



PIMPINAN EHSAN BERHAD

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ANNUAL REPORT | 2018

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FINANCIAL HIGHLIGHTS

Key Results	Audited financial period from 28.06.2016 to 31.12.2016 RM	Audited financial year ended 31.12.2017 RM	Audited financial year ended 31.12.2018 RM
Revenue	-	-	-
Other Income	15,538	487,110	140,341,614
Profit Before Tax	2,962	472,656	138,304,137
(Loss)/Profit After Tax	(767)	406,064	137,843,261
Share Capital	2	2	69,125,087
Shareholders' Fund	(765)	396,373	72,570,799
Net (Liabilities)/Assets Per Share	(382.50)	198,186.50	1.05
Total Borrowings	-	-	-
Gearing Ratio	-	-	-
Earnings Per Share (sen):			
- Basic	N/A	N/A	299.53
- Diluted	N/A	N/A	299.53
Cash and Cash Equivalents	21,015,971	19,812,529	72,315,258

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

YBhg Tan Sri Rozali Bin Ismail

Executive Director

Hajah Shamshiah Binti Hashim @ Abu Bakar

Independent Non-Executive Directors

Haji Ibrahim Bin Topaiwah

Encik Jumsi Bin Batri

Encik Hariz Shukri Bin Husin

Encik Mohammad Emir Bin Taufiq Ahmad

@ Ahmad Mustapha

Alternate Director to YBhg Tan Sri Rozali Bin Ismail

Puan Nur Dayana Binti Tan Sri Rozali

AUDIT AND RISK MANAGEMENT COMMITTEE

Haji Ibrahim Bin Topaiwah	<i>Chairman</i>
Encik Hariz Shukri Bin Husin	<i>Member</i>
Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	<i>Member</i>

NOMINATING COMMITTEE

Encik Jumsi Bin Batri	<i>Chairman</i>
Haji Ibrahim Bin Topaiwah	<i>Member</i>
Encik Hariz Shukri Bin Husin	<i>Member</i>

REMUNERATION COMMITTEE

Haji Ibrahim Bin Topaiwah	<i>Chairman</i>
Encik Jumsi Bin Batri	<i>Member</i>
Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	<i>Member</i>

COMPANY SECRETARIES

Wong Wai Foong (MAICSA 7001358)
Tan Bee Hwee (MAICSA 7021024)

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

AUDITORS

BDO PLT (LLP0018825-LCA & AF0206)
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 03-2616 2888
Fax : 03-2616 3190/3191

REGISTERED OFFICE

Tricor Corporate Services Sdn. Bhd.
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9191
Fax : 03-2783 9111

PRINCIPAL PLACE OF BUSINESS

Unit B-2-8, TTDI Plaza
Jalan Wan Kadir 3
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 03-7725 1417/23
Fax : 03-7725 2791
Email : info.pebhd@gmail.com

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Sector : Construction
Stock short name : PEB
Stock Code : 5622
Date of Listing : 3 May 2018

WEBSITE

www.pebhd.com.my.

PROFILE OF DIRECTORS



YBHG TAN SRI ROZALI BIN ISMAIL

Executive Chairman

Nationality/ Age/ Gender : Malaysian/ 62 years old/ Male
Date of Appointment : 30 March 2018
Board Committee : NIL

Academic/ Professional Qualification :
 Bachelor of Laws Degree, University of Malaya (1981)

Present Directorship (Public Companies/ Listed Companies) :

- Puncak Niaga Holdings Berhad
- Gabungan Wawasan Generasi Felda Berhad

Awards and Recognitions :

- the Asia Water Management Excellence Award 2002 – Individual Award Category, an award at Asian level, by the Regional Institute of Environmental Technology on 26 March 2002;
- the International Distinguished Entrepreneur of the Year for the Asia Pacific International Brand Summit (Malaysia) 2011 by the Asia Entrepreneur Alliance;
- the “Munisaraphoin Medal” by the Prime Minister of Cambodia, H.E Hun Sen. on 27 March 2015;
- the Outstanding Leaders in Asia at the Asia Corporate Excellence & Sustainability Award 2016 by MORS Group on 17 November 2016; and
- the World Leader Businessperson by World Confederation of Businesses at The Bizz 2016 and The Bizz 2017.

Working Experience :

YBhg Tan Sri Rozali began his career as Legal Advisor with the Urban Development Authority (UDA) before joining Bank Islam (M) Berhad in 1983 to 1987. Together with a few pioneer bank staff, he conceptualised the first institution of Islamic banking in Malaysia.

Subsequently, in 1987, he started his own legal practice as an Advocate and Solicitor for seven (7) years, specialising in corporate, property and banking works.

In 1989, YBhg Tan Sri Rozali set up a family-owned company and embarked into the property development sector, with involvement in several development projects in the Klang Valley, Kuantan and Johor. Under the banner of Puncak Alam Housing Sdn. Bhd., he developed a new township known as Bandar Baru Puncak Alam.

The family-owned company also ventured into the utility business in 1989 with the setting up of Puncak Niaga Sdn. Bhd. (“PNSB”). Due to his vast experience in various fields, he was entrusted by the Selangor State Government, via PNSB, to manage the water treatment plants for the whole State of Selangor Darul Ehsan and the Federal Territory of Kuala Lumpur. Puncak Niaga Holdings Berhad was subsequently incorporated in January 1997 as the holding company of PNSB and was listed on the Main Board of Bursa Malaysia Securities Berhad (now known as the Main Market of Bursa Malaysia Securities Berhad) on 8 July 1997.

He is currently the Executive Chairman of Puncak Niaga Holdings Berhad and also the major shareholder in Puncak Niaga Holdings Berhad by virtue of his direct and indirect shareholdings via Corporate Line (M) Sdn. Bhd. and Central Plus (M) Sdn. Bhd.

Notes:

- YBhg Tan Sri Rozali attended two (2) out of three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- YBhg Tan Sri Rozali is the spouse to Puan Sri Faridah Binti Idris (a substantial shareholder of Pimpinan Ehsan Berhad) and the father to Puan Nur Dayana Binti Tan Sri Rozali (his Alternate Director). He does not have any conflict of interest with the Company.
- He has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

PROFILE OF DIRECTORS (CONT'D)



HAJAH SHAMSHIAH BINTI HASHIM @ ABU BAKAR

Executive Director

Nationality/ Age/ Gender : Malaysian/ 50 years old/ Female
Date of Appointment : 18 July 2016
Board Committee : NIL

Academic/ Professional Qualification :

Bachelor of Arts in Accounting and Finance (Hons), Manchester Polytechnic (now known as Manchester Metropolitan University, United Kingdom) (1992)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

Hajah Shamshiah has a total working experience of 26 years in construction related industries.

She had worked with a few construction companies before joining WWE Holdings Berhad in 1996 where her last post was Assistant General Manager of the Finance and Accounts Department.

In March 2012, she left WWE Holdings Bhd and joined TRIpIc Berhad as General Manager of Corporate Finance and Accounts in April 2012. She was then promoted to Executive Director, Finance in February 2016 and later being transferred under employment of Pimpinan Ehsan Berhad effective from 16 May 2018.

Notes:

- Hajah Shamshiah attended all three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- She has no family relationship with any Director and/or major shareholder of Pimpinan Ehsan Berhad; does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.



ENCIK JUMSI BIN BATRI

Independent Non-Executive Director

Nationality/ Age/ Gender : Malaysian/ 62 years old/ Male
Date of Appointment : 30 March 2018
Board Committee :
 • Chairman of Nominating Committee
 • Member of Remuneration Committee

Academic/ Professional Qualification :

Bachelor of Business Administration (Hons) majoring in marketing and finance, University Kebangsaan Malaysia (1982)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

Encik Jumsi has 14 years of working experience in the area of finance involving credit management and marketing during his tenure with Malayan Banking Berhad before he resigned in 1996 to become a dealer representative with TA Securities Bhd.

From 2002 to 2013, he joined CIMB Wealth Advisors Bhd and became a licensed person dealing in unit trust.

Before joining Pimpinan Ehsan Berhad, Encik Jumsi was a Senior Independent Non-Executive Director at TRIpIc Berhad since November 2007. He is currently a representative of Kuber Venture Bhd, a public investment company investing in business opportunities across many industries, principally in telecommunications, manufacturing and fabrication.

Notes:

- Encik Jumsi attended all three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- He has no family relationship with any Director and/or major shareholder of Pimpinan Ehsan Berhad; does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

PROFILE OF DIRECTORS (CONT'D)



HAJI IBRAHIM BIN TOPAIWAH

Independent Non-Executive Director

Nationality/ Age/ Gender : Malaysian/ 60 years old/ Male
Date of Appointment : 30 March 2018
Board Committee :
 • Chairman of Audit and Risk Management Committee
 • Chairman of Remuneration Committee
 • Member of Nominating Committee

Academic/ Professional Qualification :
 Bachelor of Accounting (Hons), University Kebangsaan Malaysia (1984)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

Haji Ibrahim has vast experience in accounting, auditing and finance. He was with ICI Berhad for two (2) years from 1984 to 1986 as an Accountant, with Bank Negara Malaysia for 11 years from 1986 to 1997 as Examiner with last position held as Senior Grade Manager. His role in Bank Negara Malaysia involved executing routine audits on various financial institutions as well as their branches overseas.

During his tenure there, he attended several special banking courses locally and overseas held by Federal Reserve Bank of New York, The Central Bank of Pakistan and The Central

Bank of Korea amongst others. He subsequently joined PSC Industries Berhad Group, now known as Boustead Heavy Industry Corporation Berhad in 1997 for eight (8) years as Group Chief Internal Auditor. Over the years, he rose up to the rank of Director of Finance before he resigned in 2005 to start his own business.

Previously, Haji Ibrahim was the Independent Non-Executive Director of TRIpIc Berhad since March 2010 and is currently a Director of Galeri Teknik Niaga Sdn. Bhd. which deals in organic fertilisers.

Notes:

- Haji Ibrahim attended two (2) out of three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- He has no family relationship with any Director and/or major shareholder of Pimpinan Ehsan Berhad; does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.



ENCIK HARIZ SHUKRI BIN HUSIN

Independent Non-Executive Director

Nationality/ Age/ Gender : Malaysian/ 33 years old/ Male
Date of Appointment : 30 March 2018
Board Committee :
 • Member of Audit and Risk Management Committee
 • Member of Nominating Committee

Academic/ Professional Qualification :
 • Master of International Economics and Finance, University of Queensland, Australia (2011)
 • Bachelor of Arts in Business Management (Hons), Northumbria University, United Kingdom (2008)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

Encik Hariz Shukri began his career as a project management officer in Khazanah Nasional Berhad, the sovereign wealth fund of the Malaysia Government from February 2009 to February 2010. He later pursued his post-graduate studies in Master of International Economics and Finance from University of Queensland, Australia from 2010 to 2011 and joined Securities Commission upon his return to Kuala Lumpur in April 2012, where he was exposed to several portfolios such as human capital management, regulations, audit and supervision until February 2014.

In 17 February 2014, he joined Performance Management and Delivery Unit (PEMANDU) under the Prime Minister's Department, Malaysia as a consultant under the National Key Economic Areas (NKEA) in areas of Agriculture, Healthcare and Human Capital Development. He is currently serving in this organisation (now known as PEMANDU Associates Sdn. Bhd.) and is serving as a management consultant for clients both local and overseas as at the date of this report.

