and to be granted to such grantee (including both exercised, cancelled and outstanding options) under the Share Option Scheme and other scheme(s) of the Group in any 12-month period must not exceed 1% of the issued share capital of the Company as at the date of grant.

Save for the Share Option Scheme, the Company has not adopted any other share scheme.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

## COMPLIANCE WITH LAWS AND REGULATIONS

Based on the best knowledge of the Directors, the Group has complied in all material respects with all relevant laws and regulations that have a significant impact on the Group.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to operate in compliance with the applicable environmental laws as well as protecting the environment by minimising the negative impact of the Group's existing business activities on the environment. Details of the environmental policies and performance are set out in our 2024 Environmental, Social and Governance Report which will be available on the websites of the Stock Exchange and the Company in due course.

## RELATIONSHIP WITH EMPLOYEES, CLIENTS AND SUPPLIERS

The Group recognises the importance of having good working relationships with its employees. The Group has not experienced any significant problems with its staff nor any significant labour disputes or industrial actions.

The Group understands the importance of maintaining a good relationship with its clients and suppliers in order to meet its immediate and long-term business goals. Out of our top five clients, four are in the insurance industry and one is from charitable organisation. As at 31 December 2024, all of our five largest clients and three of our five largest suppliers have business relationship with our Group for more than 5 years. There were no material disputes between the Group and its clients and suppliers.

# DIRECTORS AND MANAGEMENT PROFILES

The Directors and management of the Group as at the date of this annual report are as follows:

## DIRECTORS

### Executive Directors

**Mr. Ng Chee Wai**, aged 52, is the chairman of the Company (the “Chairman”) and an executive Director and is responsible for overseeing the business development of our Group, formulating overall business development strategy and soliciting new businesses.

In April 1995, Mr. Ng joined Chubb Insurance Malaysia Berhad (formerly known as ACE Synergy Insurance Bhd) and worked in direct marketing department before he left the said company in November 2008. During the said 13 years, Mr. Ng was responsible for business development and other marketing matters. After he left, Mr. Ng joined our Group in November 2011.

Mr. Ng obtained a Bachelor of International Business degree from Griffith University in September 1994.

**Mr. Lee Koon Yew**, aged 69, is an executive Director and the chief executive officer of our Group. Mr. Lee is responsible for formulating the overall business strategy and planning, overseeing our Group’s performance and management.

Mr. Lee has more than 28 years of experiences in the insurance industry. During the period between 1981 and 1995, he worked in Hong Leong Assurance Berhad and his last position was assistant general manager responsible for the general management of the said company.

From September 1995 to December 2006, Mr. Lee became the Country Manager & Principal Officer of Chubb Insurance Malaysia Berhad (formerly known as ACE Synergy Insurance Bhd), responsible for the overall management of the said company. After working in the said company for 11 years, he joined Tahan Insurance Berhad as the chief executive officer and was responsible for the overall management of the said company. He then joined our Group in December 2009.

Mr. Lee was the chairman of Insurance Services Malaysia from 2005 to 2009. He was also the chairman of General Insurance Association of Malaysia (PIAM), the director of Malaysian Ratings Corp. Bhd. and the director of Malaysian Insurance Institute during the period from 2008 to 2009.

Mr. Lee obtained a Bachelor of Commerce degree from the University of Canterbury in May 1980.

**Mr. Kwan Kah Yew**, aged 56, is an executive Director and is responsible for formulating overall business development strategy and planning, overseeing our Group’s performance and financial management.

Mr. Kwan worked in various accounting firms as audit staff during the period between January 1994 and July 1998 responsible for reviewing and preparing the consolidated accounts and fund flow statements.

From July 1998 to July 2009, Mr. Kwan worked in Chubb Insurance Malaysia Berhad (formerly known as ACE Synergy Insurance Berhad) as Chief Financial Officer, responsible for management of financial-related matters of the company. He joined our Group in June 2010.

Mr. Kwan has been a fellow of The Association of Chartered Certified Accountants since September 2002.

Mr. Kwan obtained a Diploma in Commerce (Financial Accounting) from Kolej Tunku Abdul Rahman College in June 1993.

# DIRECTORS AND MANAGEMENT PROFILES

## DIRECTORS *(continued)*

### Independent Non-executive Directors

**Mr. Kow Chee Seng**, aged 56, is an independent non-executive Director.

Mr. Kow has more than 22 years of accounting experience. He was an auditor in Lim, Tay & Co. (林鄭會計公司) during the period between January 1994 and June 2005, responsible for auditing, taxation and accounting works. He then served as an accountant in Dolomite Industrial Park Sdn. Bhd. from December 2005 to August 2006, responsible for liaising with the auditor, ensuring compliance with internal control policies, preparing the accounts of the said company. Mr. Kow joined Bintai Kinden Corporation Berhad as the accountant in 2006, responsible for management of accounts, and treasury management. He became a partner of J&K Management Consultancy Services and worked there until April 2010, providing accounting and secretarial management consultancy services. In 2010, he founded C S Kow & Associates, providing audit, taxation, accounting and company secretarial services.

Mr. Kow became a fellow member of the Association of Chartered Certified Accountants in January 2004. He also became an approved company auditor licensed by the Ministry of Finance of Malaysia in 2010, and an approved tax agent licensed by the Ministry of Finance of Malaysia in 2014.

Mr. Kow obtained a Diploma in Commerce (Major in Financial Accounting) from College Tunku Abdul Rahman, Malaysia in July 1993.

**Mr. Chan Hoi Kuen Matthew (陳海權)**, aged 53, is an independent non-executive Director.

Mr. Chan is currently a career representative unit manager in AIA International Limited, responsible for serving clientele in respect of their insurance coverage and wealth management. Prior to joining AIA International Limited, Mr. Chan had worked in (i) Indover Bank (Asia) Limited as assistant vice president of the commercial banking department; (ii) Australia and New Zealand Banking Group Limited as Manager; (iii) Calyon Corporate and Investment Bank as manager in Ship Finance Department; (iv) DBS Bank (Hong Kong) Limited as senior relationship manager; and (v) Indover Bank (Asia) Limited as vice president.

Mr. Chan was an independent non-executive director of CBK Holdings Limited (國茂控股有限公司), a company listed on GEM of the Stock Exchange (stock code: 8428) during the period between 20 January 2017 and 31 December 2021.

Mr. Chan is a certified practising accountant since November 1997, and he became an associate of the Hong Kong Society of Accountants (currently known as "Hong Kong Institute of Certified Public Accountants") in February 2001.

Mr. Chan obtained a Bachelor of Commerce in Accounting and Finance from The University of New South Wales, Australia in October 1994 and a postgraduate diploma in Financial Policy from the University of London, United Kingdom through distance learning in December 1996.

# DIRECTORS AND MANAGEMENT PROFILES

## DIRECTORS *(continued)*

### Independent Non-executive Directors *(continued)*

**Ms. Tan Yee Vean**, aged 53, is an independent non-executive Director.

Ms. TAN is an entrepreneur and a professional who has extensive experience in the marketing, retail, medical, hospitality, wellness, and food industries. Throughout her working career, she has been employed by local, multinational and internationally based companies.

Ms. Tan began her career in 1992 as an executive secretary to the managing director of one of Malaysia's renowned premium corporate gift suppliers, Mail Order Gallery. As the said company's business expanded, she was given an innovative marketing position focusing on creative institutional designed gift programs for multinational companies. She was promoted to a managerial position in the said company and she worked there until 1995.

Ms. Tan then progressed on to the retail industry and served as a senior marketing team manager in a Hong Kong based jewelry company, Tse Sui Luen, from 1995 to 1998, and was responsible for managing, developing, and organizing corporate and retail events in Malaysia for the said company's venture in its corporate expansion to overseas markets.

During the period between 2000 and 2002, Ms. Tan joined Schering Plough, an internationally renowned pharmaceutical company, as a team area executive, responsible for leading a team of marketing executives in promoting existing and emergency medication to medical specialists, clinics and hospitals on the medical products' usage, efficacy and interaction propensities.

In 2002, Ms. Tan joined Herbalife, a company based in USA and China with extensive establishments all over the world, as a nutritional and wellness specialist, and worked there until 2019.

From 2014 to 2020, Ms. Tan also started a private venture by managing a few F&B outlets jointly with Hong Kong partners in the quest of introducing Hong Kong cuisines to Malaysia under the branding of "Private Kitchen" and "HK Kitchen".

## SENIOR MANAGEMENT

**Mr. Chang Siau Voon**, aged 49, is the Chief Financial Officer of our Group, responsible for the financial management and accounting and reporting functions of our Group's business.

Mr. Chang started his career in February 1999 and had worked in (i) Global Enterprise Sdn Bhd as Finance & Administration Officer; (ii) Maruzen Nihonbashi Sdn Bhd as Accounts Assistant; and (iii) Deloitte Kassim Chan as Audit Semi Senior.

In January 2003, Mr. Chang joined AmAssurance Insurance Berhad as senior officer and promoted to manager in April 2004. He worked in the said company until September 2007, mainly responsible for preparing its accounts. In September 2007, he joined Chubb Insurance Malaysia Berhad (formerly known as ACE Synergy Insurance Bhd) as assistant manager and was promoted as manager in January 2010 and worked in that position until October 2011, mainly responsible for overseeing the reporting section for accurate and timely submission of statutory reports, assisting in the preparation of annual budget and monthly forecast and handling all reinsurance and treaty administration related matters. After that, he joined our Group in October 2011 as finance manager and was promoted to Chief Financial Officer in January 2014.

Mr. Chang is a member of Malaysian Institute of Accountants and a Certified Practising Accountant of CPA Australia since September 2009 and November 2004 respectively.

Mr. Chang obtained a Bachelor of Business degree from University of Technology, Sydney in June 1999.



# DIRECTORS AND MANAGEMENT PROFILES

## SENIOR MANAGEMENT *(continued)*

**Ms. Lim Soh Ting**, aged 43, is the General Manager of our Group and is mainly responsible for project management and liaising with clients and their database owners on all matters related to the projects.

Ms. Lim joined Teledirect Telecommerce Sdn Bhd as a telesales executive in October 2002 and held the positions of team leader, management trainee and her last position in Teledirect Telecommerce Sdn Bhd was project executive, responsible for project management and client management. After that, Ms. Lim left Teledirect Telecommerce Sdn Bhd in February 2008 and she joined Hewlett Packard Corporation Berhad in March 2008 as an inside sales supervisor, responsible for managing inside sales team of the said company. Ms. Lim then joined our Group in April 2011 as Campaign Manager and was promoted to senior account director in January 2016. Ms. Lim was promoted to General Manager effective from April 2022.

Ms. Lim obtained a life insurance agent certificate from the Malaysian Insurance Institute in September 2004.

**Mr. Woo Kai Meng**, aged 50, is the Head of Information Technology of our Group, responsible for overseeing the operation and management of information technology of our Group.

Mr. Woo has more than 18 years of experience in information technology operations. Prior to joining the Group, In September 2001, Mr. Woo served as a senior executive in ACE Synergy Insurance Berhad and was promoted as an assistant manager in September 2007, responsible for project management. After that, Mr. Woo joined our Group in April 2010 as the head of information technology.

Mr. Woo obtained a Bachelor of Business degree from the University of Southern Queensland, Australia through distance learning in March 1998.

## COMPANY SECRETARY

**Mr. Siu Chun Pong, Raymond (蕭鎮邦)**, aged 45, was appointed as a joint company secretary of the Company in February 2018. Mr. Siu is now acting as the sole company secretary of the Company.