Notes:

- Encik Hariz Shukri attended all three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- He has no family relationship with any Director and/or major shareholder of Pimpinan Ehsan Berhad; does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

PROFILE OF DIRECTORS (CONT'D)



ENCIK MOHAMMAD EMIR BIN TAUFIQ AHMAD @ AHMAD MUSTAPHA **Independent Non-Executive Director**

Nationality/ Age/ Gender : Malaysian/ 33 years old/ Male
Date of Appointment : 30 March 2018
Board Committee : • Member of Audit and Risk Management Committee
 • Member of Remuneration Committee

Academic/ Professional Qualification :
 Bachelor of Science in Information Management, University College London (2009)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

Encik Mohammad Emir began his career in May 2010 in KPMG as an auditor. He was involved in the audit of several multinational and public listed companies. In July 2012, he served in the management consulting department of KPMG and was involved in the implementation of Information Architecture in the Economic Planning Unit of Malaysia until January 2013.

Subsequently, he joined Prolexus Berhad in February 2013 as an Assistant Manager of business development. During his time in Prolexus Berhad, he also served as the Special Officer to the Executive Chairman of Prolexus Berhad. In December 2014, he

resigned from Prolexus Berhad and joined UHY Advisory (KL) Sdn. Bhd. as a consultant in the corporate recovery division until March 2016.

Encik Mohammed Emir was later attached with Deloitte as a Senior Associate in Financial Advisory Services in June 2016 until September 2017. He was mainly involved in mergers and acquisitions as well as valuation services industries.

Currently, he is a director of Metro Capital Asset Management Sdn. Bhd., managing investment portfolio of the company.

Notes:

- Encik Mohammad Emir attended all three (3) Board Meetings of the Company held during the financial year ended 31 December 2018.
- He has no family relationship with any Director and/or major shareholder of Pimpinan Ehsan Berhad; does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.



PUAN NUR DAYANA BINTI TAN SRI ROZALI **Alternate Director to YBhg Tan Sri Rozali Bin Ismail**

Nationality/ Age/ Gender : Malaysian/ 34 years old/ Female
Date of Appointment : 9 November 2018
Board Committee : NIL

Academic/ Professional Qualification :
 Bachelor of Arts (BA) in Communication & Cultural Studies, Murdoch University, Australia (2013)

Present Directorship (Public Companies/ Listed Companies) : NIL

Working Experience :

In November 2011, Puan Nur Dayana joined Central Plus (M) Sdn. Bhd. and Corporate Line (M) Sdn. Bhd. as a Director to gain exposure and experience in the area of human resources and administration, finance and accounts and operations in both companies.

Notes:

- Puan Nur Dayana has not attended any meeting on behalf of YBhg Tan Sri Rozali Bin Ismail during the financial year ended 31 December 2018.
- She is the eldest daughter of YBhg Tan Sri Rozali Bin Ismail (the Executive Chairman and a substantial shareholder of Pimpinan Ehsan Berhad) and Puan Sri Faridah Binti Idris (a substantial shareholder of Pimpinan Ehsan Berhad). She does not have any conflict of interest with the Company and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

The Board has not appointed any key senior management for the financial year ended 31 December 2018.

CHAIRMAN'S STATEMENT

It is my pleasure, on behalf of the Board of Directors ("Board") of Pimpinan Ehsan Berhad ("the Company"), to present this Annual Report incorporating the financial statements of the Company for the financial year ended 31 December 2018.

The financial year under review was an extraordinary year for the Company, where we witnessed the completion of the internal reorganisation and also the disposal of our principal subsidiary, TRIplc Berhad ("TRIplc") to Puncak Niaga Holdings Berhad ("Puncak Niaga").

The rationale for the establishment of the Company was to assume the listing status in place of TRIplc, and enabling the existing shareholders of TRIplc to participate in the equity and future growth of the Company.

The Board believes that this deal was timely and has provided a new opportunity for the Company and its shareholders' investments. Having successfully disposed of TRIplc, the Company recorded a profit before tax of RM138.30 million for the financial year under review, driven largely by the RM138.17 million gain on disposal of TRIplc.

OVERVIEW OF THE DISPOSAL OF TRIplc

On 16 December 2016, the Company entered into an Internal Restructuring Agreement with TRIplc and a conditional Share Sale Agreement ("SSA") with Puncak Niaga to dispose of the entire issued and paid-up share capital of TRIplc to Puncak Niaga for a cash consideration of RM210.00 million ("Proposals").

On 14 February 2018, the Company received its shareholders' approval on the above Proposals. On 31 May 2018, the Company received the full proceeds of the disposal of TRIplc, marking the completion of the Proposals. In line with best practice corporate governance, the Board decided to distribute the bulk of the proceeds from the disposal of TRIplc to its shareholders.

In total, RM134.79 million or representing 64% of the total proceeds of the disposal of TRIplc, was distributed to the shareholders via a special dividend. The special cash dividend of RM1.95 per ordinary share on 69,125,087 ordinary shares was paid on 3 July 2018.

CURRENT YEAR AND FUTURE PROSPECT

The completion of the Proposals has successfully proven the Company's ability to create significant shareholders' value through driving successful transformational change in business operation. Our Company aims to explore opportunities to replicate its success with new investments in the future as the Company intends to maintain its listing status on the Main Market of Bursa Malaysia Securities Berhad.

APPRECIATION

On behalf of the Board, I would like to express our gratitude and appreciation to the management and staffs of the Company for all their dedication and commitment.

My appreciation also goes to our loyal shareholders, bankers and other advisers for their continued support, confidence and assistance given to us.

Finally, I would like to thank my fellow Board members for their counsel, contribution and support throughout the year.

YBHG TAN SRI ROZALI BIN ISMAIL

Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

Pimpinan Ehsan Berhad ("the Company") was incorporated in Malaysia under the Companies Act, 1965 as a private limited company under the name, Pimpinan Ehsan Sdn. Bhd. on 28 June 2016. It was converted to a public limited company on 6 September 2016 and the name of the Company was changed to Pimpinan Ehsan Berhad. The Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 3 May 2018 in place of TRIplc Berhad following the implementation of an internal reorganisation exercise.

Bursa Securities had vide its letter dated 16 May 2018 notified the Company that the Company is a Cash Company pursuant to Paragraph 8.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") upon completion of the disposal of its principal subsidiary, namely TRIplc Berhad, to Puncak Niaga Holdings Berhad. In this respect, the Company must comply with the provisions and requirements in Paragraph 8.03 and Practice Note 16 ("PN16") of the MMLR.

On 31 May 2018, the Company completed the disposal of its principal subsidiary for a total consideration of RM210,000,000 ("Disposal"). The rationale for the Disposal was to unlock the share value of TRIplc Berhad. Subsequently, on 3 July 2018, the Company had paid a special cash dividend of RM1.95 per ordinary share, amounting to RM134,793,920 to the shareholders of the Company, using the proceeds generated from the Disposal.

OVERVIEW OF OBJECTIVES AND STRATEGIES

The Company has to submit its proposal to the Securities Commission Malaysia ("SC") on the proposed acquisition of a new core business/asset for SC's approval within the stipulated timeframe of 12 months from the time the Company is notified by Bursa Securities on 16 May 2018 to resolve the Cash Company status.

The Board of Directors of Pimpinan Ehsan Berhad ("Board") is committed to uplift the Cash Company status as soon as possible. In achieving this objective, the Company is in the midst of formulating its proposal to acquire new businesses/assets in order to regularise the condition of the Company. The Company had on 28 February 2019 announced that it has approximately 3 months to submit its proposal to SC for approval.

REVIEW OF FINANCIAL RESULTS

For the current financial year ended 31 December 2018 ("FYE 2018"), the Company recorded a profit before tax of RM138.30 million for FYE 2018, and it was mainly contributed by gain on disposal arising from the disposal of the Company's core business amounting to RM138.17 million.

Other than that, the Company also earned interest income of RM2,010,161 (2017: RM354,186) which mainly comprise of interest income earned from fixed deposits during the financial year.

The Company incurred administrative expenses of RM2,037,477 (2017: RM14,454) which primarily consisted of management and administrative staff costs, Directors' fees, business development expenses, rental of office, professional fees and other general office expenses.

The Company is purely a shell company with no business and operations as at the year end of 2018, thus, there will be no revenue generated until the Company regularises its condition.

In view of the Company being classified as a Cash Company, the Company must also place at least 90% of the remaining proceeds received from the Disposal after special cash dividend distribution in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. On 12 June 2018, a total cash of RM64.80 million bearing interest was placed/deposited with a custodian. As at the year end, the cash balance held by a custodian stood at RM65.87 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISK

Key Risk	Description	Key Mitigation Steps
The Company is classified as a Cash Company	<ul style="list-style-type: none"> - The Company is required to regularise its condition as a Cash Company by submitting a regularisation plan which involves acquisition of new core business to the SC for its approval within 12 months from the day it becomes a Cash Company, and subsequently to implement its proposal within the timeframe prescribed by the SC. - Bursa Securities may suspend the trading of Pimpinan Ehsan Berhad's shares and subsequently delist the Company if the Company fails to comply with any part of its obligations as stated above or if its proposal is rejected by the SC. 	<ul style="list-style-type: none"> - The Board and the Management of the Company are actively seeking and reviewing business proposals to identify new businesses to regularise its condition as a Cash Company within the stipulated timeframe. - The Company also recruited few experienced and suitable personnel to enhance the management team with skill and technical knowledge to facilitate the acquisition process in order to identify a suitable business or asset to be acquired. - The new Board had on 30 March 2018 appointed of Directors who are of various backgrounds and expertise in their respective fields to strengthen the board composition.

FUTURE PROSPECT

The Board and Management of the Company are actively seeking and reviewing business proposals to identify new businesses/assets to regularise its condition and to maintain its listing status on the Main Market of Bursa Securities after the completion of the Disposal.

With RM65.87 million balance proceeds from the Disposal being retained for this purpose, the Board believes that the Company will be well-positioned to pursue such potential acquisition(s) as and when they arise. In the meantime, the Company will derive interest income from the deposits of the proceeds from the Disposal with financial institutions.

Any progress in this regard will be announced to Bursa Securities in due course.

DIVIDEND

Having already distributed 64% of total proceeds of the Disposal via a special cash dividend to reward the shareholders for their support, the Board is not recommending any further dividend for FYE 2018.

SUSTAINABILITY STATEMENT

The Board of Directors ("the Board") of Pimpinan Ehsan Berhad ("the Company") is mindful of the importance of embedded sustainability in the Company and recognize its responsibility not only towards its stakeholders, but also to the wider community within which the Company operates. It is our pleasure to present this Sustainability Statement in line with Practice Note 9 of the Main Market Listing Requirements ("MMLR"), in particular, Part III on Sustainability Statement. This initial statement seeks to outline the sustainability approach adopted by the Company for the financial year ended 31 December 2018 and detailed disclosure on sustainability efforts by the Company will be made in the coming years.

ECONOMIC

The Company values the importance of continuing unwavering support from its shareholders and will endeavour to uphold strict corporate governance to safeguard the interests of its shareholders. In particular, it will endeavour to comply with all regulatory requirements including Companies Act 2016, MMLR and other laws and regulations that are applicable to the Company.

The Company will continue to engage its shareholders in a timely and transparent manner by making regular disclosure of relevant and material information to keep its shareholders abreast of all material developments within the Company. The Company would also strive to uphold the best practices enumerated under the Malaysian Code on Corporate Governance ("MCCG") in safeguarding the best interests of its shareholders.

ENVIRONMENTAL

The Company is committed to interact with the environment in a responsible manner. In order to achieve this, we review the ways we consume resources and the consequent output of waste and emissions. In general, we seek to attain high efficiency in our consumption of energy and natural resources while ensuring that we minimise any negative impact of that which we put back into the environment. Among the various basic initiatives taken thus far are promoting energy efficient behaviour such as switching off idle computer peripherals or electronic devices and lighting during lunch breaks. Also, the 3Rs Principle of Reduce, Reuse and Recycle is encouraged in areas such as paper management (printing only when necessary, double-sided printing) and waste disposal (segregating re-useable waste items to be sold to approved waste disposal companies for recycling).

The Company will continue and regularly review its efforts to promote environmentally friendly workplace, and employees are encouraged to participate actively in sustainability initiatives in order to promote awareness of good practices that may then be applied outside the workplace.

SOCIAL

While business and profit growth remain a primary objective, the Company is also responsible for ensuring proper investment in the development and well-being of employees as they play key roles in the Company's ability to operate successfully.

Thus, the Board believes that long term sustainability depends on the ability to attract, retain and train people while providing a conducive and safe environment for them to succeed. In recognition and empowering employees to grow with the Company, the Company always encourage the staff to participate or attend any related trainings and developments. The Company also works hard to provide a safe workplace environment for its staff. Among the Company's efforts to minimise incidents at workplace include regular maintenance of equipment.

CONCLUSION

The Company recognises that it has a responsibility to a wider community beyond its employees, shareholders and creditors. The Company always ensure to maintain thoughtfulness and integrity in its dealings with either media, authorities, local communities or other interested parties.

Notwithstanding the work that remains to be done to achieve full compliance, the Board looks forward to present a detailed disclosure on sustainability matters in future Sustainability Statements once the Company has acquired a core business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Pimpinan Ehsan Berhad ("the Board") acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance. The Board is committed towards maintaining the high standards of corporate governance practices throughout the Company to safeguard the interest of its stakeholders and enhance the shareholders' value and the financial performance of the Company.

While the Board have been actively involved in identifying new suitable core business for the Company, the Board acknowledges the importance of good governance and is committed in ensuring the sustainability of the Company's business and operations through maintaining good governance ethics. The Board believes that maintaining good corporate governance, the principles and recommendations set out in the Malaysian Code on Corporate Governance issued by Securities Commission of Malaysia on 26 April 2017 ("MCCG") is essential to delivering stakeholder's value.

The Board is pleased to share the manner in which the Company has applied the principles of good corporate governance and the extent to which it has complied with the recommendations throughout the financial year ended 31 December 2018.

The Board has also provided specific disclosures on the application of each practise in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 30 April 2019. Shareholders may obtain this CG Report by accessing this link www.pebhd.com.my for further details.

Except for the boardroom diversity, practices for the establishment of whistleblowing policies and procedures, the remuneration policy and the detailed disclosures on named basis for the remuneration of individual Directors, the top five (5) senior management in bands of RM50,000 and senior management as well as undertaking professional development courses on accounting and auditing standards, practices and rules by all members of ARMC, overall, the Board is of the view that the Company has, in all material aspects, complied with the Principles and Practices as set out in the MCCG. The explanation for the departure of the above mentioned practices are reported in the announced CG Report in Practices 3.2, 4.5, 4.6, 6.1, 7.2, 8.2, 8.3, 8.5 and 11.2 respectively.

BOARD OF DIRECTORS

Board Roles and Responsibilities

It is the overall governance responsibilities of the Board to lead and control the Company. The Board is accountable and responsible for the performance and affairs of the Company by overseeing and appraising the Company's strategies, policies and performance.

All Board members are expected to show good stewardship and act in professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board's duties and responsibilities are disclosed in the Board Charter which is available at the corporate website www.pebhd.com.my.

- (a) Provide strategic drive for the Company by guiding top management in developing corporate strategy.
- (b) Oversee the conduct of the business of the Company and evaluate whether the business is being properly managed.
- (c) Identify principal risks and ensure the implementation of appropriate systems to manage those risks.
- (d) Review the adequacy and the integrity of the internal control systems and management information systems of the Company.
- (e) Establish an internal audit function in order to obtain assurance of regular review and/or appraisal of the effectiveness of the system of internal controls within the Company.
- (f) Develop position descriptions for the Board, involving definition of the limits to management's responsibilities, together with the Executive Director.
- (g) Ensure succession planning, including appointing, providing training, fixing the compensation of and where appropriate replacing senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD OF DIRECTORS (CONT'D)

Board Roles and Responsibilities (cont'd)

- (h) Appoint a committee of Directors with the responsibility of proposing new nominees for the Board and for assessing Directors on an on-going basis.
- (i) Exercise an adequate degree of independence and have a practice to allow Directors to meet and exchange views.
- (j) Endorse appointment, evaluation and development plans for pivotal positions based on discussions with management.
- (k) Set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.
- (l) Establish an overall remuneration policy and framework and performance management philosophies for key management positions in the Company and the entire organisation.
- (m) The Board's effectiveness in carrying out its role and duties shall be evaluated at least on an annual basis.
- (n) Ensure the assessment of the independence of its Independent Non-Executive Directors are undertaken annually.
- (o) Ensure the management develop and implement an investor-relations programme or shareholder communications policy for the Company.
- (p) Receive and seek information that is not just historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Company to include other performance factors/qualitative factors.
- (q) Have a formal schedule of matters specifically reserved for the Board's decision to ensure that the direction and control of the Company is firmly in the Board's hands.

Company Secretary

The Board is supported by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Board have unrestricted access to the advice and services of the Company Secretaries and the Directors are being regularly updated and advised by the qualified, experienced and knowledgeable Company Secretaries on the new statutory and regulatory requirements.

In this respect, the Company Secretary plays an advisory role to the Board, particularly with regards to the Company's Constitution, Board policies and procedures and its compliance with the regulatory requirements, codes, guidelines, legislations and the principles of best corporate governance practices. The Company Secretary ensure that deliberations at Board and Board Committee Meetings are well documented, and subsequently communicated to the relevant Management for appropriate action.

Further information of the roles and responsibilities carried out by the Company Secretaries during the financial year ended 2018 are set out in Practice 1.4 of the Company's CG Report.

Supply of Information and Access to Advice

The Board have access to all information within the Company. The Board may also obtain independent professional advice in the furtherance of their duties at the Company's expenses.

The Company Secretary plays an important role in guiding the Board on issues and updates relating to compliance with relevant laws, rules and procedures as well as governance best practices.

The Board has unhindered access to the advice and services of the Company Secretary and other Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD OF DIRECTORS (CONT'D)

Board Charter

The Company has adopted a Board Charter which clearly defines the respective roles, responsibilities and authorities of the Directors (both individually and collectively) and Management in setting the direction, the management and the control of the Company as well as matters reserved for the Board.

On 27 November 2018, the Board has reviewed and approved the Board Charter to be in line with the practices in the MCCG and will review the Board Charter as and when necessary to ensure that it remains relevant and consistent with the Board's objectives and current requirements and practices. The Board Charter is posted at the Company's website at www.pebhd.com.my.

Code of Conduct and Ethics

In line with the Company's aim to drive the Company to be a respected business entity, the Board and Management of the Company are committed to promote an ethical, professional and exemplary corporate conduct within the Company via leadership by example.

A Directors' Code of Conduct and Employees' Code of Conduct and Ethics were established and adopted on 28 November 2018 to provide guidance on the standard of behaviour expected to the Board and employees of the Company including business partners where applicable.

The Code of Conduct and Ethics can be viewed at the Company's website at www.pebhd.com.my.

Board Composition

The Board consists of six (6) members of which two (2) are Executive Directors and four (4) are Independent Non-Executive Directors, where a majority of the Board is Independent Non-Executive Directors. This is in line with Practice 4.1 of the MCCG where it requires non-large company to have at least half of the Board members comprises Independent Directors. The Company is led by an experienced Board comprising of Directors with a wide range of skill, experiences and knowledge which are essential for the successful direction of the Company.

The Board is guided by the gender diversity policy which is in line with Practice and Guidance 4.5 of the MCCG where the Board consists of one (1) female Director and has endeavoured to observe the diversity policy in the top senior management of the Company. In addition, the Board shall continue to adhere to the diversity policy when considering for new appointment to the Board.

During the financial year ended 31 December 2018, the Board, upon recommendation of the Nominating and Remuneration Committee, approved the engagement of YBhg Tan Sri Rozali Bin Ismail as the top management with the salary and entitled benefits.

The profile of each Directors are set out on pages 4 to 7 of this Annual Report.

Board Meetings

The Board meets at least four (4) times in a year and additional meetings may be held as and when required. During the financial year ended 31 December 2018, the Board held three (3) Board meetings and the details of attendance of each Directors are as follows:

No.	Name of Directors	Attendance*
1.	YBhg Tan Sri Rozali Bin Ismail <i>Executive Chairman</i>	2/3
2.	Hajah Shamshiah Binti Hashim @ Abu Bakar <i>Executive Director</i>	3/3
3.	Encik Jumsi Bin Batri <i>Independent Non-Executive Director</i>	3/3

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD OF DIRECTORS (CONT'D)

Board Meetings (cont'd)

The Board meets at least four (4) times in a year and additional meetings may be held as and when required. During the financial year ended 31 December 2018, the Board held three (3) Board meetings and the details of attendance of each Directors are as follows: (cont'd)

No.	Name of Directors	Attendance*
4.	Haji Ibrahim Bin Topaiwah <i>Independent Non-Executive Director</i>	2/3
5.	Encik Mohammad Emir Taufiq Bin Taufiq Ahmad @ Ahmad Mustapha <i>Independent Non-Executive Director</i>	3/3
6.	Encik Hariz Shukri Bin Husin <i>Independent Non-Executive Director</i>	3/3

* Attendance is counted effective from the date of listing, 3 May 2018.

The Company's Board meetings are scheduled in advance and the Board is provided with the agenda and board papers to enable the Board to discharge its responsibilities and to obtain further explanation, if required.

The Board papers include amongst others, the financial performance of the Company, the business plan, the Company's operation and other corporate issues.

Directors' Training

The Board recognises the need to attend training to enable the Directors to discharge their duties effectively. The training needs of each Director could be identified and proposed by the individual Director. The Board via the Nominating Committee has in place an annual assessment of training needs of each Director. The Nominating Committee continues to evaluate and assess the training and development needs of the Directors to ensure that they will aid the Directors in discharging their duties and recommends to the Board accordingly.

During the financial year under review, the Directors attended the following seminars and programmes:-

Name of Directors	Name of Training Programme
Hajah Shamshiah Binti Hashim @ Abu Bakar	1. Green Financing: Funding Green Projects through the Islamic Capital Market 2. KPMG Tax and Business Summit 2018
Encik Jumsi Bin Batri	1. Green Financing: Funding Green Projects through the Islamic Capital Market
Encik Mohamamed Emir Bin Taufiq Ahmad @ Ahmad Mustapha	1. Mandatory Accreditation Programme 2. Non-Financial - Does it Matters
Encik Hariz Shukri Bin Husin	1. Mandatory Accreditation Programme 2. Non-Financial - Does it Matters
Puan Nur Dayana Binti Tan Sri Rozali	1. Mandatory Accreditation Programme

YBhg Tan Sri Rozali Bin Ismail and Haji Ibrahim Bin Topaiwah were not able to attend any training during the financial year due to the time constraint. However, both of the Directors have attended the Mandatory Accreditation Programme prior to their appointments in the previous listed company as required under the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("MMLR").

Appointment to the Board

The Nominating Committee is responsible for the selection of suitable candidates based on criteria expected of a Director before making recommendations to the Board for approval.

The Nominating Committee also reviews annually the required mix of skills and experience of Directors, effectiveness of the Board as a whole, succession plans, board diversity and other qualities of the Board including core competencies which Directors should bring to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD OF DIRECTORS (CONT'D)

Board Evaluation

The Board, through the Nominating Committee, reviews and evaluates its performance, the performance of individual Directors and the various Committees annually to ensure Board effectiveness.

The evaluation comprises a Board assessment by individual Directors and self and peer assessment. The assessment of the Board by individual Directors is based on specific criteria, covering areas such as the Board mix and composition, quality of information and decision making, boardroom activities and Board Committees' performance. For self and peer assessment, the assessment criteria cover areas on fit and proper, contribution and performance, calibre and personality.