Mr. Siu has been a practising solicitor of The High Court of Hong Kong since 2005. Mr. Siu has over 19 years of experience in corporate finance and regulatory compliance. He is the founder and a partner of Raymond Siu & Lawyers, a solicitors' firm in Hong Kong. Prior to setting up and running his own solicitors' firm, he has been a partner of F. Zimmern & Co., Solicitors & Notaries from July 2012 to August 2017. Mr. Siu is now (i) an independent non-executive director of China Wantian Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1854), (ii) an independent director of Reitar Logtech Holdings Limited, a company listed on NASDAQ (stock code: RITR) and (iii) an independent director of Mint Incorporation Limited, a company listed on NASDAQ (stock code: MIMI).

Mr. Siu graduated from The University of Hong Kong with a Bachelor of Laws degree and University College London with a Master of Laws degree.

# CORPORATE GOVERNANCE REPORT

The board (the “Board”) of directors (the “Directors”) and management of the Company are committed to achieving and maintaining high standards of corporate governance to enhance corporate performance, transparency and accountability through a set of corporate governance principles and practices.

The culture of the Group is that the directors and management of the Group are required to develop its business and operation within the boundary of the applicable laws and regulations and the general standards and expectations of the business community and society. The Group is required to operate based on sound governance and utmost integrity and prohibit all kinds of damaging, corruptive, collusive, unethical and discriminative acts or practices.

The Directors are of the opinion that during the year ended 31 December 2024, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) under Appendix C1 to the Listing Rules, save and except for code provision D2.5 of the CG Code, details of which are set out in the paragraph headed “Risk Management, Internal Control and their Effectiveness” of this section.

Furthermore, the Board has adopted the CG Code, the requirement under which shall apply to the Company’s corporate governance report for the year ended 31 December 2024.

The Company’s corporate governance structure includes the Board and three board committees under the Board, namely the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”). The Board stipulates the terms of reference of all Board committees and specifies therein clearly the powers and responsibilities of the board committees.

## THE BOARD

The Board plays a central supporting and supervisory role in the Group and is responsible for promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a fiduciary duty towards the Company.

The Board oversees the overall management of the Company and makes decisions on important matters, including but not limited to the approval of the overall business strategies and policies, business development, risk management, annual budgets, financial results, investment proposals, material acquisition, disposals and capital transactions, internal control, material funding decisions and major commitments relating to the Group’s operations. The Board is required to make decisions in the best interests of the Company and its shareholders as a whole.

Decisions on the Group’s day-to-day management and operations of the Company are delegated to the management of the Group. This delegation of authority includes responsibility for operating the Group’s business within the parameters set by the Board, keeping the Board informed of material developments of the Group’s business, identifying and managing operation and other risks and implementing the policies and processes approved by the Board.

# CORPORATE GOVERNANCE REPORT

## BOARD COMPOSITION

During the year ended 31 December 2024, the Board comprised 6 members, including three executive Directors, Mr. Ng Chee Wai (Chairman), Mr. Lee Koon Yew and Mr. Kwan Kah Yew and three independent non-executive Directors, Mr. Kow Chee Seng, Mr. Chan Hoi Kuen Matthew, Ms. Tan Yee Vean (appointed on 15 July 2024) and Mr. Lee Shu Sum Sam (resigned on 15 July 2024). Other than being members of the Board, there is no other relationship between the members of the Board. The Board believes that the composition of executive and non-executive Directors is reasonable and adequate to provide sufficient checks and balances that serve to safeguard the interests of the Company and its shareholders as a whole.

The Board comprises six Directors and five of them are male and one of them is female. Five of them are in the age group of 50–59 and the remaining one of them is in the age group 60–69.

Each Director has different professional qualifications, knowledge, skills, industry experience and expertise, which enable them to make valuable and diversified contribution and guidance to the Group's business development and operations. The Directors' biographical details are set out in the section headed "Directors and Management Profiles" of this report.

During the year ended 31 December 2024, the Board had at all times met the relevant requirements under the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing not less than one-third of the Board), with at least one independent non-executive Director possessing appropriate accounting and related financial management expertise. The independence of the independent non-executive Directors is assessed according to the relevant rules and requirements under the Listing Rules. The Company has received from each of the independent non-executive Directors a confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules and the Company is of the view that all independent non-executive Directors meet the independence guidelines and are independent in accordance with the relevant rules and requirements.

The Nomination Committee has reviewed the Board's structure, size, diversity and composition to ensure that it has a balance of expertise, skills, independence and experience appropriate to the requirements of the Group's business development and operations.

To comply with the Board diversity requirement under the Listing Rules, the Company has appointed Ms. Tan Yee Vean as an independent non-executive Director on 15 July 2024.

The senior management comprises 2 male and 1 female.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year under review, Mr. Ng Chee Wai, the Chairman of the Board, took a leading role in the management of the Group and was responsible for the effective functioning of the Board. He was also responsible for the overall strategic development of the Group. Mr. Lee Koon Yew acted as the chief executive officer of the Company and was responsible for managing the Group's overall daily operations. The Group's senior management team was responsible for implementation of business strategy and management of the day-to-day operations of the Group's business.

## APPOINTMENT, RE-ELECTION AND REMOVAL

The appointment, re-election and removal of Directors are governed by the articles of association of the Company (the "Articles"). The Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board.

The Nomination Committee will make recommendations to the Board on the appointment of Directors and senior management. Potential new directors are selected on the basis of their qualifications, skills and experience that the Directors consider will make a positive contribution to the performance and diversity of the Board.

# CORPORATE GOVERNANCE REPORT

## APPOINTMENT, RE-ELECTION AND REMOVAL *(continued)*

At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation in accordance with the Articles.

Mr. Kow Chee Seng and Mr. Chan Hoi Kuen Matthew are not appointed for a fixed term, but are subject to retirement by rotation at the annual general meeting of the Company.

Ms. Tan Yee Vean was appointed for a term of three years subject to retirement by rotation at the annual general meeting of the Company.

## NOMINATION POLICY

The company secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Group's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Group's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

## DIVERSITY OF THE BOARD

The Company has a board diversity policy to achieve board diversity taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and requirements under the Listing Rules. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee evaluates and monitors the implementation of the board diversity policy to ensure the effectiveness of the board diversity policy.

The Company has appointed Ms. Tan Yee Vean as an independent non-executive Director on 15 July 2024 in accordance with the requirements of the Listing Rules.

## NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

During the year ended 31 December 2024, 4 Board meetings were held and 2 written resolutions of the Directors were passed. Notices of regular Board meetings for the purpose of approving the annual results and interim results were given to all Directors at least 14 days before each meeting, and all Directors were given the opportunity to include matters in the agenda for discussion at the Board meetings. The agenda and meeting materials, including relevant background information and supporting analysis, were normally sent to all Directors at least three days before the regular Board meetings (and so far as practicable for such other Board meetings) to ensure that the Directors would have sufficient time and attention to the affairs of the Company. Their individual attendance of the 4 Board meetings was as follows:

	Attendance Rate
Mr. Ng Chee Wai	4/4
Mr. Lee Koon Yew	4/4
Mr. Kwan Kah Yew	4/4
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)	2/2
Mr. Kow Chee Seng	4/4
Mr. Chan Hoi Kuen Matthew	4/4
Ms. Tan Yee Vean (appointed on 15 July 2024)	2/2

The annual general meeting of the Company was held on 26 June 2024. All Directors attended the annual general meeting. No extraordinary general meeting was held during the year ended 31 December 2024.

# CORPORATE GOVERNANCE REPORT

## PRACTICES AND CONDUCT OF MEETINGS OF THE BOARD AND BOARD COMMITTEES

The company secretary is responsible for ensuring the proper convening and conducting of the Board and Board committee meetings, with relevant notices, agenda and all relevant Board and Board committee papers being provided to the Directors and Board committee members in a timely manner before the meetings.

The company secretary is responsible for keeping minutes of all meetings of the Board and Board committees. Board and Board committee minutes are available for inspection by Directors and Board committee members. All Directors have direct access to the company secretary who is responsible for advising the Board on corporate governance and compliance issues.

Each Director is required to make disclosure of his interests or potential conflicts of interests, if any, in any proposed transactions or issues discussed by Directors at the Board and Board committees' meetings. Any Director shall not vote on any resolution of the Board and Board committees approving any contract or arrangement or any other proposal in which he (or his associates) is materially interested nor shall he be counted in the quorum present at the meeting.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors have confirmed that they have complied with all relevant requirements as set out in the Model Code for the year ended 31 December 2024. The Company will from time to time reiterate and provide reminders to the Directors regarding the procedures, rules and requirements to be complied with by them in relation to Directors' dealings in securities.

## ACCOUNTABILITY AND AUDIT AND AUDITOR'S REMUNERATION

The Directors acknowledge their responsibility for the preparation of the financial statements which give a true and fair presentation of the state of affairs of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024. This responsibility has also been mentioned in the Independent Auditor's Report on pages 34 to 38 of this report.

In preparing the financial statements for the year ended 31 December 2024, the Board (i) adopted all applicable accounting and financial reporting standards, including but not limited to the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants; (ii) selected suitable accounting policies and applied them consistently; (iii) made prudent and reasonable judgements and estimates; and (iv) ensured that the financial statements were prepared on a going concern basis.

The Directors are also responsible for ensuring timely publication of the Group's financial statements. The Company aims to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public and is aware of the requirements under the applicable rules and regulations about timely disclosure of inside information. The interim results of the Group for the six months ended 30 June 2024 were published within 2 months after the end of the relevant period to provide stakeholders with transparent and timely financial information of the Group.

The statement by the auditors of the Company about their responsibilities is set out on pages 34 to 38 of this annual report. The remuneration paid or payable to RSM Hong Kong and its network firms in respect of the audit services for the year ended 31 December 2024 was RM357,000 and RM51,000 respectively. The remuneration paid or payable to RSM Hong Kong for the review of interim financial results for the six months period ended 30 June 2024 were approximately RM58,000.

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT, INTERNAL CONTROL AND THEIR EFFECTIVENESS

The Board has the overall responsibility for maintaining sound and effective internal controls and risk management for the Group to safeguard the interests of its stakeholders and the assets of the Group at all times. In this connection, an internal control and risk management system has been established to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage or mitigate rather than eliminate risks of failure to achieve the Group's business objectives.

The Board is responsible for, at least annually, conducting reviews on the adequacy and effectiveness of the Group's internal control and risk management system, and making recommendations to the relevant department management for necessary actions.

During the year ended 31 December 2024, the Board had conducted reviews on the effectiveness of the internal control and risk management system covering all material factors related to financial, operational, compliance controls, various functions for risk management and asset and information security.

Code provision D.2.5 of the CG Code stipulates that an issuer should have an internal audit function. The Company does not have an internal audit function as the Board presently considers that the size, nature and complexity of the Group's business does not require such a function. The Board reviews and will continue to review the need to set up an independent internal audit function on an annual basis. At the current stage, our finance team assumes the responsibility for conducting regular review of internal control procedures. Such arrangement can be improved, but the Board is not concerned with the lack of segregation of duties taking into account the current organisational structure, lines of responsibility and authority of the management team and the risks associated with the operations of the Group. The Board considers that the internal control and risk management system is effective and adequate during the year under review.