An assessment of independence of an Independent Director is also conducted by the Board annually in accordance with the MMLR.

Board Committees

There are three (3) Board Committees established to assist the Board in the execution of its responsibilities for the Company. Each Board Committee operates under the defined terms of reference which are available at the corporate website at www.pebhd.com.my. The minutes of the respective Board Committees are tabled at the board meetings for the Board's information.

The composition and function of each Board Committee is as set out below:

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

The ARMC is made up of three (3) members comprising exclusively of Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

The amount of audit fees and non-audit fees payable to the external auditors is amounting to RM12,000 and RM5,000 respectively for Pimpinan Ehsan Berhad for the financial year ended 31 December 2018.

The ARMC Report is set out in pages 21 to 26 of this Annual Report.

b. Nominating Committee

The members of the Nominating Committee comprised exclusively of Independent Non-Executive Directors and are as follows:

- Encik Jumsi Bin Batri, Chairman (Independent Non-Executive Director)
- Haji Ibrahim Bin Topaiwah, Member (Independent Non-Executive Director)
- Encik Hariz Shukri Bin Husin, Member (Independent Non-Executive Director)

The Nominating Committee is empowered by the Board amongst others to recommend to the Board the right candidates based on the candidate's background, competency, knowledge, experience, expertise, skill, character, integrity and time commitment as well as taking into consideration gender and age to be filled in the Board, Board Committees and Senior Management, re-election and re-appointment of Directors.

The Nominating Committee also assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including Independent Non-Executive Directors on an annual basis.

Since the Company listed on 3 May 2018, the Nominating Committee had met once during the financial year which were attended by the required quorum. The meeting was held to review the roles and responsibilities of the Executive Chairman and make recommendation to the Board for the engagement of YBhg Tan Sri Rozali Bin Ismail as the top management with the salary and entitled benefits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD OF DIRECTORS (CONT'D)

Board Committees (cont'd)

b. Nominating Committee (cont'd)

Re-election of Directors

Retirement by Rotation

In accordance with the Constitution of the Company, all Directors who are appointed to the Board are subject to election by shareholders at the first Annual General Meeting after their appointment and one-third (1/3) or nearest one-third (1/3) of the Directors, excluding those who are newly appointed to the Board, are required to retire by rotation at each Annual General Meeting. The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Upon the recommendation of the Nominating Committee, the Directors to retire at the upcoming Annual General Meeting, are as follows:-

- 1) YBhg Tan Sri Rozali Bin Ismail is retiring pursuant to Clause 124 of the Constitution of the Company; and
- 2) Encik Jumsi Bin Batri is retiring pursuant to Clause 124 of the Constitution of the Company.

c. Remuneration Committee

The Remuneration Committee comprises the following members:

- Haji Ibrahim Bin Topaiwah, Chairman (Independent Non-Executive Director)
- Encik Jumsi Bin Batri, Member (Independent Non-Executive Director)
- Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha, Member (Independent Non-Executive Director)

The functions of the Remuneration Committee are as follows:

- To develop and recommend to the Board the remuneration package of the Executive Directors in all its forms, drawing from outside advice as necessary.
- To review the annual remuneration package to be paid to each Director for his services as a member of the Board such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully.

The Remuneration Committee will meet as required. One (1) meeting which was attended by required quorum was held during the financial year to consider the salary and entitled benefit for Executive Chairman.

DIRECTORS' REMUNERATION

The Company's policy on Directors' remuneration is to ensure that they are sufficiently competitive to attract and retain capable Directors. The remuneration package of the Executive Directors are structured to commensurate with corporate and individual performance, seniority in service, experience and scope of responsibility. The determination of remuneration packages for Non-Executive Directors reflects the level of responsibilities undertaken and contribution to the Company.

The Remuneration Committee is responsible for developing and reviewing the remuneration package of Executive Directors. The remuneration of the Executive and Non-Executive Directors is a matter for consideration by the Board as a whole. Directors shall abstain from discussions pertaining to their own remuneration packages.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

The aggregate remuneration of Directors received/receivable from the Company for the financial year ended 31 December 2018 are as follows:

Directors	Note	Fee RM	Salary RM	Bonus RM	Benefit- In-Kind RM	Other Emoluments RM	Total RM
Executive Directors							
YBhg Tan Sri Rozali Bin Ismail	1	400,000	50,000	-	-	10,549	460,549
Hajah Shamshiah Binti Hashim @ Abu Bakar	2	33,000	225,484	-	-	35,641	294,125
Encik Mohd Fhakaruddin Bin Mohd Nordin	3	30,000	-	-	-	-	30,000
Encik Fauzi Bin Mamat	3	30,000	-	-	-	-	30,000
Non-Executive Directors							
Encik Jumsi Bin Batri	4	36,000	-	-	-	2,500	38,500
Haji Ibrahim Bin Topaiwah	4	36,000	-	-	-	2,000	38,000
Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	4	22,500	-	-	-	2,900	25,400
Encik Hariz Shukri Bin Husin	4	22,500	-	-	-	2,700	25,200

Notes:

1. YBhg Tan Sri Rozali Bin Ismail was appointed as Executive Director on 30 March 2018 and received salary from the Company starting from 1 December 2018.
2. Hajah Shamshiah Binti Hashim @ Abu Bakar received salary from the Company starting from 16 May 2018.
3. Encik Mohd Fhakaruddin Bin Mohd Nordin and Encik Fauzi Bin Mamat had resigned on 30 March 2018.
4. Encik Jumsi Bin Batri, Haji Ibrahim Bin Topaiwah, Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha and Encik Hariz Shukri Bin Husin were appointed as Independent Non-Executive Directors on 30 March 2018.
5. The payment of Directors' fees of the Company is subject to approval by shareholders at the Annual General Meeting.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Company's financial position and prospects in its quarterly and annual reports and other price-sensitive public reports and reports to the regulators. The ARMC assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity of the information in the reports and that the financial statements comply with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

As one of the measures in ensuring that the financial statements are a reliable source of financial information, the ARMC has assessed the suitability and independence of the External Auditors and would assess them annually to ensure the independence of the External Auditors is not impaired by the provision of non-audit services to the Company. The External Auditors also provides written assurance to the ARMC that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

A Statement on Directors' Responsibility and a Statement by Directors together with a Statutory Declaration made in relation to the preparation of the annual audited financial statements are set out below and on page 36 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Directors' Responsibility Statement in Respect of Audited Financial Statements

Pursuant to the Companies Act, 2016, Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the financial year end and of the financial performance and cash flows of the Company for that period.

In preparing the financial statements of Pimpinan Ehsan Berhad, the Directors have ensured that appropriate accounting policies have been used and applied consistently and supported by reasonable and prudent judgements and estimates.

The Directors have also ensured that all applicable approved accounting standards have been complied.

To enable the Directors to ensure that the financial statements comply with the provisions of the Companies Act, 2016, the Directors have ensured that proper accounting records have been kept which are able to disclose with reasonable accuracy at any time, the financial position of the Company.

Risk Management and Internal Control

The Board is aware of its ultimate responsibility for reviewing the Company's risks, approving the risk management framework policy and overseeing the Company's strategic risk management and internal control framework.

The ARMC assists the Board in discharging these responsibilities and is supported by the outsource Internal Auditor who reports directly to the ARMC. The ARMC also met with the External Auditors once for the financial year ended 31 December 2018 without the presence of the Management to allow discussion of any issues arising from the audit exercise and any matters which the External Auditors may wish to raise.

A Statement on Risk Management and Internal Control is set out on pages 27 to 29 of this Annual Report to provide an overview of the risk management framework and state of internal control of the Company.

Relationship with the External Auditors

The Board has via the ARMC, established a formal and transparent arrangement for maintaining an appropriate relationship with its external auditors. The role of the ARMC in relation to the External Auditors is described in the ARMC Report on page 22 of this Annual Report.

Corporate Responsibility

The Board is aware of its responsibility in ensuring the sustainability of the organisation and concurrently being a socially responsible corporate entity. The Company's sustainability and social responsibility initiatives are explained in the sustainability statement set out on page 11 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS POLICY

Dialogue between the Company and Investors

The Company acknowledges the importance of communication with its shareholders, institutional and potential investors. As such, the Company ensures major corporate developments and events and unaudited quarterly financial results are promptly and timely announced via Bursa Malaysia Securities Berhad to provide its shareholders and potential investors an overview of the Company's performance and operations.

To further enhance investor relations and shareholders communication, the Company has established a website at www.pebhd.com.my where corporate and financial information of the Company are easily and conveniently accessible. Any enquiries or concerns regarding the Company may also be conveyed via email: info.pebhd@gmail.com through the "Contact Us" page or in writing to the following:

The Company Secretary
Pimpinan Ehsan Berhad
c/o Tricor Corporate Services Sdn. Bhd.
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

In ensuring that the information disclosed complies strictly with the MMLR, the Company have identified persons authorised and responsible for approving and disclosing material information to shareholders and investors.

The above are based on the Company's policy to adopt an open and transparent policy in respect of the Company's relationship with its investors and shareholders and to use the Company's best endeavours to identify and evaluate issues of concern to the investors and shareholders.

Annual General Meeting

The Annual General Meeting is a mean of communication with shareholders. At least twenty-eight (28) days prior to the AGM, the Notice of the AGM, Annual Report and Circular to Shareholders (if any) will be mailed to the shareholders to inform them of the financial performance and other corporate information relating to the Company. Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf. Shareholders are given the opportunity to seek and clarify any pertinent and relevant issues raised in the meeting in relation to the operations and performance of the Company and to exchange views with the Board members.

This statement was made in accordance with the approval of the Board on 16 April 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Pimpinan Ehsan Berhad ("Board") is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2018.

COMPOSITION

Chairman

Haji Ibrahim Bin Topaiwah, *Independent Non-Executive Director*

Members

1. Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha, *Independent Non-Executive Director*
2. Encik Hariz Shukri Bin Husin, *Independent Non-Executive Director*

Prior to the transfer of listing and internal reorganisation on 3 May 2018, the Audit Committee was formed by the Board on 1 April 2018 and its Terms of Reference was subsequently adopted by the Board on 30 May 2018.

On 27 November 2018, the Board renamed Audit Committee as Audit and Risk Management Committee ("ARMC") and adopted an amended Terms of Reference, which is available at the corporate website at www.pebhd.com.my, for the purposes of combining the functions of the Audit Committee and the Risk Management Committee.

TERMS OF REFERENCE OF ARMC

1.0 Composition

- (a) The ARMC shall comprise of not less than three (3) members, of which all shall be non-executive directors with a majority of them being independent directors.
- (b) No alternate director shall be appointed a member of the ARMC.
- (c) A Chairman shall be elected from among their number who shall be an independent director. At least one (1) member of the ARMC:
 - must be a member of the Malaysian Institute of Accountants; or
 - if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- (d) In any event of any vacancy which results in the number of members in the ARMC being reduced to below three (3) or non-compliance of paragraph 1.0(c) above, the vacancy must be fulfilled within three (3) months.

The terms of office and performance of the ARMC and each of its members shall be reviewed by the Nominating Committee annually to determine whether the ARMC and members have carried out their duties in accordance with the terms of reference.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE OF ARMC (cont'd)

2.0 Meetings

- (a) There shall be a minimum of four (4) meetings in a financial year and upon the request of its members, the management, the internal auditors or the external auditors, the Chairman of the ARMC shall convene a meeting of the ARMC to consider any matter within the scope and responsibilities of the ARMC or any matter the external auditors believe should be brought to the attention of the directors or shareholders.
- (b) At least twice a year, the ARMC shall meet with the external auditors without any executive Board members and the Management being present.
- (c) Two (2) members present of which a majority must be independent directors shall form a quorum. Any questions arising at any meeting of the ARMC shall be decided by a majority of votes. In case of an equality of votes, the votes of the independent directors shall prevail.
- (d) The Company Secretary shall act as the Secretary of the ARMC and minutes of each meeting is distributed to each member of the Board.
- (e) Other directors and employees shall attend any particular ARMC meeting only at the ARMCs invitation, specific to the relevant meeting.