## DIVIDEND POLICY

The Company has adopted dividend policy (the "Dividend Policy"), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Articles and the distribution shall achieve continuity, stability and sustainability. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board. In proposing any dividend pay-out, the Board shall also take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in their long-term development, the financial conditions and business plan of the Group, and the market sentiment and circumstances. The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

## CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirement under the code provision C.1.4 of the CG Code regarding the continuous professional development. A summary of the trainings received by each of the Directors during the year ended 31 December 2024 is as follows:

	Reading journals	Attending seminars
Mr. Ng Chee Wai	✓	✓
Mr. Lee Koon Yew	✓	✓
Mr. Kwan Kah Yew	✓	✓
Mr. Kow Chee Seng	✓	✓
Mr. Chan Hoi Kuen Matthew	✓	✓
Ms. Tan Yee Vean (appointed on 15 July 2024)	✓	✓
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)	✓	✓

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

During the year ended 31 December 2024, there were three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee with specific terms of references to assist the Board in discharging its responsibilities.

### Audit Committee

For the year ended 31 December 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Kow Chee Seng, Mr. Lee Shu Sum Sam (up to 14 July 2024), Mr. Chan Hoi Kuen Matthew and Ms. Tan Yee Vean (from 15 July 2024 onwards). The Audit Committee is chaired by Mr. Kow Chee Seng, who is a certified public accountant. The principal functions of the Audit Committee are to (i) review and supervise the Group's financial reporting processes and internal control and risk management system and (ii) make recommendations to the Board on the reappointment of the external auditor.

During the year ended 31 December 2024, the Audit Committee reviewed the Group's annual and interim results and the effectiveness of internal control and risk management system. The Audit Committee had performed the following works:

- (a) reviewed the financial report for the year ended 31 December 2023;
- (b) reviewed the financial report for the six months ended 30 June 2024;
- (c) reviewed the accounting principles and practices adopted by the Group and ensured the compliance with the relevant accounting standards, the Listing Rules and other statutory requirements; and
- (d) reviewed the effectiveness of the internal control and risk management system.

During the year ended 31 December 2024, two Audit Committee meetings were held. The individual attendance of its members is as follows:

	Attendance Rate
Mr. Kow Chee Seng	2/2
Mr. Chan Hoi Kuen Matthew	2/2
Ms. Tan Yee Vean (appointed on 15 July 2024)	1/1
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)	1/1

### Remuneration Committee

During the year ended 31 December 2024, the Remuneration Committee comprises an executive Director, Mr. Lee Koon Yew; and three independent non-executive Directors, Mr. Chan Hoi Kuen Matthew, Mr. Kow Chee Seng, Mr. Lee Shu Sum Sam (up to 14 July 2024) and Ms. Tan Yee Vean (from 15 July 2024 onwards). The Remuneration Committee is chaired by Mr. Chan Hoi Kuen Matthew.

The principal functions of the Remuneration Committee are (i) to make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management in order to retain and attract talent to manage the Group effectively; (ii) to determine, with the delegated responsibility, the specific remuneration packages of all executive Directors and senior management; (iii) to assess the performance of the executive Directors; and (iv) to approve the terms of the service contracts of the executive Directors. The Directors and their associates do not participate in the decisions in relation to their own remuneration. On 30 March 2024, the Board has resolved to amend the Terms of Reference of Remuneration Committee such that the Remuneration Committee shall also be responsible for reviewing and/or approving matters relating to share schemes of the Company under Chapter 17 of the Listing Rules.

During the year ended 31 December 2024 the Remuneration Committee has (i) assessed the Company's policy and structure for the remuneration of the Directors and senior management, (ii) reviewed the existing share option scheme of the Company and (iii) considered and recommended to the Board the remuneration of Ms. Tan Yee Vean as an independent non-executive Director.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES *(continued)*

### Remuneration Committee *(continued)*

During the year ended 31 December 2024, one Remuneration Committee meeting was held and two written resolutions of Remuneration Committee were passed. The Remuneration Committee will meet as and when required. The individual attendance of its members is as follows:

	Attendance Rate
Mr. Chan Hoi Kuen Matthew	1/1
Mr. Kow Chee Seng	1/1
Mr. Lee Koon Yew	1/1
Ms. Tan Yee Vean (appointed on 15 July 2024)	0/0
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)	1/1

### Nomination Committee

During the year ended 31 December 2024, the Nomination Committee comprises an executive Director, Mr. Kwan Kah Yew and three independent non-executive Directors, Mr. Lee Shu Sum Sam (up to 15 July 2024), Mr. Kow Chee Seng, Mr. Chan Hoi Kuen Matthew and Ms. Tan Yee Vean (from 15 July 2024 onwards). As at 31 December 2024, the Nomination Committee is chaired by Ms. Tan Yee Vean.

The principal functions of the Nomination Committee are to determine the policy for the nomination of Directors, to review the structure of the Board, to assess the independence of the independent non-executive Directors and to make recommendations on relevant matters relating to the appointment or re-appointment of Directors.

During the year ended 31 December 2024, the Nomination Committee has (i) reviewed the structure of the Board, (ii) assessed the independence of the independent non-executive Directors and (iii) considered and recommended to the Board the appointment of Ms. Tan Yee Vean as an independent non-executive Director.

During the year ended 31 December 2024, one meeting was held by the Nomination Committee and one written resolutions of Nomination Committee was passed. The Nomination Committee will meet as and when required. The individual attendance of its members is as follows:

	Attendance Rate
Ms. Tan Yee Vean (appointed on 15 July 2024)	0/0
Mr. Kow Chee Seng	1/1
Mr. Chan Hoi Kuen Matthew	1/1
Mr. Kwan Kah Yew	1/1
Mr. Lee Shu Sum Sam (resigned on 15 July 2024)	1/1

## CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance matters of the Company. The Board has established its terms of reference, pursuant to which the duties of the Board include, inter alia, (i) to develop, review and implement the policies and practices of the Company on corporate governance; (ii) to review, monitor and implement the policies and practices of the Company on compliance with legal and regulatory requirements; (iii) to review, monitor and implement the training and continuous professional development of the Directors and senior management of the Group; (iv) to develop, review, monitor and implement the code of conduct and compliance manual (if any) applicable to Directors and employees; and (v) to review and implement the compliance with the CG Code and disclosure in the Corporate Governance Report.



# CORPORATE GOVERNANCE REPORT

## COMPANY SECRETARY

Mr. Siu Chun Pong Raymond is the company secretary of the Company. The biographical details of Mr. Siu is set out in the section headed “Directors and Management Profiles” of this report. Mr. Siu is not an employee of the Company.

The company secretary took no less than 15 hours of relevant professional training during the year ended 31 December 2024 as required by the Listing Rules.

Mr. Kwan Kah Yew, an executive Director and Mr. Chang Siau Voon, the Chief Financial Officer of the Group, are the primary contact persons of the Company with Mr. Siu.

## COMMITMENT TO TRANSPARENCY

The Board puts emphasis on creating and maintaining a high level of transparency through timely disclosure of relevant information on the Group’s business and activities to shareholders, investors, media and investment public through various channels including the Company’s annual general meeting, analysts’ briefings, press conferences following the announcements of interim and annual results, regular press releases, timely update of the Company’s website as well as the availability of designated investor relationship agent to handle enquiries. The executive Directors and senior management, who together oversee our business operations, are committed to responding to enquiries from regulators, shareholders, investors and business partners.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company regards high quality reporting and communication as an essential element in building successful relationships with its shareholders. The Company always seeks to provide relevant information to existing and potential investors, not only to comply with the various requirements in force but also to enhance transparency and communications with shareholders and the investing public. The Company is committed to ensuring that all shareholders and potential investors have equal opportunities to receive and obtain publicly available information that is released by the Group. Regular disclosures about important issues, including performance, fundamental business strategy, governance and risk management are disseminated through various channels such as:

- the Company’s annual general meeting
- analysts’ briefings and press conferences following the announcements of interim results and annual results
- timely updates of the Group’s information on the websites of the Company and the Stock Exchange
- meetings with shareholders and the investing public
- prompt press releases and announcements regarding major corporate actions and business initiatives

The Company maintains a website at <http://unitedteleservice.com> where the Company’s announcements, circulars, notices, financial reports, business developments, press releases and other information are posted. Shareholders are encouraged to access corporate communication from the Company through its website.

The Company has reviewed its communication policy and in light of the above measures, consider it to be effective.

# CORPORATE GOVERNANCE REPORT

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2024, there was no amendment to the Company's constitutional documents.

## SHAREHOLDERS' RIGHTS

### Convening extraordinary general meeting and putting forward proposals at Shareholders' meetings

Any one or more shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company secretary of the Company at Unit 1802, 18/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Enquiries to the Board

We always welcome Shareholders' view and input. Shareholders and other stakeholders may at any time raise their concerns to the company secretary, Mr. Siu Chun Pong Raymond, by mail, facsimile or email. The contact details are as follows:

Address: 23rd Floor, Plaza See Hoy Chan, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia

Facsimile no.: (603) 2031 9618

Email: info@unitedteleservice.com

# DIRECTORS' REPORT

The Directors are pleased to present the 2024 annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Group is principally engaged in provision of outbound telemarketing services of financial products, which include insurance products (conventional and takaful insurance products), promoting credit cards and balance transfer, and soliciting donation programmes for our clients in Malaysia. Our current clientele are mainly banks, insurance companies, takaful operators, and charitable organisations in Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are set out in note 38 to the consolidated financial statements.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Company identified and determined the major risks which may affect the operations results and financial conditions of the Group through risk management process, which include (1) the risk in securing sufficient labour and control staff costs and (2) the risk in delay in settlement of bills from the top five clients. For details, please refer to the section headed "Management Discussion and Analysis" on pages 4 to 12 of this report.

## BUSINESS REVIEW

For the review of the business of the Group, the details on principal risks and uncertainties, compliance with laws and regulations, environmental policies and performance, relationship with employees, clients and suppliers, please refer to the section headed "Management Discussion and Analysis" on pages 4 to 12 of this report.

## SHARE CAPITAL

Details of the movement in the share capital of the Company during the year ended 31 December 2024 are set out in note 30 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 39.

The Directors declared a first special dividend of HKD0.04 per share (equivalent to RM0.02452 per share) out of the share premium account of the Company on 27 May 2024, the same of which was approved by the Shareholders by way of ordinary resolutions at the annual general meeting of the Company held on 26 June 2024. The first special dividend was paid on 16 July 2024.

The Directors declared a second special dividend of HKD0.04 per share (equivalent to RM0.02363 per share) on 3 December 2024. The second special dividend was paid on 10 January 2025.

## DONATION

Charitable and other donations made by the Group during the year ended 31 December 2024 amounted to approximately RM8,000.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 97 to 98 of this annual report. This summary is for information only and does not form part of the audited consolidated financial statements.

# DIRECTORS' REPORT

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

## DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution to shareholders amounted to approximately RM34.5 million.

## DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this report were:

### Executive Directors

Mr. Ng Chee Wai

Mr. Lee Koon Yew

Mr. Kwan Kah Yew

### Independent Non-Executive Directors

Mr. Kow Chee Seng

Mr. Chan Hoi Kuen Matthew

Ms. Tan Yee Vean (appointed on 15 July 2024)

Mr. Lee Shu Sum Sam (resigned on 15 July 2024)

Ms. Tan Yee Vean has obtained the legal advice under Rule 3.09D of the Listing Rules on 10 July 2024.

Biographical details of the Directors are set out in the section headed "Directors and Management Profiles" on pages 13 to 16 of this report.

According to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Given the aforesaid, Ms. Tan Yee Vean will retire and, being eligible, will offer herself for re-election at the forthcoming annual general meeting.

According to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Given the aforesaid, Mr. Ng Chee Wai and Mr. Lee Koon Yew will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

## DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a contract of service which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

# DIRECTORS' REPORT

## DIRECTORS' INTEREST AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

### Long Positions in the shares of the Company (the "Shares")

Name of Director	Capacity	Number of Shares	Percentage of the issued share capital
Mr. Ng Chee Wai	Interest in controlled corporation (Note 1)	163,000,000	40.75%
Mr. Lee Koon Yew	Interest in controlled corporation (Note 2)	75,300,000	18.83%
Mr. Kwan Kah Yew	Interest in controlled corporation (Note 3)	61,700,000	15.43%

Notes:

1. The 163,000,000 Shares were held by Marketing Intellect (UTS) Limited, a company incorporated in the BVI and is wholly-owned by Mr. Ng Chee Wai. Mr. Ng is deemed to be interested in the Shares held by Marketing Intellect (UTS) Limited under the SFO.
2. The 75,300,000 Shares were held by Marketing Talent (UTS) Limited, a company incorporated in the BVI and is wholly-owned by Mr. Lee Koon Yew. Mr. Lee is deemed to be interested in the Shares held by Marketing Talent (UTS) Limited under the SFO.
3. The 61,700,000 Shares were held by Marketing Wisdom (UTS) Limited, a company incorporated in the BVI and is wholly-owned by Mr. Kwan Kah Yew. Mr. Kwan is deemed to be interested in the Shares held by Marketing Wisdom (UTS) Limited under the SFO.

Save as disclosed above, as at 31 December 2024, none of the Directors and the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

# DIRECTORS' REPORT

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2024, the persons or corporations other than Directors or chief executive of the Company, who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept under section 336 of the SFO, were as follows:

Name of Director	Capacity	Number of Shares	Percentage of the issued share capital
Marketing Intellect (UTS) Limited	Beneficial owner (Note 1)	163,000,000	40.75%
Ms. Cheong Wai Mun	Interest of spouse (Note 2)	163,000,000	40.75%
Marketing Talent (UTS) Limited	Beneficial owner (Note 3)	75,300,000	18.83%
Ms. Teh Swee Lee	Interest of spouse (Note 4)	75,300,000	18.83%
Marketing Wisdom (UTS) Limited	Beneficial owner (Note 5)	61,700,000	15.43%
Ms. Sun Bee Wah	Interest of spouse (Note 6)	61,700,000	15.43%

Notes:

1. Marketing Intellect (UTS) Limited is wholly-owned by Mr. Ng Chee Wai.
2. Ms. Cheong Wai Mun is the spouse of Mr. Ng Chee Wai.
3. Marketing Talent (UTS) Limited is wholly-owned by Mr. Lee Koon Yew.
4. Ms. Teh Swee Lee is the spouse of Mr. Lee Koon Yew.
5. Marketing Wisdom (UTS) Limited is wholly-owned by Mr. Kwan Kah Yew.
6. Ms. Sun Bee Wah is the spouse of Mr. Kwan Kah Yew.

Save as disclosed above, as at 31 December 2024, so far as is known to the Directors or chief executive of the Company, no other person (other than the Directors and chief executive of the Company) had any interest and short positions in the shares, underlying shares and debentures of the Company which were required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or required to be recorded in the register required under section 336 of the SFO as at the date of this report.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save and except for the Share Option Scheme (as defined below), at no time during the year was the Company, its controlling shareholders, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

## DIRECTORS' OR CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company or its subsidiaries was a party and in which a Director (or entity connected with a Director) or a controlling shareholder of the Company or a subsidiary of such controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

# DIRECTORS' REPORT

## DIRECTORS' PERMITTED INDEMNITY PROVISION

According to the Articles, the Directors for the time being shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices.

According to Article 164(1) of the Articles, the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses for acts done, concurred in or omitted in when discharging their duties in the affairs of the Company, other than any matter in respect of any fraud or dishonesty.

The Company has taken up appropriate insurance cover in respect of legal action against the Directors during the year ended 31 December 2024.

## EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme (as defined below), there was no equity-linked agreement entered into by the Company that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares during the Reporting Period or subsisted at the end of the Reporting Period.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on 14 June 2017 and the same became effective from 12 July 2017, the date on which the Shares were listed and commenced trading on the Stock Exchange. No option was granted, exercised, cancelled, forfeited or lapsed during the year ended 31 December 2024.

The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant options to the eligible participants as incentives or rewards for the contribution they had or may have made to the Group. The Share Option Scheme will provide the eligible participants the opportunity to have personal stake in the Company with the view to achieve the following objectives:

- (a) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

Eligible participants of the Share Option Scheme include (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; (iii) any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), contractors, suppliers, service providers, agents, customers and business partners of the Company or any of its subsidiaries; and (iv) any such other persons who in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries. Subject to the requirements under the Listing Rules relating to the grant of share options to the Directors, chief executive or substantial shareholders, unless approved by the shareholders at general meeting in the manner prescribed in the Listing Rules, the maximum entitlement of each eligible participant is that the total number of shares issued and to be issued upon exercise of the outstanding options granted and to be granted to such grantee (including both exercised, cancelled and outstanding options) under the Share Option Scheme and other scheme(s) of the Group in any 12-month period must not exceed 1% of the issued share capital of the Company as at the date of grant.

# DIRECTORS' REPORT

The total number of Shares available for issue under the Share Option Scheme is 40,000,000, representing 10% of the entire issued shares as at the date of this report. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. Unless otherwise determined by the Board, there is no vesting period stipulated under the Share Option Scheme. An offer of grant of an option shall remain open for acceptance by the Eligible Participants concerned by such period as determined by the Board, which period shall not be more than 14 days from the date of the offer. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for shares under the Share Option Scheme shall be at the absolute discretion of the Board, provided that it must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of offer; and (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets on the five business days immediately preceding the date of offer. The Share Option Scheme shall be valid for a period of 10 years commencing from 14 June 2017 and will expire on 13 June 2027.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code for dealings in securities transactions by the Directors. Specific enquiries have been made to all Directors and they have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2024.

## CORPORATE GOVERNANCE CODE

The Company is committed to maintaining good corporate governance standard and procedures with a view to enhance investor confidence and the Company's accountability and transparency.

For the year ended 31 December 2024, the Company has complied with the code provisions included in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules and there has been no deviation from the code provisions as set forth under the CG Code during the said period, save and except for code provision D.2.5 of the CG Code, details of which are set out in the paragraph headed "Risk Management, Internal Control and Their Effectiveness" of the section headed "Corporate Governance Report" in this annual report.

## AUDIT COMMITTEE

The Audit Committee of the Company was established on 14 June 2017 with written terms of reference in compliance with the Listing Rules. As at 31 December 2024, the committee comprises three independent non-executive Directors, namely Mr. Kow Chee Seng (Chairman of the Audit Committee), Mr. Chan Hoi Kuen Matthew and Ms. Tan Yee Vean.

The annual results of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee. The Audit Committee also reviewed together with the management the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2024.

## ADVANCES TO ENTITIES

The Company has made advances to Mightyprop Sdn. Bhd. and Arcadia Hospitality Sdn. Bhd. which require disclosure under Rule 13.20 of the Listing Rules. For details, please refer to the paragraph headed "Advances to Entities" under the section headed "Management Discussion and Analysis" of this annual report.



# DIRECTORS' REPORT

## DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

Save as disclosed elsewhere in this annual report, there is no transaction which falls within the disclosure requirements under Rules 13.18 and 13.21 of the Listing Rules.

## DEED OF NON-COMPETITION

Pursuant to a deed of non-competition dated 14 June 2017 (the "Deed of Non-Competition") executed by Mr. Ng Chee Wai and Marketing Intellect (UTS) Limited, the controlling shareholders of the Company (collectively referred to as the "Covenantors") in favour of the Company, the Covenantors have given certain undertakings that, inter alia, they will not engage in any business which is in competition of the Group (collectively, the "Undertakings").

The Covenantors have made an annual declaration confirming that they have fully complied with the Undertakings. The independent non-executive Directors have also reviewed as to whether the Covenantors have fully complied with the Undertakings during the year under review and they are satisfied that the Covenantors were in full compliance with the same.

## EMOLUMENT POLICY

The emolument policy for the employees of the Group is stipulated by the Directors on the basis of the employees' individual performance, qualifications and competence. The Company has also adopted the Share Option Scheme which aims to provide incentives to its employees when appropriate.

The emoluments of the Directors are determined by the Remuneration Committee of the Board, having regard to the Company's operating results, individual performance and market rates.

## RELATED PARTY TRANSACTIONS

Those related party transactions as disclosed in note 36 to the consolidated financial statements which involve directors of the Company and its subsidiaries constitute fully exempted connected transactions under Chapter 14A of the Listing Rules.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, the aggregate sales to the Group's five largest customers accounted for approximately 71% of the Group's total revenue and sales to the Group's largest customer was approximately 22.9% of the Group's total revenue.

During the year ended 31 December 2024, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 44% of the Group's total operating expenses, and the purchases attributable to the Group's largest supplier was approximately 20% of the Group's total operating expenses.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had interests in the Group's five largest customers or suppliers.

## MANAGEMENT CONTRACTS

Other than Directors' service contracts and professional retainer contracts, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

# DIRECTORS' REPORT

## TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the shares of the Company.

## SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on the information publicly available to the Company, there was sufficient public float as required by the Listing Rules throughout the year ended 31 December 2024.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the Cayman Companies Act which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## CHANGE OF PARTICULARS OF DIRECTORS

Mr. Lee Shu Sum Sam resigned as an independent non-executive Director on 15 July 2024.

Ms. Tan Yee Vean was appointed as an independent non-executive Director on 15 July 2024.

Save as disclosed above and in the section headed "Directors and Management Profiles", there are no changes of particulars of Directors during the year ended 31 December 2024 which requires disclosure in accordance with Rule 13.51B of the Listing Rules.

## AUDITORS

The consolidated financial statements for the year ended 31 December 2024 have been audited by RSM Hong Kong who will retire at the conclusion of the forthcoming annual general meeting and being eligible, offer themselves for re-appointment. A resolution to re-appoint RSM Hong Kong as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Ng Chee Wai**

*Chairman and Executive Director*

28 March 2025

# INDEPENDENT AUDITOR'S REPORT



## **TO THE SHAREHOLDERS OF UTS MARKETING SOLUTIONS HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### **OPINION**

We have audited the consolidated financial statements of UTS Marketing Solutions Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 39 to 96, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

### **BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified is impairment assessment of financial assets at amortised cost.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS *(continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment assessment of financial assets at amortised cost</b></p> <p>Refer to accounting policies note 4(v), note 5(c), note 6(b) and note 23 to the consolidated financial statements.</p> <p>As at 31 December 2024, the Group has loans and interest receivables with net carrying amount of approximately RM9,525,000. Reversal of impairment losses recognised in the consolidated statement of profit or loss and other comprehensive income for the year in respect of the Group's loans and interest receivables amounted to approximately RM155,000.</p> <p>The Group assessed the expected credit loss ("ECL") for each loan and interest receivable by applying the probability of default approach under Hong Kong Financial Reporting Standard 9 Financial Instruments ("HKFRS 9"), with the assistance of an independent valuer. The inherent risk in relation to the impairment assessment of financial assets at amortised cost is considered significant as significant accounting judgments, and estimates and assumptions which are subjective are required in determining the expected credit losses of loans and interest receivables.</p> <p>We identified the impairment assessment of financial assets at amortised cost as a key audit matter due to the magnitude of the balance involved and the significant accounting judgments and estimates required in assessing the loss allowance for impairment of loans and interest receivables.</p>	<p>Our audit procedures in relation to the impairment assessment of financial assets at amortised cost include the following:</p> <ul style="list-style-type: none"><li>• Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity.</li><li>• Understanding and evaluating key internal controls of the Group's impairment assessment of financial assets at amortised cost.</li><li>• Evaluating the outcome of prior period impairment assessment of financial assets at amortised cost to assess the effectiveness of the Group's estimation process.</li><li>• Obtaining an understanding from management of the approach applied to estimate ECLs on loans and interest receivables, including the determination of significant increase in credit risk and default.</li><li>• Assessing the reasonableness and appropriateness of the methodologies, parameters and assumptions adopted and the information used in the Group's impairment assessment of loans and interest receivables by checking to applicable external data sources, forward looking factor and other available information with the assistance of our external specialists.</li><li>• Testing the accuracy of key data sources and parameters applied in the ECL computations by checking to appropriate supporting information and the relevant loan agreements.</li><li>• Evaluating the objectivity, capabilities and competence of the external valuer engaged by the Group.</li><li>• Evaluating the adequacy of related disclosures on allowances for impairment of loan and interest receivables in the consolidated financial statements.</li></ul>

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

## RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirement of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee 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.