3.0 Authority

The ARMC for the performance of its duties shall:

- have the authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- be able to obtain independent professional or other advice; and
- be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

4.0 Duties and Responsibilities

- (a) External Audit
 - to discuss with the external auditors before the audit commences, their audit plan and ensure coordination where more than one audit firm is involved;
 - to discuss with the external auditors, their evaluation of the system of internal controls;
 - to discuss with the external auditors, their audit report;
 - to discuss with the external auditors on the assistance given by the employees to the external auditors;
 - to discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss (in the absence of Management where necessary);
 - to review with the external auditors, their management letter and managements response;
 - to consider and recommend the appointment of the external auditors, the audit fee and any questions of resignation or dismissal; and
 - to approve the provision of non-audit services by the external auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE OF ARMC (cont'd)

4.0 Duties and Responsibilities (cont'd)

(b) Internal Audit

- to review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
- to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
- to review any appraisal or assessment of the performance of members of the internal audit function;
- to approve any appointment or termination of senior staff members of the internal audit function;
- to note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
- to consider the major findings of internal investigations and managements responses, and ensure appropriate actions are taken on the recommendations of the internal audit function.

(c) Risk Management

- Review the adequacy of the Company's risk management framework and assess the resources and knowledge of the Management and employee involve in the risk management process;
- Review the effectiveness of internal control system deployed by the Management to address those risks;
- Review and recommend the corrective measure undertaken to remedy failings and/or weaknesses;
- Review and further monitor principal risk may affect the Company directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks in order to safeguard shareholder's investment and the Company's assets;
- Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Company.

(d) Others

- to review the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:
 - any changes in or implementation of any accounting policies and practices;
 - significant adjustments and unusual events arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements
- To review any related party transaction and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity. They are also required to ensure that the Board report such transactions annually to the shareholders via the annual report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE OF ARMC (cont'd)

4.0 Duties and Responsibilities (cont'd)

(d) Others (cont'd)

- To report promptly to Bursa Malaysia Securities Berhad on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Malaysia Securities Berhad.
- Discuss and review the major findings of any internal investigations and the Management's response.
- Review the statement with regards to the state of risk management and internal control of the Company for inclusion in the Annual Report and report the same to the Board.
- Oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.
- To consider other matters as may be directed by the Board from time to time.

5.0 Revision and Approval

- Any revision and amendment to this Terms of Reference, as proposed by ARMC, or any third party, shall be presented to the Board for its approval.
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and shall be considered duly revised and amended.
- The duly revised or amended Terms of Reference shall be disclosed on the Company's website at www.pebhd.com.my.

DETAILS OF ATTENDANCE OF MEMBERS AT ARMC

For the financial year ended 31 December 2018, three (3) ARMC meetings were held.

The attendance of each member is set out below:

ARMC Members	Position	30.05.18	06.08.18	27.11.18	Total
Haji Ibrahim Bin Topaiwah	Chairman	•	•	Absent with Apologies	2/3*
Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	Member	•	•	•	3/3*
Encik Hariz Shukri Bin Husin	Member	•	•	•	3/3*

Note: * Attendance is counted effective from the date of listing, 3 May 2018

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS OF THE ARMC

The ARMC had carried out their duties and functions in accordance with its Terms of Reference during the financial year ended 31 December 2018 as follows: -

1. The ARMC had reviewed the quarterly results of the Company to ensure that they are in compliance with the Malaysian Financial Reporting Standard ("MFRS") and Paragraph 9.22 of MMLR. The unaudited quarterly financial results for the 1st quarter ended 31 March 2018, 2nd quarter ended 30 June 2018 and 3rd quarter ended 30 September 2018 were reviewed by the ARMC at its meetings held on 30 May 2018, 6 August 2018 and 27 November 2018 respectively, before tabling of the same to the Board for approval.
2. The Terms of Reference of Audit Committee was reviewed by Audit Committee at its meeting held on 30 May 2018 before recommending the same to the Board for approval.
3. The Audit Committee reviewed and approved the engagement of Total Advisors Sdn. Bhd. as the Internal Auditors of the Company at its meeting held on 6 August 2018 and recommended the same for the Board's approval.
4. The ARMC held one special meeting with the External Auditors without the presence of Management on 27 November 2018 to seek the External Auditors' views on audit issues, particularly on whether there were any significant issues or unusual items, which had arisen in their audit. The ARMC noted that there was no significant issue raised by the External Auditors.
5. During the ARMC meeting held on 27 November 2018, the ARMC reviewed, discussed and approved the External Audit Plan for the financial year ended 31 December 2018 and was briefed by the External Auditors on risk assessment, audit approach and proposed fees for the current financial year's statutory audit. The proposed audit fees were recommended to the Board for approval.
6. The ARMC also reviewed and approved the Internal Audit Report for the financial year ended 31 December 2018 at its meeting held on 27 November 2018 and recommended the renaming of the Audit Committee as Audit and Risk Management Committee with amended Terms of Reference to the Board for approval on 27 November 2018.

The amendments were made to cater the duties and responsibilities under risk management as follows:

- Review the adequacy of the Company's risk management framework and assess the resources and knowledge of the Management and employees involved in the risk management process;
 - Review the effectiveness of internal control system deployed by the Management to address those risks;
 - Review and recommend the corrective measures undertaken to remedy failings and/or weaknesses;
 - Review and further monitor principal risks that may affect the Company directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks in order to safeguard shareholder's investment and the Company's assets; and
 - Actual and potential impact of any failing or weaknesses, particularly those related to financial performance or conditions affecting the Company.
7. The ARMC conducted an annual review on the performance of the External Auditors during the financial year ended 31 December 2018. However, the ARMC was of the view that it was still early to review the performance of the External Auditors effectively as they have yet to review the audited financial statements to be prepared by the management and reviewed by the External Auditors as the Company was newly listed on 3 May 2018.
 8. On 28 February 2019 and 16 April 2019, the ARMC reviewed the unaudited quarterly financial results for the 4th quarter ended 31 December 2018 and the draft audited financial statements for the financial year ended 31 December 2018 respectively, before tabling of the same to the Board for approval on 28 February 2019 and 16 April 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Company's internal audit function has been outsourced and after being recommended by the Audit Committee to the Board for approval on 6 August 2018. Total Advisors Sdn. Bhd., is independent of the activities it audits. The primary responsibility is to provide independent and objective assessment of the adequacy of the Company internal control system and were carried out in accordance with a recognised framework.

The Head of the Internal Auditors is a Professional member of The Institute of Internal Auditors Malaysia and is competent to conduct the internal audit according to the standards and code of ethics set by the body. The Internal Auditors report directly to the ARMC and provide the ARMC with independent and objective evaluation on the internal controls of the Company, and the extent of compliance of the divisions with the Company's established policies and procedures as well as relevant statutory requirements, so that remedial actions can be taken in relation to any weaknesses noted in the systems and controls of the respective divisions.

The total costs incurred for internal audit for the financial year ended 31 December 2018 amounted to RM10,200.

The Company's internal audit work was carried out in accordance with the annual internal audit plan as approved by ARMC whilst other selected ad-hoc audits was only performed after obtaining approval from ARMC.

The Internal Auditors adopted the risk-based approach and focuses on the Corporate Affairs and Finance function of the Company. The representatives of the Internal Auditors report directly to the ARMC and assist the ARMC in discharging its duties and responsibilities by executing independent reviews to determine the adequacy and effectiveness of the Company's internal control system.

The internal audit findings and recommendations of the Internal Auditors were reviewed by the ARMC and their recommendations for improvements on control and minutes of AC meetings were circulated to the Board.

During the period from April 2018 till September 2018, the Internal Auditors carried out the following works in accordance with their Internal Audit Plan:-

- a. On 15 October 2018, a brief opening meeting was held with four (4) supporting staff from the Internal Auditors. The purpose of the meeting was to update the Management on the audit processes as well as to keep the Management informed of the objectives and roles of the internal audit review.
- b. The internal audit targeted two segments, namely finance and corporate affairs. In respect of finance, the Internal Auditors conducted its audit on cash and bank matters and fixed assets. As for corporate affairs, the internal audit plan focused on compliance, approval and review processes of resolutions and minutes recorded and kept by the Company. The internal audit was performed based on acceptable sampling basis.
- c. On 27 November 2018, the Internal Auditors presented their Internal Audit Report of the Company to the ARMC for deliberation and concluded that there was no major issue raised.

The internal audits conducted during the period under review did not reveal material weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in this Annual Report. The Internal Auditors are independent of the work they audit and perform with impartiality and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“MCCG”) requires that the board of directors of the listed companies to maintain a sound risk management framework and internal control system to determine the level of risk tolerance and to safeguard shareholders’ investments and the Company’s assets.

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the board of directors of the listed companies is required to include a statement on the state of their internal controls in their annual reports.

The Board of Directors of Pimpinan Ehsan Berhad (“the Company”) is pleased to present its Statement on Risk Management and Internal Control, which outlines the nature and scope of risk management and internal control of the Company during the financial year ended 31 December 2018 as guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“the Guidelines”) issued by An industry led Task Force.

BOARD RESPONSIBILITY

The Board recognises its responsibility in upholding an effective and adequate risk management and internal control system, which contributes a material part in good corporate governance. In line with that, the Board acknowledges its main responsibility in ensuring the principal and significant risks of the Company are identified and properly managed by the risk management and internal control system of the Company.

The Board has also established an on-going process for identifying, evaluating and managing significant risks faced by the Company and to regularly review this process in conjunction with the Guidelines.

The Management is assigned with the role of assisting the Board on the implementation of the Board’s policies and procedures on risk management and internal control by identifying and assessing the various risks that could affect the operation of the Company, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

The Board is aware that the risk management framework and internal control system are designed to manage the Company’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the objectives of the Company. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance, against material misstatement of financial information and records or against financial losses or fraud.

RISK MANAGEMENT

The Board recognises that risk management should be an integral part of the business operation. The Company is responsible for implementing the framework, policies and procedures on risk and internal control which approved by the Board.

Day to day operations in respect of financial, compliance and operational aspects of the Company are closely monitored by the Management which comprised of Executive Chairman and Executive Director.

The Audit and Risk Management Committee (“ARMC”) receives quarterly reports from Management which review the findings and decisions made by the Company in various areas of enterprise risk management towards achievement of the Company’s objectives. The proceedings of the ARMC meeting and key information on risk management are reported to the Board on a quarterly basis for deliberation and feedback from the Board.

Further assurance is provided by the Internal Audit function of the Company. The Company acknowledged the need for an effective and independent Internal Audit function as part of the control structure to address key risks and the decision was taken to outsource the Internal Audit activities to a third party service provider.

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

INTERNAL AUDIT FUNCTION

In desiring to maintain total independence in the management of the risk and internal control environment, the Company has appointed Total Advisors Sdn. Bhd. ("Total Advisors") as an outsourced internal auditor to manage the Company's internal audit function. The ARMC together with Total Advisors agree on the scope and planned internal audit activities and all audit findings arising therefrom are reported to the ARMC. Total Advisors reports independently and directly to the ARMC in respect of the internal audit function.

Total Advisors is allowed for an unrestricted access to all the documents and records of the Company which are deemed necessary for the performance of its function and independently reviews the control processes implemented by Management. It also reviews the internal controls in the key activities of the Company's business based on the discussions with the Management as well as with the ARMC.