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is Yam Tak Fai, Ronald.

### **RSM Hong Kong**

*Certified Public Accountants*

28 March 2025  
29th Floor, Lee Garden Two,  
28 Yun Ping Road,  
Causeway Bay, Hong Kong

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>Revenue</b>	7	<b>93,064</b>	94,439
Other income	8	<b>2,456</b>	2,918
Other gains and losses	9	<b>(244)</b>	(2,510)
Staff costs		<b>(58,415)</b>	(63,364)
Depreciation		<b>(5,034)</b>	(4,858)
Other operating expenses	11	<b>(13,325)</b>	(11,051)
<b>Profit from operations</b>		<b>18,502</b>	15,574
Finance costs	12	<b>(318)</b>	(487)
<b>Profit before tax</b>		<b>18,184</b>	15,087
Income tax expenses	13	<b>(4,897)</b>	(4,782)
<b>Profit and total comprehensive income for the year</b>	14	<b>13,287</b>	10,305
<b>Earnings per share</b>			
Basic	17(a)	<b>RM3.32 cents</b>	RM2.58 cents
Diluted	17(b)	<b>N/A</b>	N/A



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	18	4,530	5,224
Right-of-use assets	19	4,962	6,934
Subleasing receivables	20	99	–
		<b>9,591</b>	12,158
<b>Current assets</b>			
Trade receivables	21	21,290	19,652
Subleasing receivables	20	228	99
Other receivables	22	3,100	3,108
Financial assets at amortised cost	23	9,525	18,930
Tax recoverable		632	707
Pledged bank deposits	24	4,853	4,141
Bank and cash balances	24	14,387	15,187
		<b>54,015</b>	61,824
<b>Current liabilities</b>			
Accruals and other payables	25	5,630	5,800
Lease liabilities	26	3,011	3,406
Borrowings	27	–	71
Dividend payables		9,451	12,000
Current tax liabilities		290	234
		<b>18,382</b>	21,511
<b>Net current assets</b>		<b>35,633</b>	40,313
<b>Total assets less current liabilities</b>		<b>45,224</b>	52,471

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>Non-current liabilities</b>			
Lease liabilities	26	2,098	3,373
Deferred tax liabilities	29	145	145
		<b>2,243</b>	3,518
<b>NET ASSETS</b>			
		<b>42,981</b>	48,953
<b>Capital and reserves</b>			
Share capital	30	2,199	2,199
Reserves		40,782	46,754
<b>TOTAL EQUITY</b>			
		<b>42,981</b>	48,953

Approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

**Ng Chee Wai**

**Lee Koon Yew**

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital RM'000	Share premium account RM'000	Merger reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2023	2,199	59,303	250	4,233	65,985
Total comprehensive income for the year	-	-	-	10,305	10,305
Dividend paid (note 16)	-	(15,337)	-	(12,000)	(27,337)
Changes in equity for the year	-	(15,337)	-	(1,695)	(17,032)
At 31 December 2023 and 1 January 2024	2,199	43,966	250	2,538	48,953
Total comprehensive income for the year	-	-	-	<b>13,287</b>	<b>13,287</b>
Dividend paid (note 16)	-	<b>(9,808)</b>	-	<b>(9,451)</b>	<b>(19,259)</b>
Changes in equity for the year	-	<b>(9,808)</b>	-	<b>3,836</b>	<b>(5,972)</b>
At 31 December 2024	<b>2,199</b>	<b>34,158</b>	<b>250</b>	<b>6,374</b>	<b>42,981</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>18,184</b>	15,087
Adjustments for:			
Depreciation of property, plant and equipment		<b>1,287</b>	1,181
Depreciation of right-of-use assets		<b>3,747</b>	3,677
Finance costs		<b>318</b>	487
Interest income on bank deposits		<b>(163)</b>	(129)
Interest income on financial assets at amortised cost		<b>(1,976)</b>	(2,503)
Finance income from subleasing receivables		<b>(13)</b>	(7)
Gain on disposal of property, plant and equipment		<b>(122)</b>	(4)
Loss on derecognised of right-of-use assets upon modification of subleasing receivables		<b>159</b>	–
Loss on modification of financial assets at amortised cost		<b>323</b>	168
Reversal of impairment losses on financial assets at amortised cost		<b>(155)</b>	(349)
Deposits paid for acquisition of properties written off		<b>–</b>	2,690
Other payables written back		<b>(55)</b>	(53)
Operating profit before working capital changes		<b>21,534</b>	20,245
Increase in trade receivables		<b>(1,638)</b>	(2,119)
Decrease in other receivables		<b>8</b>	382
(Decrease)/increase in accruals and other payables		<b>(115)</b>	256
Cash generated from operations		<b>19,789</b>	18,764
Interest on lease liabilities	34(b)	<b>(302)</b>	(359)
Interest paid		<b>(16)</b>	(128)
Income taxes paid		<b>(4,765)</b>	(3,948)
Net cash generated from operating activities		<b>14,706</b>	14,329

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in pledged bank deposits		(712)	(2,441)
Purchases of property, plant and equipment		(593)	(1,280)
Receipts of refund of deposits paid for acquisition of properties		–	11,405
Purchase of right-of-use assets		(52)	–
Receipt of subleasing receivables		240	288
Repayment of loan receivables		9,000	6,000
Interest received		2,374	2,804
Proceeds from disposal of property, plant and equipment		122	4
Net cash generated from investing activities		<b>10,379</b>	16,780
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal elements of lease payments	34(b)	(4,006)	(3,980)
Dividend paid		(21,808)	(15,337)
Net cash used in financing activities		<b>(25,814)</b>	(19,317)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(729)</b>	11,792
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>15,116</b>	3,324
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>14,387</b>	15,116
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		14,387	15,187
Bank overdrafts		–	(71)
		<b>14,387</b>	15,116

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 23 August 2016. The address of its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business registered in Hong Kong is at Unit 1802, 18/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong. The headquarters and principal place of business of the Group is at 23rd Floor, Plaza See Hoy Chan, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 38 to the consolidated financial statements.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS Accounting Standards") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Hong Kong Interpretation 5 ("HK Int 5") (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS *(continued)*

### (a) Application of new and revised HKFRS Accounting Standards *(continued)*

#### **Adoption of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)**

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

*“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.*

*Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”*

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### (b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. The Group has not early applied the following which may be relevant to the Group:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS *(continued)*

### (b) Revised HKFRS Accounting Standards in issue but not yet effective *(continued)*

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the new and amendments to HKFRS Accounting Standards mentioned below.

#### **HKFRS 18 “Presentation and Disclosure in Financial Statements”**

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

#### **Amendments to the Classification and Measurement of Financial Instruments — Amendments to HKFRS 9 and HKFRS 7**

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (a) Consolidation *(continued)*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

### (b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Malaysian Ringgit ("RM"), which is the Company's functional and presentation currency.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (c) Foreign currency translation *(continued)*

#### (ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

### (d) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purpose. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (d) Property, plant and equipment *(continued)*

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	10%
Computer and office equipment	10%–50%
Tele-communication equipment	20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### (e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and photocopier machines. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (e) Leases *(continued)*

#### (i) The Group as a lessee *(continued)*

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (e) Leases *(continued)*

#### (i) The Group as a lessee *(continued)*

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (e) Leases *(continued)*

#### (ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described in note 4(e)(i), then the Group classifies the sub-lease as an operating lease.

### (f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (f) Recognition and derecognition of financial instruments *(continued)*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments held by the Group are classified into the category of amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest ("SPPI"). Interest income from the investment is calculated using the effective interest method.

### (h) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

### (j) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### (k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

### (l) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9 and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (l) Financial guarantee contracts *(continued)*

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided by the parent company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### (m) Other payables

Other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (n) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### (o) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from telemarketing services is recognised as a performance obligation satisfied over time when the related services are rendered, generally based on the negotiated monthly services fees as set out in the service arrangement and the number of days worked during the period.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or fair value through other comprehensive income ("FVTOCI") (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (p) Employee benefits

#### (i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

#### (iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

### (q) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants. Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

### (r) Borrowing costs

The borrowing costs are recognised in profit or loss in the period in which they are incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (s) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### (t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **(t) Taxation** *(continued)*

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

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

### **(u) Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, subleasing receivables, trade and other receivables, pledged bank deposits and bank and cash balances. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and subleasing receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (v) Impairment of financial assets *(continued)*

#### Significant increase in credit risk *(continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (v) Impairment of financial assets *(continued)*

#### Significant increase in credit risk *(continued)*

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### (v) Impairment of financial assets *(continued)*

#### **Write-off policy**

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### **Measurement and recognition of ECL**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a subleasing receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the subleasing receivable in accordance with HKFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### **(w) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

### **(x) Events after the reporting period**

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### **(y) Dividend distribution**

Dividends are recognised as liabilities when they are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity). Typically, dividends are recognised as liabilities in the period in which their distribution is approved at the shareholders' annual general meeting. Interim dividends are recognised when paid.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 5. KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### Key sources of estimation uncertainty

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

#### (a) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2024 were RM4,530,000 (2023: RM5,224,000) and RM4,962,000 (2023: RM6,934,000) respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 5. KEY ESTIMATES *(continued)*

### **Key sources of estimation uncertainty** *(continued)*

#### **(b) Impairment of trade receivables**

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As at 31 December 2024, the carrying amount of trade receivables was approximately RM21,290,000 (net of allowance for doubtful debts of RM126,000) (2023: RM19,652,000 (net of allowance for doubtful debts of RM126,000)).

#### **(c) Impairment of financial assets at amortised cost**

The measurement of impairment loss on loan and interest receivables using the ECL model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposure at default and interest rate, adjustments for forward-looking information and other relevant adjustment factors. The management reviews the selection of those parameters and the application of the assumptions to reduce the risk of material misstatement.

As at 31 December 2024, the carrying amount of financial assets at amortised cost was approximately RM9,525,000 (less impairment loss of approximately RM34,000) (2023: RM18,930,000 (less impairment loss of approximately RM189,000)).

#### **(d) Determination of incremental borrowing rate for leases**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are principally denominated in currencies other than the functional currencies of the Group entities such as Hong Kong dollars ("HKD"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The directors of the Company consider that foreign currency exposure in respect of HKD for the years ended 31 December 2024 and 2023 are insignificant to the Group and therefore no sensitivity analysis is presented thereon.