During the financial year, the internal auditors conducted the review in accordance with the internal audit plan as approved by the ARMC. Based on the internal audit review which has been carried out, the results of the review including findings of the internal audit and recommended corrective actions were presented to the ARMC on 29 November 2018 and none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The cost incurred for the outsourced internal audit function for the financial year ended 31 December 2018 was RM10,200.

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

The other key elements of the Company's system of internal control processes are described below:

- Board Committees are established by the Board to assist the Board in the execution of its responsibilities and to provide oversight on the effectiveness of the Company's operation. All strategic, business and investment plans are approved and monitored by the Board. The Board is supported in this effort by three (3) Board Committees, namely the ARMC, the Nominating Committee and the Remuneration Committee with their respective responsibilities. These Board Committees are governed by defined Terms of Reference and are accountable to the Board. Further details of these Board Committees are set out in the Corporate Governance Overview Statement.
- Regular Board meetings and Board papers are distributed to all Board members who are entitled to receive and access all necessary and relevant information related to Company's financial performance, business development, management and corporate issues. Decisions of the Board are only made after the required information is made available and deliberated by the Board. The Board maintains complete and effective control over the strategies and direction of the Company;
- ARMC supports the Board in reviewing the effectiveness of the risk management framework and internal control system of the Company. The ARMC is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Company. The ARMC is also entitled to seek such other independent professional advice deemed necessary in the performance of its responsibility;
- Quarterly financial statements and the Company's performance are deliberated by the ARMC, which is subsequently recommended to the Board for their approval before releasing it to Bursa Malaysia Securities Berhad;
- The Company has well-defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities. A process of hierarchical reporting has been established to ensure the accountability and responsibility of the employees;
- All business proposals for material capital and investments acquisition are reviewed by the Management team and presented to the Board for approval prior to committing the expenses;

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES (cont'd)

The other key elements of the Company's system of internal control processes are described below: (cont'd)

- Standard Operating Policies and Procedures ("SOPP") in respect of major processes had been developed by the Management to ensure uniformity and consistency of practices and controls of the Company and distributed to relevant employees for their reference and compliance.

These SOPP are subject to review and improvements, particularly through periodic internal audit reviews of selected areas of operations;

- Human resource policy sets the tone of compliance with the Company's rules and regulations and employee conduct as set out in the Employee Handbook; and
- External training programs are attended by the Directors and employees throughout the year to meet training needs and to enhance their skills and professionalism.

ASSURANCE FROM MANAGEMENT

In accordance with the Guidelines, the Board has received assurance from the Executive Chairman and Executive Director, that, to the best of their knowledge, the risk management and internal control of the Company are operating effectively and adequately in all material respects, based on the risk management and internal control frameworks adopted by the Company.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in this 2018 Annual Report. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system.

Based on the limited assurance procedures and review, the external auditors have informed ARMC and the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures set out in paragraphs 41 and 42 of the Guidelines or that this Statement is factually inaccurate.

CONCLUSION

The Board is of the view that the system of internal control and risk management is in place for the period under review and, up to the date of approval of this statement for inclusion in the annual report, is sound and sufficient to safeguard the Company's assets, as well as the shareholders' investments, the interests of regulators, employees and other stakeholders. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Company.

The Board also recognises the fact that the Company's risk management and internal control system must continuously evolve to support the growth and dynamics of the Company as well as to meet the changing and challenging business environment. As such, the Board, in striving for continuous improvement, will put in place appropriate action plans, where necessary, to further enhance the Company's risk management and internal control system.

This statement was made in accordance with the approval of the Board on 16 April 2019.

OTHER DISCLOSURE REQUIREMENTS

The following information is provided in compliance with Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

a) Status of Utilisation of Proceeds

On 31 May 2018, the Company completed the disposal of its principal subsidiary for a total consideration of RM210,000,000 ("Disposal").

As at 31 December 2018, details of the utilisation of the proceeds of RM210.00 million from the Disposal of TRIpIc Berhad are as follows:

Purpose	Intended Timeframe for Utilisation of Proceeds from the Date of Completion of the Disposal	Proposed Utilisation RM'million	Actual (Utilisation)/ Earned RM'million	Balance Unutilised RM'million	Note
To acquire/develop new business(es)/asset(s) to be identified	Within 12 months	64.54	1.33	65.87	1
Proposed Special Dividend	Within 3 months	134.79	(134.79)	-	2
Working capital requirements	Within 12 months	7.17	(1.52)	5.65	3
Defraying expenses incidental to the Disposal	Within 3 months	3.50	(2.70)	0.80	4
Total		210.00	(137.68)	72.32	

Notes:

1. This allocation is placed in accounts opened with financial institutions licensed by Bank Negara Malaysia and operated by a custodian and earned interest income.
2. A special cash dividend of RM1.95 per ordinary shares in respect of the financial year ended 31 December 2018 was paid on 3 July 2018 to the shareholders of the Company whose name appears in the Record of Depositors of the Company on 19 June 2018.
3. The working capital requirements are intended for the purpose of day-to-day operational expenses of the Company which include employee benefits and day-to-day administrative and operating expenses such as directors' remuneration, office rental expenses and professional fees.
4. The actual expenses incurred in relation to the Disposal comprise professional fees such as advisers, lawyers, valuers, regulatory fees and other related costs amounted to RM2.70 million. Excess of this allocation will be utilised for future investments.

b) Material Contracts

There were no material contracts entered into by the Company involving Directors' and major shareholders' interests subsisting at the end of the financial year ended 31 December 2018.

c) Recurrent Related Party Transactions of Revenue Nature ("RRPT")

The Company did not enter into any RRPT during the financial year ended 31 December 2018.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITY

The Company commenced its operations during the financial year with its principal activity being of investment holding.

During the financial year, the Company was admitted to the Official List of Bursa Securities, upon completion of the Internal Restructuring Agreement with TRIplc Berhad ("TRIplc") as disclosed in Note 24 to the financial statements.

Other than that, there has been no significant change in the nature of this activity of the Company during the financial year.

RESULTS

Profit for the financial year

RM
137,843,261

DIVIDEND

Dividend proposed, declared or paid since the end of the previous financial year was as follows:

In respect of financial year ended 31 December 2018:

Special cash dividend of RM1.95 per ordinary share on 69,125,087 ordinary shares, declared on 4 June 2018 and paid on 3 July 2018

RM
134,793,920

The Directors do not recommend payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 2 units to 69,125,087 units by way of issuance of 69,125,085 ordinary shares in exchange for the entire issued ordinary shares of TRIplc as disclosed in Note 24(k) to the financial statements.

The issued ordinary shares rank pari passu in all respects with the existing issued ordinary shares of the Company. There were no other issues of shares during the financial year.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Rozali Bin Ismail	(appointed on 30 March 2018)
Shamshiah Binti Hashim @ Abu Bakar	
Jumsi Bin Batri	(appointed on 30 March 2018)
Ibrahim Bin Topaiwah	(appointed on 30 March 2018)
Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	(appointed on 30 March 2018)
Hariz Shukri Bin Husin	(appointed on 30 March 2018)
Nur Dayana Binti Tan Sri Rozali	(appointed on 9 November 2018)
	(alternate Director to Tan Sri Rozali Bin Ismail)
Mohd Fhakaruddin Bin Mohd Nordin	(resigned on 30 March 2018)
Fauzi Bin Mamat	(resigned on 30 March 2018)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company during the financial year ended 31 December 2018 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Number of ordinary shares			Balance as at 31.12.2018
	Balance as at 1.1.2018	Bought	Sold	
<u>Direct interests:</u>				
Tan Sri Rozali Bin Ismail	-	11,177,630	(10,588,002)	589,628
Jumsi Bin Batri	-	54,460	(4,800)	49,660
Mohd Fhakaruddin Bin Mohd Nordin	1	-	-	1
Fauzi Bin Mamat	1	-	-	1
<u>Indirect interest:</u>				
Tan Sri Rozali Bin Ismail*	-	17,580,970	-	17,580,970

* Deemed interest by virtue of 100% shareholding interest in Central Plus (M) Sdn. Bhd. and Corporate Line (M) Sdn. Bhd., both are substantial corporate shareholders of the Company, of which 5% is held in his own name and 95% in his spouse's and children's names and deemed interest by virtue of 16.03% equity interest held in his spouse's and son's name.

The other Directors holding office at the end of the financial year had no interest in the ordinary shares of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Director as shown in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than remuneration received by certain Directors as Directors of the holding company and any benefits which may be deemed to have arisen by virtue of those transactions.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 20(c) to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for the Directors, officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts to be written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than gain on disposal of a subsidiary of RM138,169,952 of the Company as disclosed in Note 8 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Company to meet its obligations as and when they fall due.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE COMPANY (CONT'D)

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 24 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company for the financial year ended 31 December 2018 amounted to RM12,000.

BDO PLT (LLP 0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

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

.....
Tan Sri Rozali Bin Ismail

Director

Kuala Lumpur
16 April 2019

.....
Shamshiah Binti Hashim @ Abu Bakar

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 40 to 71 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance and cash flows of the Company for the financial year then ended.

On behalf of the Board,

.....
Tan Sri Rozali Bin Ismail

Director

.....
Shamshiah Binti Hashim @ Abu Bakar

Director

Kuala Lumpur

16 April 2019

STATUTORY DECLARATION

I, Shamshiah Binti Hashim @ Abu Bakar, being the Director primarily responsible for the financial management of Pimpinan Ehsan Berhad, do solemnly and sincerely declare that the financial statements set out on pages 40 to 71 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kuala Lumpur this)
16 April 2019)

.....
Shamshiah Binti Hashim @ Abu Bakar

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PIMPINAN EHSAN BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pimpinan Ehsan Berhad, which comprise the statement of financial position as at 31 December 2018 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 71.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF PIMPINAN EHSAN BERHAD

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 internal control of the Company.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF PIMPINAN EHSAN BERHAD

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
16 April 2019

Lee Wee Hoong

03316/07/2019 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	2018 RM	2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	7	53,486	-
Investment in a subsidiary	8	-	-
		53,486	-
Current assets			
Other receivables	9	434,910	1,619,702
Short term funds	10	-	9,623,997
Cash and bank balances	11	72,315,258	10,188,532
		72,750,168	21,432,231
TOTAL ASSETS		72,803,654	21,432,231
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	12	69,125,087	2
Available-for-sale reserve		-	(8,926)
Retained earnings		3,445,712	405,297
TOTAL EQUITY		72,570,799	396,373
LIABILITIES			
Current liabilities			
Other payables	13	127,855	21,008,341
Current tax liabilities		105,000	27,517
TOTAL LIABILITIES		232,855	21,035,858
TOTAL EQUITY AND LIABILITIES		72,803,654	21,432,231

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 RM	2017 RM
Other income	14	140,341,614	487,110
Administrative expenses		(2,037,477)	(14,454)
Profit before taxation		138,304,137	472,656
Taxation	16	(460,876)	(66,592)
Profit for the financial year, attributable to owners of the Company		137,843,261	406,064
Other comprehensive income/(loss), net of tax		-	(8,926)
Total comprehensive income for the financial year, attributable to owners of the Company		137,843,261	397,138
Earnings per ordinary share attributable to the ordinary equity holders of the Company (sen):			
Basic earnings per ordinary share	17(a)	299.53	-
Diluted earnings per ordinary share	17(b)	299.53	-

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	Share capital RM	Available-for- sale reserve RM	(Accumulated loss)/Retained earnings RM	Total RM
Balance as at 1 January 2017		2	-	(767)	(765)
Profit for the financial year		-	-	406,064	406,064
Other comprehensive loss, net of tax		-	(8,926)	-	(8,926)
Total comprehensive income		-	(8,926)	406,064	397,138
Balance as at 31 December 2017		2	(8,926)	405,297	396,373
Balance as at 1 January 2018, as previously reported		2	(8,926)	405,297	396,373
Adjustment on initial application of MFRS 9	22(b)	-	8,926	(8,926)	-
Balance as at 1 January 2018, as restated		2	-	396,371	396,373
Profit for the financial year		-	-	137,843,261	137,843,261
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	137,843,261	137,843,261
Transactions with owners:					
Ordinary shares issued	12	69,125,085	-	-	69,125,085
Dividend paid	18	-	-	(134,793,920)	(134,793,920)
Total transactions with owners		69,125,085	-	(134,793,920)	(65,668,835)
Balance as at 31 December 2018		69,125,087	-	3,445,712	72,570,799

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		138,304,137	472,656
Adjustments for:			
Income distribution from short term funds		(161,501)	(133,255)
Interest income		(2,010,161)	(354,186)
Depreciation of property, plant and equipment	7	11,897	-
Gain on disposal of a subsidiary	8(c)	(138,169,952)	-
Operating loss before changes in working capital		(2,025,580)	(14,785)
Decreases/(Increase) in other receivables		1,184,792	(1,618,148)
Increase/(Decrease) in other payables		119,514	(4,220)
Cash used in operations		(721,274)	(1,637,153)
Tax paid		(383,393)	(42,804)
Net cash used in operating activities		(1,104,667)	(1,679,957)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(65,383)	-
Income distribution received from short term funds		161,501	133,255
Interest received		2,010,161	354,186
Repayment to a related party		-	(2,000)
Net proceeds from disposal of a subsidiary	8(c)	186,295,037	-
Net cash from investing activities		188,401,316	485,441
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid	18	(134,793,920)	-
Net cash used in investing activity		(134,793,920)	-
Net increase/(decrease) in cash and cash equivalents		52,502,729	(1,194,516)
Effects of fair value loss on cash and cash equivalents		-	(8,926)
Cash and cash equivalents at beginning of financial year		19,812,529	21,015,971
Cash and cash equivalents at end of financial year	11(f)	72,315,258	19,812,529

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

1. CORPORATE INFORMATION

Pimpinan Ehsan Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at B-2-8, TTDI Plaza, Jalan Wan Kadir 3, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 April 2019.

2. PRINCIPAL ACTIVITY

The Company commenced its operations during the financial year with its principal activity being of investment holding.

During the financial year, the Company was admitted to the Official List of Bursa Securities, upon completion of the Internal Restructuring Agreement with TRIplc Berhad ("TRIplc") as disclosed in Note 24 to the financial statements.

Other than that, there has been no significant change in the nature of this activity of the Company during the financial year.

3. BASIS OF PREPARATION

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

On 31 May 2018, pursuant to the completion of the disposal of TRIplc, the Company has triggered Paragraph 8.03A(2) of the Listing Requirements whereby a listed issuer has suspended or ceased all of its business or its major business as a result of the disposal of the Company's major business. Bursa Malaysia Securities Berhad ("Bursa Securities") had via its letter dated 16 May 2018 notified the Company that it is a Cash Company (as defined under Paragraph 8.03(1)). The Company has a 12 months period from 31 May 2018 to submit its proposal to acquire a new core business in order to enable the Company to regularise its condition and to maintain the listing status on the Main Market of Bursa Securities.

The Directors are currently evaluating various options to formulate a regularisation plan to address the Company's PN16 status by looking into identifying potential future business expansion opportunities. In view of the Directors' intention and financial ability to pursue new business opportunities, the Directors are of the opinion that the preparation of the financial statements of the Company on the going concern basis is appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Company and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

Property, plant and equipment are depreciated on the straight-line basis so as to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rate of the Company's property, plant and equipment is as follows:

Office equipment	10% - 33.33%
Furniture and fittings	10%
Computer equipment	33.33%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

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

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

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

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

4.4 Financial assets and financial liabilities

MFRS 9 *Financial Instruments* replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Classification and measurement

The Company classify their financial assets into the following measurement categories depending on the business model of the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- (a) Those to be measured at amortised cost; and
- (b) Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Financial assets and financial liabilities (cont'd)

Classification and measurement (cont'd)

The following summarises the key changes:

- (a) The Available-For-Sale ("AFS"), Held-To-Maturity ("HTM") and Loans and Receivables ("L&R") financial asset categories were removed.
- (b) A new financial asset category measured at Amortised Cost ("AC") was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- (c) A new financial asset category measured at Fair Value Through Other Comprehensive Income ("FVTOCI") was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- (d) A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- (a) Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- (b) The remaining amount of change in the fair value is presented in profit or loss.

Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Company by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Company to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Financial assets and financial liabilities (cont'd)

Impairment of financial assets (cont'd)

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for receivables from related parties are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

4.5 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits with licensed banks excluding highly liquid investments which are readily convertible to cash and are subject to insignificant risk of changes in value. The statement of cash flows are prepared using the indirect method.

4.6 Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Before 31 January 2017

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

After 31 January 2017

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Income taxes

Income taxes include all taxes on taxable profits. Income taxes also include other taxes, such as real property gains taxes payable on disposal of properties, if any.

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Company operates and include all taxes based upon the taxable profit and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

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 the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.8 Operating leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the period of the relevant leases.

4.9 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.10 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

4.12 Employee benefits

(a) Short term employee benefits

Wages, salaries and social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Company.

Bonuses are recognised as expenses when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Post-employment benefits

Defined contribution plans

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

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

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

4.13 Other income

Interest income

Interest income is recognised as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Fair value measurements

The fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Company measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Company has considered the following characteristics when determining the fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.15 Operating segments

Operating segments are defined as components of the Company that:

- (a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Company particularly in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Operating segments (cont'd)

An operating segment may engage in business activities for which it has yet to earn revenues. The Company reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Company. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.16 Earnings per share

- (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

- (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

Adoption of the above Standards did not have any material effect on the financial performance or position of the Company except for the adoption of MFRS 9 disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company does not expect the adoption of the above Standards to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

6.3 Key sources of estimation uncertainty

The following is a key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The Company measures financial instruments in the financial statements at fair value as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

7. PROPERTY, PLANT AND EQUIPMENT

2018

Carrying amount

	Balance as at 1.1.2018 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2018 RM
Office equipment	-	10,341	(1,723)	8,618
Furniture and fittings	-	3,100	(160)	2,940
Computer equipment	-	51,942	(10,014)	41,928
	-	65,383	(11,897)	53,486

	At 31.12.2018		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	10,341	(1,723)	8,618
Furniture and fittings	3,100	(160)	2,940
Computer equipment	51,942	(10,014)	41,928
	65,383	(11,897)	53,486

8. INVESTMENT IN A SUBSIDIARY

Unquoted shares, at cost

2018 RM	2017 RM
-	-

Acquisition and disposal of a subsidiary during the financial year

- (a) On 3 May 2018, the Company announced that the Transfer of Listing had been completed following the de-listing of TRIplc shares and listing of the Company's shares as disclosed in Note 24(m) to the financial statements. Consequently, TRIplc became a wholly-owned subsidiary of the Company, marking the completion of the Internal Reorganisation on 3 May 2018.
- (b) Pursuant to an Internal Restructuring Agreement entered with TRIplc as disclosed in Note 24(j) to the financial statement, on 3 May 2018, the Company had issued 69,125,085 new shares in exchange for the entire equity shares of TRIplc.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

8. INVESTMENT IN A SUBSIDIARY (CONT'D)

- (c) On 31 May 2018, the Company completed the disposal of its entire equity interest in TRIplc for a cash consideration of RM210,000,000. The disposal resulted in a gain of RM138,169,952 to the Company.

The effects of disposal to the Company were as follows:

	2018 RM
Total disposal consideration	210,000,000
Cost of investment of a subsidiary	(69,125,085)
Transaction cost for disposal of a subsidiary	(2,704,963)
Gain on disposal of a subsidiary	138,169,952
 Total disposal consideration	 210,000,000
Deposit received	(21,000,000)
Transaction cost for disposal of a subsidiary	(2,704,963)
Net cash inflow arising on disposal	186,295,037

- (d) The acquisition and subsequent disposal of the Company's investment in TRIplc is purely transitory to facilitate the Internal Restructuring Agreement to transfer the listing status of TRIplc to the Company prior to the acquisition of TRIplc by Puncak Niaga. No consolidated financial statements is presented as the Company does not have control of any subsidiary as at the financial year end.

9. OTHER RECEIVABLES

	2018 RM	2017 RM
Other receivables	391,168	20,314
Prepayments	3,742	1,599,388
Deposit	40,000	-
	434,910	1,619,702

- (a) Other receivables are classified as financial asset measured at amortised cost and are denominated in RM.
- (b) No expected credit loss is recognised arising from other receivables as it is negligible.
- (c) Information on financial risk of other receivables are disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

10. SHORT TERM FUNDS

Available-for-sale financial assets

	2018 RM	2017 RM
Short term funds	-	9,623,997

- (a) Short term funds held by the Company are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.
- (b) Short term funds are denominated in RM.
- (c) Information on financial risk of short term funds are disclosed in Note 23 to the financial statements.

11. CASH AND BANK BALANCES

	2018 RM	2017 RM
Cash in hand	823	2
Bank balances	1,914,435	176,216
Deposits placed with licensed banks	70,400,000	10,012,314
	72,315,258	10,188,532

- (a) Deposits placed with licensed banks have maturity period ranged from 3 to 92 days (2017: 4 to 62 days) with effective interest rates ranged from 2.75% to 4.00% (2017: 2.75% to 3.63%) per annum.
- (b) Included in cash and bank balances of the Company are amounts of RM65,872,926 (2017: RM Nil) placed in accounts opened with financial institutions licensed by Bank Negara Malaysia and operated by a custodian.
- (c) All cash and bank balances are denominated RM.
- (d) No expected credit losses were recognised arising from the deposits placed with licensed banks because the probability of default by these financial institutions were negligible.
- (e) Information on financial risk of cash and bank balances is disclosed in Note 23 to the financial statements.
- (f) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	2018 RM	2017 RM
Cash and bank balances	72,315,258	10,188,532
Short term funds (Note 10)	-	9,623,997
	72,315,258	19,812,529

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

12. SHARE CAPITAL

	Number of shares		Amount	
	2018	2017	2018 RM	2017 RM
Issued and fully paid				
Balance as at 1 January	2	2	2	2
Issued	69,125,085	-	69,125,085	-
Balance as at 31 December	69,125,087	2	69,125,087	2

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 2 units to 69,125,087 units by way of issuance of 69,125,085 ordinary shares in exchange for the entire issued ordinary shares of TRlplc as disclosed in Note 24(k) to the financial statements.

With the introduction of the Companies Act 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished.

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

13. OTHER PAYABLES

	2018 RM	2017 RM
Other payables	4,024	-
Deposit received	-	21,000,000
Accruals	123,831	8,341
	127,855	21,008,341

- (a) Other payables are classified as financial liabilities measured at amortised cost and are denominated in RM.
- (b) In the previous financial year, as part of the Share Sale Agreement with Puncak Niaga Holdings Berhad ("Puncak Niaga") as disclosed in Note 24(a)(ii) to the financial statements, the Company had received RM21 million, being the 10% deposit out of the consideration. The disposal was completed on 31 May 2018 as disclosed in Note 8(c) to the financial statements.
- (c) Information on financial risks of other payables are disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

14. OTHER INCOME

	2018 RM	2017 RM
Interest income	2,010,161	354,186
Income distribution from short term funds	161,501	132,924
Gain on disposal of a subsidiary (Note 8(c))	138,169,952	-
	140,341,614	487,110

15. EMPLOYEE BENEFITS

	2018 RM	2017 RM
Salaries and wages	694,016	-
Contributions to defined contribution plan	92,712	-
Other benefits	13,632	-
	800,360	-

Included in the employee benefits of the Company are Executive Directors' remuneration amounting to RM317,474 (2017: RM Nil).