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 51.1% (2023: 63.2%) of the total trade receivables was due from the Group's four (2023: four) largest customers.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT *(continued)*

### (b) Credit risk *(continued)*

#### Trade receivables *(continued)*

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The directors of the Company have considered the credit risk of trade receivables and note that there was no actual loss nor significant past due experience over the past 2 years, including periods of unfavourable economic conditions. The directors consider the aggregate risks arising from the possibility of credit loss on trade receivables are not significant. Except for a specific provision made against a trade receivable with gross carrying amount of approximately RM126,000 (2023: RM126,000) which was considered in default and the Group was unlikely to receive the outstanding contractual amount in full, no allowance for credit losses was made on a collective basis for trade receivables as at 31 December 2024 (2023: Nil).

#### Financial assets at amortised cost

At 31 December 2024, the Group had gross loan and interest receivables of approximately RM8,851,000 (2023: RM17,898,000) and RM708,000 (2023: RM1,221,000) respectively. Before entering into the loan agreements, the Group assesses the credit quality of borrowers and defines the terms of the loans. The Group has concentration of credit risk as the loans were made to one (2023: two) borrowers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue loans and interest receivables.

The Group estimates the ECL under HKFRS 9 ECL models. The Group assesses whether the credit risk of loan receivables have increased significantly since their initial recognition, and apply a three-stage impairment model to calculate their ECL, the management assesses impairment loss using the risk parameter modelling approach that incorporates key measurement parameters, including probability of default, loss given default and exposure at default, with the consideration of forward-looking information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT *(continued)*

### (b) Credit risk *(continued)*

#### Financial assets at amortised cost *(continued)*

Loan receivables are categorised into the following stages by the Group:

##### *Stage 1*

Loan receivables have not experienced a significant increase in credit risk since origination and impairment is recognised on the basis of 12 months ECL (12-month ECLs).

##### *Stage 2*

Loan receivables have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime ECL (Lifetime ECLs non credit-impaired).

##### *Stage 3*

Loan receivables that are in default and considered credit impaired (Lifetime ECLs credit impaired).

In assessing whether the credit risk of a loan receivables has increased significantly since initial recognition, the Group compares the risk of default occurring on the loan receivables assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in a loan receivable's external or internal credit rating (if available);
- existing or forecast change in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group; and
- the financial assets is past due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT *(continued)*

### (b) Credit risk *(continued)*

#### Financial assets at amortised cost *(continued)*

The management considers the credit risk on the loan receivables has not increased significant since initial recognition with reference to the counterparty historical and current financial position.

As at 31 December 2024, the provision of impairment of loan and interest receivables was RM34,000 (2023:RM189,000) based on the expected loss rates applied to different stages as follows:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024				
Loan and interest receivables	<b>9,559</b>	–	–	<b>9,559</b>
Provision of impairment losses	<b>(34)</b>	–	–	<b>(34)</b>
Expected loss rate	<b>0.36%</b>	–	–	<b>0.36%</b>
At 31 December 2023				
Loan and interest receivables	19,119	–	–	19,119
Provision of impairment losses	(189)	–	–	(189)
Expected loss rate	0.99%	–	–	0.99%

Except for the loan receivables, all of the Group's remaining financial assets measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Management considers "low credit risk" for financial assets measured at amortised cost when they have a low of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost includes subleasing receivables, other receivables and loan receivables.

Movement in the loss allowance for financial assets at amortised cost during the year is as follows:

	Subleasing receivables RM'000	Other receivables RM'000	Loan receivables (note 1) RM'000	Total RM'000
At 1 January 2023	–	–	538	538
Reversal of impairment losses recognised for the year	–	–	(349)	(349)
At 31 December 2023	–	–	<b>189</b>	<b>189</b>
Reversal of impairment losses recognised for the year	–	–	<b>(155)</b>	<b>(155)</b>
At 31 December 2024	–	–	<b>34</b>	<b>34</b>

Note 1: Decrease in expected credit loss as determined individually after considering the financial strength and the repayments received from the respective borrowers resulted in the reversal of loss allowance during the year ended 31 December 2024 and 2023.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT *(continued)*

### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	On demand or within 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>At 31 December 2024</b>					
Accruals and other payables	<b>5,630</b>	–	–	–	<b>5,630</b>
Lease liabilities	<b>3,182</b>	<b>932</b>	<b>1,069</b>	<b>277</b>	<b>5,460</b>
Dividend payable	<b>9,451</b>	–	–	–	<b>9,451</b>
<b>At 31 December 2023</b>					
Accruals and other payables	5,800	–	–	–	5,800
Lease liabilities	3,641	2,128	1,099	375	7,243
Borrowings	71	–	–	–	71
Dividend payable	12,000	–	–	–	12,000

### (d) Interest rate risk

The Group's pledged bank deposits and lease liabilities bear interest at fixed interest rates and therefore are subject to fair value interest rate risk.

The Group's exposure to cash flow interest rate risk arises from its bank deposits and borrowings. These deposits and borrowings bear interests at variable rates that vary with the then prevailing market condition.

The directors of the Company consider that interest rate exposure in respect of its bank deposits and borrowings for the years ended 31 December 2024 and 2023 are insignificant to the Group and therefore no sensitivity analysis is presented thereon.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. FINANCIAL RISK MANAGEMENT *(continued)*

### (e) Categories of financial instruments at 31 December 2024

	2024 RM'000	2023 RM'000
<b>Financial assets:</b>		
Financial assets measured at amortised cost	<b>52,566</b>	60,361
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	<b>15,081</b>	17,871

### (f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

## 7. REVENUE

An analysis of the Group's revenue from contracts with customers for the year from continuing operations is as follows:

	2024 RM'000	2023 RM'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
— Telemarketing services income	<b>93,064</b>	94,439

The Group derives revenue from the transfer of services over time in Malaysia for the years ended 31 December 2024 and 2023.

## 8. OTHER INCOME

	2024 RM'000	2023 RM'000
Interest income on:		
Bank deposits	<b>163</b>	129
Financial assets at amortised cost	<b>1,976</b>	2,503
Total interest income	<b>2,139</b>	2,632
Rental income	<b>186</b>	264
Finance income from subleasing receivables	<b>13</b>	7
Reimbursed telephone and internet expenses from customers	<b>118</b>	–
Others	<b>–</b>	15
	<b>2,456</b>	2,918

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 9. OTHER GAINS AND LOSSES

	2024 RM'000	2023 RM'000
Reversals of impairment losses on financial assets at amortised cost	155	349
Gain on disposal of property, plant and equipment	122	4
Loss on derecognised of right-of-use assets upon modification of subleasing receivables	(159)	–
Loss on modification of financial assets at amortised cost	(323)	(168)
Net foreign exchange losses	(94)	(58)
Deposits paid for acquisition of properties written off	–	(2,690)
Other payables written back	55	53
	<b>(244)</b>	<b>(2,510)</b>

## 10. SEGMENT INFORMATION

### Operating segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As the Group is principally engaged in the provision of telemarketing services in Malaysia, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of Hong Kong Financial Reporting Standard 8 "Operating Segments".

### Geographical information

All non-current assets and the Group's revenue from external customers during the year are located in Malaysia.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 10. SEGMENT INFORMATION *(continued)*

### Revenue from major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group for the year is as follows:

	2024 RM'000	2023 RM'000
Customer A	<b>21,316</b>	24,262
Customer B	<b>11,873</b>	12,323
Customer C	<b>17,659</b>	18,235
Customer D	<b>9,568</b>	9,938

## 11. OTHER OPERATING EXPENSES

	2024 RM'000	2023 RM'000
Auditor's remuneration	<b>466</b>	483
Campaign expenses	<b>3,262</b>	2,661
Consultancy expenses	<b>3,133</b>	1,163
Entertainment expenses	<b>529</b>	429
Legal and professional fees	<b>288</b>	415
Repair and maintenance expenses	<b>553</b>	500
Telephone and internet expenses	<b>–</b>	157
Training related expenses	<b>542</b>	692
Utilities expenses	<b>580</b>	671
Others	<b>3,972</b>	3,880
	<b>13,325</b>	11,051

## 12. FINANCE COSTS

	2024 RM'000	2023 RM'000
Bank overdraft interests	<b>16</b>	128
Interest expenses on lease liabilities (note 26)	<b>302</b>	359
	<b>318</b>	487

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 13. INCOME TAX EXPENSES

	2024 RM'000	2023 RM'000
Current tax — Malaysian Income Tax		
Provision for the year	<b>4,890</b>	4,928
Under/(Over)-provision in prior years	<b>7</b>	(146)
	<b>4,897</b>	4,782

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) on the estimated taxable profits for the year ended 31 December 2024.

No provision of profit tax in the Cayman Islands, the British Virgin Islands and Hong Kong is required as the Group has no assessable profit arising in or derived from these jurisdictions for the years ended 31 December 2024 and 2023.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expenses and the product of profit before tax multiplied by the weighted average tax rate is as follows:

	2024 RM'000	2023 RM'000
Profit before tax	<b>18,184</b>	15,087
Tax at the weighted average tax rate of 24.7% (2023: 24.9%)	<b>4,498</b>	3,753
Tax effect of income that are not taxable	<b>(158)</b>	(119)
Tax effect of expenses that are not deductible	<b>374</b>	1,119
Tax effect of temporary differences not recognised	<b>176</b>	175
Under/(over)-provision in prior years	<b>7</b>	(146)
Income tax expenses	<b>4,897</b>	4,782

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 14. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2024 RM'000	2023 RM'000
Auditor's remuneration		
— Audit services	408	424
— Non-audit services	58	59
	<b>466</b>	483
Depreciation on property, plant and equipment	<b>1,287</b>	1,181
Depreciation on right-of-use assets	<b>3,747</b>	3,677
Loss on modification of financial assets at amortised cost	<b>323</b>	168
Reversal of impairment losses on financial assets at amortised cost	<b>(155)</b>	(349)
Staff costs (including directors' emoluments) (note 1)		
— Salaries, bonuses and allowances	<b>51,162</b>	55,540
— Retirement benefit scheme contributions	<b>6,439</b>	6,947
— Social insurance contributions	<b>814</b>	877
	<b>58,415</b>	63,364

Note 1: For the year ended 31 December 2024, government grants amounted to approximately RM387,000 (2023: RM801,000) have been offset against staff costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 15. DIRECTORS' AND EMPLOYEE BENEFITS

### (a) Directors' emoluments

Pursuant to the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance, the emoluments of each director are as follows:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking						
	Fees	Salaries	Allowances	Discretionary bonuses	Retirement	Social	Total
					benefit scheme contributions	insurance contributions	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For the year ended 31 December 2024</b>							
<b>Executive Directors</b>							
Mr. Ng Chee Wai	-	1,056	106	-	201	1	1,364
Mr. Lee Koon Yew (Chief Executive Officer)	-	1,056	106	-	201	1	1,364
Mr. Kwan Kah Yew	-	1,056	106	-	201	1	1,364
	-	3,168	318	-	603	3	4,092
<b>Independent Non-Executive Directors</b>							
Mr. Kow Chee Seng	105	-	-	-	-	-	105
Mr. Chan Hoi Kuen Matthew	105	-	-	-	-	-	105
Ms. Tan Yee Vean (note i)	37	-	-	-	-	-	37
Mr. Lee Shu Sum Sam (note ii)	59	-	-	-	-	-	59
	306	-	-	-	-	-	306
<b>For the year ended 31 December 2023</b>							
<b>Executive Directors</b>							
Mr. Ng Chee Wai	-	1,056	105	-	201	1	1,363
Mr. Lee Koon Yew (Chief Executive Officer)	-	1,056	105	-	201	1	1,363
Mr. Kwan Kah Yew	-	1,056	105	-	201	1	1,363
	-	3,168	315	-	603	3	4,089
<b>Independent Non-Executive Directors</b>							
Mr. Kow Chee Seng	105	-	-	-	-	-	105
Mr. Chan Hoi Kuen Matthew	105	-	-	-	-	-	105
Mr. Lee Shu Sum Sam	105	-	-	-	-	-	105
	315	-	-	-	-	-	315

Neither the chief executive nor any of the directors waived any emoluments during the year (2023: Nil).

Notes: (i) Appointed on 15 July 2024

(ii) Resigned on 15 July 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 15. DIRECTORS' AND EMPLOYEE BENEFITS *(continued)*

### (b) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2023: three) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2023: two) individuals are set out below:

	2024 RM'000	2023 RM'000
Salaries and allowances	693	681
Discretionary bonuses	80	36
Retirement benefit scheme contributions	97	87
Social insurance contributions	2	2
	<b>872</b>	806

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
HK\$500,001 to HK\$1,000,000	2	2

No emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2023: Nil).

### (c) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 16. DIVIDENDS

	2024 RM'000	2023 RM'000
First special dividend of HK\$0.04 (equivalent to RM0.02452) (2023: HK\$0.065 (equivalent to RM0.0383)) per ordinary share paid	<b>9,808</b>	15,337
Second special dividend of HK\$0.04 (equivalent to RM0.02363) (2023: HK\$0.05 (equivalent to RM0.03)) per ordinary share	<b>9,451</b>	12,000
	<b>19,259</b>	27,337

The Board did not recommend payment of a final dividend for the years ended 31 December 2024 and 2023 respectively.

## 17. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	2024 RM'000	2023 RM'000
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share	<b>13,287</b>	10,305

	2024 '000	2023 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>400,000</b>	400,000

### (b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RM'000	Computer and office equipment RM'000	Tele-communication equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>					
As at 1 January 2023	4,480	12,656	2,041	–	19,177
Transfer from right-of-use assets	–	397	–	–	397
Additions	533	747	–	–	1,280
Disposals	–	(76)	–	–	(76)
As at 31 December 2023 and 1 January 2024	<b>5,013</b>	<b>13,724</b>	<b>2,041</b>	–	<b>20,778</b>
Transfer from right-of-use assets	–	–	–	<b>492</b>	<b>492</b>
Additions	<b>124</b>	<b>469</b>	–	–	<b>593</b>
Disposals	–	<b>(240)</b>	–	<b>(492)</b>	<b>(732)</b>
As at 31 December 2024	<b>5,137</b>	<b>13,953</b>	<b>2,041</b>	–	<b>21,131</b>
<b>Accumulated depreciation</b>					
As at 1 January 2023	1,948	10,234	2,029	–	14,211
Transfer from right-of-use assets	–	238	–	–	238
Charge for the year	377	798	6	–	1,181
Disposals	–	(76)	–	–	(76)
As at 31 December 2023 and 1 January 2024	<b>2,325</b>	<b>11,194</b>	<b>2,035</b>	–	<b>15,554</b>
Transfer from right-of-use assets	–	–	–	<b>492</b>	<b>492</b>
Charge for the year	<b>405</b>	<b>876</b>	<b>6</b>	–	<b>1,287</b>
Disposals	–	<b>(240)</b>	–	<b>(492)</b>	<b>(732)</b>
As at 31 December 2024	<b>2,730</b>	<b>11,830</b>	<b>2,041</b>	–	<b>16,601</b>
<b>Carrying amount</b>					
As at 31 December 2024	<b>2,407</b>	<b>2,123</b>	–	–	<b>4,530</b>
As at 31 December 2023	2,688	2,530	6	–	5,224

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 19. RIGHT-OF-USE ASSETS

	Leased properties RM'000	Leased motor vehicles RM'000	Leased office equipment RM'000	Total RM'000
At 1 January 2023	5,946	2,560	239	8,745
Additions	1,343	–	331	1,674
Lease modification	351	–	–	351
Transfer to property, plant and equipment	–	–	(159)	(159)
Depreciation	(3,163)	(361)	(153)	(3,677)
At 31 December 2023 and 1 January 2024	<b>4,477</b>	<b>2,199</b>	<b>258</b>	<b>6,934</b>
Additions	<b>1,226</b>	<b>549</b>	<b>–</b>	<b>1,775</b>
Depreciation	<b>(3,273)</b>	<b>(415)</b>	<b>(59)</b>	<b>(3,747)</b>
At 31 December 2024	<b>2,430</b>	<b>2,333</b>	<b>199</b>	<b>4,962</b>

Lease liabilities of approximately RM5,109,000 (2023: RM6,779,000) are recognised with related right-of-use assets of approximately RM4,962,000 (2023: RM6,934,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2024 RM'000	2023 RM'000
Depreciation expenses on right-of-use assets	<b>3,747</b>	3,677
Interest expense on lease liabilities (included in finance costs)	<b>302</b>	359
Expenses relating to short-term lease (included in other operating expenses)	<b>433</b>	925
Expenses relating to leases of low value assets (included in other operating expenses)	<b>162</b>	221

Details of total cash outflow for leases is set out in note 34(c).

For both years, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 3 years (2023: 2 to 3 years), but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 20. SUBLEASING RECEIVABLES

	2024 RM'000	2023 RM'000
Undiscounted lease payments analysed as:		
Recoverable after 12 months	<b>100</b>	–
Recoverable within 12 months	<b>240</b>	100
	<b>340</b>	100
Net investment in the subleasing receivables analysed as:		
Recoverable after 12 months	<b>99</b>	–
Recoverable within 12 months	<b>228</b>	99
	<b>327</b>	99

The Group entered into leasing arrangements as a lessor to sublease certain leased properties to its customer. The average term of finance leases entered are consistent with the lease term of the head leases (i.e. two years). Generally, these contracts do not include extension or early termination options.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 20. SUBLEASING RECEIVABLES *(continued)*

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Malaysian Ringgit ("RM").

Amounts receivable under finance leases:

	2024 RM'000	2023 RM'000
Within one year	240	100
In the second year	100	–
Undiscounted lease payments	340	100
Less: unearned finance income	(13)	(1)
Present value of minimum lease payments	<b>327</b>	99

The following table presents the amounts included in profit or loss:

	2024 RM'000	2023 RM'000
Loss on derecognised of right-of-use assets upon modification of subleasing receivables	159	–
Finance income from subleasing receivables	13	7

The average effective interest rate contracted is approximately 5.35% (2023: 2.90%) per annum.

## 21. TRADE RECEIVABLES

	2024 RM'000	2023 RM'000
Trade receivables	21,416	19,778
Allowance for doubtful debts	(126)	(126)
	<b>21,290</b>	19,652

The Group's trade receivables represent receivables from customers. The general credit term of trade receivables is 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 21. TRADE RECEIVABLES *(continued)*

The aging analysis of trade receivables, based on the invoice date and net of allowance, is as follows:

	2024 RM'000	2023 RM'000
0 to 30 days	<b>8,247</b>	8,310
31 to 60 days	<b>6,820</b>	8,372
61 to 90 days	<b>3,068</b>	1,140
91 to 120 days	<b>882</b>	1,568
121 to 180 days	<b>1,050</b>	262
Over 180 days	<b>1,223</b>	–
	<b>21,290</b>	19,652

The carrying amounts of the Group's trade receivables are denominated in RM.

## 22. OTHER RECEIVABLES

	2024 RM'000	2023 RM'000
Deposits	<b>2,087</b>	2,299
Prepayments	<b>916</b>	756
Others	<b>97</b>	53
	<b>3,100</b>	3,108

The carrying amounts of the Group's other receivables are denominated in the following currencies:

	2024 RM'000	2023 RM'000
RM	<b>2,914</b>	2,925
Hong Kong dollars	<b>122</b>	120
United States dollars	<b>64</b>	63
	<b>3,100</b>	3,108

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 23. FINANCIAL ASSETS AT AMORTISED COST

	2024 RM'000	2023 RM'000
Loan receivables	<b>8,851</b>	17,898
Interest receivables	<b>708</b>	1,221
	<b>9,559</b>	19,119
Less: Impairment loss	<b>(34)</b>	(189)
	<b>9,525</b>	18,930

The amounts represent loan advanced to independent third parties with aggregated principal values of RM9,000,000 (2023: RM18,000,000).

On 31 January 2019, UTSM entered into a shares sale agreement with Exsim Development Sdn. Bhd. ("Exsim") and Mightyprop Sdn. Bhd. ("Mightyprop") to acquire 2% of Mightyprop issued ordinary shares from Exsim with a purchase consideration of RM2. In addition, UTSM agreed to provide an advance of RM12,000,000 to Mightyprop. In July 2019, an agreement was entered by UTSM with Exsim and Mightyprop in which the proposed transfer of 2% shareholding in Mightyprop by Exsim to UTSM will not be proceeded due to non-fulfillment of certain conditions precedent. The advance is unsecured, bearing interest rate of 11% per annum and repayable on or before June 2023. In June 2023, the repayment date was further extended one year to July 2024 with the interest rate increased from 11% per annum to 12% per annum. In June 2024, the repayment dates were extended one year to 30 June 2025; and in September 2024, the repayment dates were further extended to 30 September 2025 with the interest rate remains unchanged. Exsim agreed to repay the advance in four equal instalments of RM3,000,000 each across four quarters, with the first payment payable on 30 December 2024 and the last payment payable on 30 September 2025. During the year ended 31 December 2024, the first instalments of RM3,000,000 has been settled.

On 23 April 2019, UTSM entered into shares subscription agreement with 2 individuals, Performance Consortium Sdn. Bhd. (collectively referred as "Arcadia's Shareholders") and Arcadia Hospitality Sdn. Bhd. ("Arcadia"). Pursuant to the agreement, UTSM agreed to subscribe equivalent to 10% of the enlarged issued share capital of Arcadia with a purchase consideration of RM120,000 from Arcadia's Shareholders. In addition, UTSM agreed to provide an advance of RM14,000,000 to Arcadia. The advance is unsecured, bearing interest rate of 11% per annum. The balance of RM8,000,000 was settled in prior years and the remaining outstanding balance of RM6,000,000 has been fully settled on 28 June 2024 in accordance with the repayment schedule.

Further details of the above transaction are set out in the Company's announcement dated 31 January 2019, 23 April 2019, 8 July 2019, 8 July 2020, 10 July 2020, 30 December 2020, 28 June 2021, 30 December 2021, 24 June 2022, 18 October 2022, 10 November 2022, 3 July 2023, 27 July 2023 and 3 July 2024 respectively.

The Group holds the loan receivables to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amounts outstanding. The Group applies expected credit loss model to measure the impairment of financial assets at amortised cost. Reversal of impairment losses of approximately RM155,000 (2023: RM349,000) was recognised for the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 24. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

	2024 RM'000	2023 RM'000
Pledged bank deposits	<b>4,853</b>	4,141
Bank and cash balances	<b>14,387</b>	15,187
	<b>19,240</b>	19,328

The carrying amounts of the Group's bank and cash balances are denominated in the following currencies:

	2024 RM'000	2023 RM'000
RM	<b>18,814</b>	18,945
Hong Kong dollars	<b>424</b>	381
United States dollars	<b>2</b>	2
	<b>19,240</b>	19,328

The Group's pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group as set out in note 28 to the consolidated financial statements. The deposits are subject to regulatory restrictions and are therefore not available for general use by the Group.

## 25. ACCRUALS AND OTHER PAYABLES

	2024 RM'000	2023 RM'000
Accruals	<b>1,337</b>	1,408
Commission payables	<b>1,410</b>	1,189
Salaries and welfare payables	<b>2,683</b>	2,992
Others	<b>200</b>	211
	<b>5,630</b>	5,800

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

	2024 RM'000	2023 RM'000
RM	<b>5,156</b>	5,358
Hong Kong dollars	<b>474</b>	442
	<b>5,630</b>	5,800



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 26. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	<b>3,182</b>	3,641	<b>3,011</b>	3,406
More than one year, but not exceeding two years	<b>932</b>	2,128	<b>859</b>	2,023
More than two years, but not more than five years	<b>1,069</b>	1,099	<b>971</b>	990
More than five years	<b>277</b>	375	<b>268</b>	360
	<b>5,460</b>	7,243	<b>5,109</b>	6,779
Less: Future finance charges	<b>(351)</b>	(464)	<b>N/A</b>	N/A
Present value of lease obligations	<b>5,109</b>	6,779	<b>5,109</b>	6,779
Less: Amount due for settlement within 12 months (shown under current liabilities)			<b>(3,011)</b>	(3,406)
Amount due for settlement after 12 months			<b>2,098</b>	3,373

The weighted average incremental borrowing rate applied to lease liabilities as at 31 December 2024 was 4.81% (2023: 4.35%).

All lease liabilities are denominated in RM.

## 27. BORROWINGS

	2024 RM'000	2023 RM'000
Bank overdrafts, secured and repayable on demand	–	71

The carrying amounts of the Group's borrowings are denominated in RM.

At 31 December 2023, the Group's average interest rates for the bank overdrafts is 8.54%.

The Group's bank overdrafts are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

As at 31 December 2023, the Group's bank overdrafts are secured by the pledged bank deposits and the corporate guarantees provided by the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 28. BANKING FACILITIES

At 31 December 2024, the Group has available and unutilised facilities from banks amounting to RM16,100,000 (2023: RM16,100,000). These facilities are secured by:

- (a) the Group's pledged bank deposits of approximately RM4,853,000 (2023: RM4,141,000); and
- (b) corporate guarantees provided by the Company.

## 29. DEFERRED TAX

The following are the deferred tax liabilities and assets recognised by the Group:

	Accelerated tax depreciation RM'000	Provision for expected credit losses RM'000	Right-of-use assets RM'000	Subleasing receivables RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2023,						
31 December 2023,						
1 January 2024 and						
31 December 2024	<b>207</b>	<b>(30)</b>	<b>969</b>	<b>(16)</b>	<b>(985)</b>	<b>145</b>

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2024 RM'000	2023 RM'000
Deferred tax liabilities	<b>1,176</b>	1,176
Deferred tax assets	<b>(1,031)</b>	(1,031)
	<b>145</b>	145

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 30. SHARE CAPITAL

	Number of shares	Amount HK\$'000
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### Authorised:

Ordinary shares of HK\$0.01 each

At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	10,000,000,000	100,000
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	Number of shares	Amount HK\$'000	Equivalents to amount RM'000
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### Issued and fully paid:

Ordinary shares of HK\$0.01 each

At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	400,000,000	4,000	2,199
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The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2024 is 32% (2023: 34%).

The externally imposed capital requirement for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float at least 25% of the issued shares; and (ii) to meet financial covenants attached to the banking facilities.

The Group receives a report from the share registrars regularly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2024, 25% (2023: 25%) of the shares were in public hands.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 31. SHARE-BASED PAYMENT TRANSACTIONS

The Group conditionally adopted a share option scheme on 14 June 2017 ("Share Option Scheme"). The purpose of Share Option Scheme is to provide any directors and full-time or part-time employees, executive, consultants or any members of the Group who have contributed or will contribute to the Group ("Eligible Participants") with the opportunity to acquire proprietary interests in the Company and to motivate Eligible Participants to optimise their performance efficiency and to maintain business relationship with the Eligible Participants for the benefits of the Group.

Pursuant to the Share Option Scheme, the directors of the Company may invite Eligible Participants to take up options at a price determined by the board of directors provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue unless the Company obtains a fresh approval from the shareholders to refresh the limit.

The maximum entitlement for any one Eligible Participant is that the total number of the shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each Eligible Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue unless otherwise approved by the shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which would be determined and notified by the board of directors to the grantee at the time of making an offer.

During the year ended 31 December 2024, no share options have been granted by the Group under the Share Option Scheme (2023: Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 32. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

### (a) Statement of financial position of the Company

	Note	2024 RM'000	2023 RM'000
<b>Non-current assets</b>			
Investment in a subsidiary		250	250
<b>Current assets</b>			
Other receivables		168	165
Due from subsidiaries		45,988	58,578
Bank and cash balances		423	379
		<b>46,579</b>	59,122
<b>Current liabilities</b>			
Accruals and other payables		475	442
Dividend payables		9,451	12,000
		<b>9,926</b>	12,442
<b>Net current assets</b>		<b>36,653</b>	46,680
<b>NET ASSETS</b>		<b>36,903</b>	46,930
<b>Capital and reserves</b>			
Share capital		2,199	2,199
Reserves	32(b)	34,704	44,731
<b>TOTAL EQUITY</b>		<b>36,903</b>	46,930

Approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Ng Chee Wai

Lee Koon Yew

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 32. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(continued)

### (b) Reserve movement of the Company

	Share premium account RM'000	Merger reserve RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2023	59,303	250	559	60,112
Profit for the year	–	–	11,956	11,956
Dividend paid	(15,337)	–	(12,000)	(27,337)
At 31 December 2023 and 1 January 2024	<b>43,966</b>	<b>250</b>	<b>515</b>	<b>44,731</b>
Profit for the year	–	–	<b>9,232</b>	<b>9,232</b>
Dividend paid	<b>(9,808)</b>	–	<b>(9,451)</b>	<b>(19,259)</b>
At 31 December 2024	<b>34,158</b>	<b>250</b>	<b>296</b>	<b>34,704</b>

## 33. RESERVES

### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

### (b) Nature and purpose of reserves

#### (i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of shares.

#### (ii) Merger reserve

The merger reserve of the Company represents the difference between the cost of investment in a subsidiary pursuant to the Reorganisation over the nominal value of the share capital of the Company issued in exchange therefor.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

Additions to right-of-use assets during the year of HK\$1,775,000 (2023: HK\$1,674,000) were financed by leases liabilities.

### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2024 RM'000	Recognition of lease liabilities RM'000	Lease modification RM'000	Cash flows RM'000	Interest expenses RM'000	31 December 2024 RM'000
Lease liabilities (note 26)	6,779	1,726	610	(4,308)	302	5,109
Borrowings	71	-	-	(71)	-	-
	<b>6,850</b>	<b>1,726</b>	<b>610</b>	<b>(4,379)</b>	<b>302</b>	<b>5,109</b>

	1 January 2023 RM'000	Recognition of lease liabilities RM'000	Lease modification RM'000	Cash flows RM'000	Interest expenses RM'000	31 December 2023 RM'000
Lease liabilities (note 26)	8,735	1,674	350	(4,339)	359	6,779
Borrowings	4,933	-	-	(4,990)	128	71
	13,668	1,674	350	(9,329)	487	6,850

### (c) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

	2024 RM'000	2023 RM'000
Within operating cash flows	897	1,505
Within financing cash flows	4,006	3,980
	<b>4,903</b>	5,485

These amounts relate to the following:

	2024 RM'000	2023 RM'000
Lease rental paid	4,903	5,485

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 35. OPERATING LEASE ARRANGEMENTS

### The Group as lessee

The Group entered into a short-term lease for office premises in Malaysia. As at 31 December 2024 and 2023, the portfolio of short-term lease is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 19.

## 36. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	2024 RM'000	2023 RM'000
Short term employee benefits	7,263	7,326
Retirement benefit scheme contributions	1,009	1,019
Social insurance contributions	18	18
Total compensation paid to key management personnel	8,290	8,363

## 37. RETIREMENT BENEFIT SCHEME

The employees of the Group are required by the law to make contributions to the Employees Provident Fund, a post-employment plan. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group's contributions under the scheme for the year ended 31 December 2024 amounted to approximately RM6,439,000 (2023: RM6,947,000).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 38. SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration and operations	Particular of issued share capital	Percentage of ownership interest/voting power/ profit sharing		Principal activities
			Direct	Indirect	
UTS Marketing Solutions (BVI) Limited	British Virgin Islands	US\$200	100%	–	Investment holding
UTS Marketing Solutions Sdn. Bhd.	Malaysia	RM250,000	–	100%	Provision of outbound marketing services of financial products and its related activities issued by authorised financial institutions, cards companies or organisation worldwide
Tele Response Sdn. Bhd.	Malaysia	RM252,000	–	100%	Provision of workstations and its related services for promotion of financial products and its related activities issued by authorised financial institutions, cards companies or organisation worldwide

# FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2024

A summary of the results and the assets and liabilities of the Group for the last five financial years are as follows:

Results	Year ended 31 December				
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	<b>93,064</b>	94,439	87,049	91,697	83,904
Other income	<b>2,456</b>	2,918	3,034	4,064	3,655
Other gains and losses	<b>(244)</b>	(2,510)	581	(419)	(263)
Staff costs	<b>(58,415)</b>	(63,364)	(59,317)	(52,657)	(56,464)
Depreciation	<b>(5,034)</b>	(4,858)	(4,326)	(3,738)	(2,986)
Other operating expenses	<b>(13,325)</b>	(11,051)	(12,607)	(12,507)	(9,907)
<b>Profit from operations</b>	<b>18,502</b>	15,574	14,414	26,440	17,939
Finance costs	<b>(318)</b>	(487)	(249)	(639)	(513)
<b>Profit before tax</b>	<b>18,184</b>	15,087	14,165	25,801	17,426
Income tax expenses	<b>(4,897)</b>	(4,782)	(4,024)	(6,645)	(1,352)
<b>Profit and total comprehensive income for the year</b>	<b>13,287</b>	10,305	10,141	19,156	16,074
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the Company	<b>13,287</b>	10,305	10,141	19,156	16,074
Non-controlling interests	<b>–</b>	–	–	–	–
	<b>13,287</b>	10,305	10,141	19,156	16,074
Assets and liabilities	As at 31 December				
	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Non-current assets	<b>9,591</b>	12,158	27,906	20,407	21,490
Current assets	<b>54,015</b>	61,824	57,509	69,933	68,300
Non-current liabilities	<b>(2,243)</b>	(3,518)	(5,604)	(872)	(2,158)
Current liabilities	<b>(18,382)</b>	(21,511)	(13,826)	(11,424)	(7,384)
<b>Net assets</b>	<b>42,981</b>	48,953	65,985	78,044	80,248
<b>Equity attributable to:</b>					
Owners of the Company	<b>42,981</b>	48,953	65,985	78,044	80,248
Non-controlling interests	<b>–</b>	–	–	–	–
	<b>42,981</b>	48,953	65,985	78,044	80,248

# FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2024

	Year ended 31 December				
	2024	2023	2022	2021	2020
Assets and liabilities	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Profitability ratios</b>					
Return on equity (%)	<b>30.9</b>	21.1	15.4	24.5	20.0
Return on total assets (%)	<b>20.9</b>	13.9	11.9	21.2	17.9
Net profit margin (%)	<b>14.3</b>	10.9	11.6	20.9	19.2
	As at 31 December				
	2024	2023	2022	2021	2020
Current ratio	<b>2.9</b>	2.9	4.2	6.1	9.2
Gearing ratio (%)	<b>11.9</b>	14.0	20.7	5.0	6.0
Lease liabilities	<b>5,109</b>	6,779	8,735	3,909	4,817
Bank overdrafts/borrowing	<b>-</b>	71	4,933	-	-
Total debt	<b>5,109</b>	6,850	13,668	3,909	4,817