16. TAXATION

	2018 RM	2017 RM
Current tax expense based on profit for the financial year	465,000	67,517
Over provision in prior year	(4,124)	(925)
	460,876	66,592

The Malaysian income tax is calculated at the statutory tax rates of 24% (2017: 19%) of the estimated taxable profits for the fiscal period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

16. TAXATION (CONT'D)

Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Company is as follows:

	2018 RM	2017 RM
Profit before taxation	138,304,137	472,656
Taxation at statutory tax rate of 24% (2017: 19%)	33,192,993	89,805
Tax effect in respect of:		
Non-allowable expenses	469,414	2,967
Non-taxable income	(33,197,407)	(25,256)
	465,000	67,517
Over provision in prior year	(4,124)	(925)
	460,876	66,592

17. EARNINGS PER SHARE

a) Basic

The basic earnings per share is calculated based on the profit for the year attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the financial year.

	2018	2017
Profit attributable to owners of the Company (RM)	137,843,261	-
Weighted average number of ordinary shares in issue during the financial year	46,020,264	-
Basic earnings per share (sen)	299.53	-

b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no dilutive potential ordinary shares.

18. DIVIDEND

Dividend on ordinary shares declared and paid

Special cash dividend of RM1.95 per ordinary share on 69,125,087 ordinary shares, declared on 4 June 2018 and paid on 3 July 2018

2018 RM	2017 RM
134,793,920	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

19. OPERATING LEASE COMMITMENTS

The Company as lessee

The Company has entered into non-cancellable lease arrangements on rental of office for two (2) years.

The Company has aggregate future minimum lease commitments as at the end of the reporting period as follows:

	2018 RM	2017 RM
Not later than one (1) year	240,000	-
Later than one (1) year and not later than five (5) years	80,000	-
	320,000	-

20. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Company include:

- (i) Companies in which the Directors have financial interests; and
- (ii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2018 RM	2017 RM
Related parties:		
Disposal of investment in TRIplc	210,000,000	-

The related party transactions described above were carried out on negotiated terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

20. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Compensation to key management personnel

The remuneration of Directors during the financial year was as follows:

	2018 RM	2017 RM
Directors' fee	610,000	-
Salaries and wages	275,484	-
Defined contribution plan	41,325	-
Others	14,965	-
	941,774	-

21. OPERATING SEGMENT

Segmental information by activities is not presented as the Company is solely involved in investment holding activities.

Segmental reporting by geographical area is not presented as the Company's activities are predominantly in Malaysia.

22. FINANCIAL INSTRUMENTS

- (a) Capital management

The primary objective of the capital management of the Company is to ensure that the Company would be able to continue as a going concern whilst maximising the return to shareholders. The overall strategy of the Company remains unchanged from that in the previous financial period.

The Company manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2018 and 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

22. FINANCIAL INSTRUMENTS (CONT'D)

- (b) The following table summarises the reclassification and measurement of the financial assets and financial liabilities of the Company as at 1 January 2018:

	Classification		Carrying amount	
	Existing under MFRS 139	New under MFRS 9	Existing under MFRS 139 RM	New under MFRS 9 RM
Financial assets				
Other receivables	Loans and receivables	Amortised cost	20,314	1,619,702
Short term funds	Available-for-sale	Fair value through profit or loss	9,623,997	9,623,997
Cash and bank balances	Loans and receivables	Amortised cost	10,188,532	10,188,532
Financial liabilities				
Other payables	Other financial liabilities	Amortised cost	21,008,341	21,008,341

The following table is reconciliation of the carrying amount of the statement of financial position of the Company from MFRS 139 to MFRS 9 as at 1 January 2018:

	Existing under MFRS 139 Carrying amount as at 31 December 2017 RM	Reclassification RM	New under MFRS 9 Carrying amount as at 1 January 2018 RM
Retained earnings	405,297	(8,926)	396,371

- (c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities are reasonable approximation of fair value due to their short-term nature.

- (ii) Short term funds

The fair value of short term funds are determined by reference to the counter party quotes at the close of the business at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

22. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair values of short term funds in Malaysia are determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2017						
Financial asset Available-for-sale						
- Short term funds (Note 10)	-	9,623,997	-	9,623,997	9,623,997	9,623,997

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objectives of the Company are to ensure that the Company creates value and maximises returns to its shareholders as well as ensuring that adequate financial resources are available for the development of the Company's businesses whilst managing its financial risks. It is, and has been throughout the financial year under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company is exposed mainly to credit risk, liquidity and cash flow risk, market risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Deposit placed with licensed bank and bank balances are placed with major financial institutions in Malaysia. The Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of each of reporting period, the Company's maximum exposures to credit risk are represented by the carrying amounts of each class of financial assets recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Liquidity and cash flow risk

The Company actively manages its operating cash flows and the availability of funding so as to ensure all operating and investing needs are met.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 December 2018				
Financial liabilities				
Other payables	127,855	-	-	127,855
Total undiscounted financial liabilities	127,855	-	-	127,855
As at 31 December 2017				
Financial liabilities				
Other payables	21,008,341	-	-	21,008,341
Total undiscounted financial liabilities	21,008,341	-	-	21,008,341

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Company would fluctuate because of changes in market prices (other than interest or exchange rates).

The Company is exposed to price risks arising from short term funds held by the Company. Short term funds are unit trusts quoted in Malaysia.

In the previous financial year, the maximum exposure of the Company to market risk is represented by the total carrying amount of these financial assets recognised in the statement of financial position, which amounted to RM9,623,997. There has been no change to the exposure of the Company to market risk or the manner in which the risk is managed and measured.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Market risk (cont'd)

As the Company neither had the intention, nor historical trend of active trading in these financial instruments, the Directors were of the opinion that the Company was not subject to significant exposure to price risk and accordingly, no sensitivity analysis was being presented in the previous financial year.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's primary interest rate risk relates to its interest bearing assets. The investments in financial assets are not held for speculative purpose but have been mostly placed in fixed deposits which yield better returns than conventional savings.

In respect of interest-bearing financial assets, the following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Company's financial instruments that are exposed to interest rate risk:

	Note	Weighted average effective interest rate (per annum) %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
2018									
Fixed rate									
Deposits with licensed banks	11	2.80	70,400,000	-	-	-	-	-	70,400,000
2017									
Fixed rate									
Deposits with licensed banks	11	3.54	10,012,314	-	-	-	-	-	10,012,314

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 16 December 2016, the Company entered into:

- (i) an Internal Restructuring Agreement with TRIplc in respect of a proposed scheme of arrangement pursuant to Section 176 of the Companies Act 1965 ("Principal IRA").

As stipulated in the Principal IRA, the Company agreed to implement the following:

- proposed exchange of the entire issued and paid up ordinary shares of RM1.00 each in TRIplc for ordinary shares of RM1.00 each in the Company on the basis of one (1) new share of the Company for every one (1) TRIplc share held ("Proposed Share Exchange"); and
- proposed assumption of the listing status of TRIplc by the Company and the admission of the Company to, and withdrawal of TRIplc from, the Official List of Bursa Securities with the listing and quotation for the entire shares of the Company on the Main Market of Bursa Securities ("Proposed Transfer of Listing").

The Proposed Share Exchange and Proposed Transfer of Listing are collectively referred to as the "Proposed Internal Reorganisation".

Upon completion of the Proposed Internal Reorganisation, TRIplc will be a wholly-owned subsidiary of the Company.

- (ii) a conditional Share Sale Agreement ("SSA") with Puncak Niaga to dispose the entire issued and paid-up share capital of TRIplc to Puncak Niaga for a consideration of RM210 million ("Proposed Disposal").

Upon execution of the SSA, Puncak Niaga paid the deposit of RM21 million, being 10% of the consideration to the Company. The deposit will constitute part payment of the consideration upon completion of the SSA.

(b) On 15 September 2017, the Company entered into a supplemental agreement to the SSA ("Supplemental SSA") with Puncak Niaga to:

- (i) extend the time under the SSA to fulfil or waive the conditions precedent from 15 September 2017 to 15 June 2018;
- (ii) include that the completion of the Proposed Disposal is conditional upon the completion of the Proposed Internal Reorganisation as an additional conditions precedent to be satisfied by the Company but not vice versa; and
- (iii) arising from the consequential amendments to the SSA as highlighted in (ii) above, to remove from the relevant completion clauses in the SSA, all references to the completion of the Proposed Disposal being subject to the Proposed Share Exchange having been completed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

In view of the Supplemental SSA above, the Company had on 15 September 2017 entered into a supplemental agreement to the IRA ("Supplemental IRA") with TRIplc, mutually agreed to:

- (i) extend the time under the IRA to fulfil or waive the conditions precedent from 15 September 2017 to 15 June 2018; and
- (ii) include that the completion of the Proposed Disposal is conditional upon the completion of the Proposed Internal Reorganisation as an additional conditions precedent to be satisfied by the Company but not vice versa.

Save for the amendments contained in the Supplemental SSA and Supplemental IRA, all other terms of the Principal IRA and SSA remain unchanged.

- (c) On 17 November 2017, the Board of Directors of the Company had approved to declare and distribute part of the cash consideration received from Puncak Niaga subject to completion of the Proposed Disposal via a special cash dividend. The amount proposed to be returned to shareholders via the special cash dividend is approximately RM1.95 for each ordinary share held in the Company upon the completion of the Proposed Disposal ("Proposed Special Dividend").

The Proposed Share Exchange, Proposed Transfer of Listing, Proposed Disposal and Proposed Special Dividend are collectively referred to as the "Proposals".

- (d) On 23 November 2017, TRIplc announced that the initial listing application in relation to the Proposed Transfer of Listing has been submitted to Bursa Securities.
- (e) On 16 January 2018, TRIplc received approval from Bursa Securities on the following:
 - (i) Proposed Transfer of Listing; and
 - (ii) admission of the Company to the Official List and the listing of and quotation for the entire issued share capital of the Company comprising up to 69,125,087 ordinary shares on the Main Market of Bursa Securities.
- (f) On 23 January 2018, TRIplc had issued an explanatory statement to shareholders under Section 369 of the Companies Act 2016 in relation to the Proposed Internal Reorganisation via a scheme of arrangement and circular to shareholders in relation to the Proposals and independent advice letter by KAF Investment Bank Berhad together with notices of the court convened meeting and extraordinary general meeting to be held on 14 February 2018.
- (g) On 14 February 2018, TRIplc announced that all the resolution as set out in the Notice of Extraordinary General Meeting ("EGM") and Court Convened Meeting ("CCM") dated 23 January 2018 were approved by the shareholders at the EGM and CCM held on the same day.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2018

24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (h) Subsequently on 21 February 2018, TRlplc had filed an application to the High Court Kuala Lumpur to obtain the High Court's sanction for the Proposed Internal Reorganisation pursuant to Section 366 of the Act. The High Court had on 20 March 2018, as announced, granted an order approving and sanctioning the Internal Reorganisation pursuant to Section 366 of the Companies Act, 2016 ("Court Order").
- (i) TRlplc had issued a circular/notice to shareholders on 4 April 2018 in relation to the entitlement date for the exchange of all the TRlplc Shares with the Company's new shares. The Company's securities will be traded and quoted "Ex-Offer" as from 13 April 2018 and the last date of lodgement is 17 April 2018 as announced on 5 April 2018.

Shares of TRlplc has been suspended with effect from 11 April 2018 in order to facilitate the implementation of the Share Exchange.

The Internal Reorganisation took effect on 17 April 2018 following the lodgement of an office copy of the sealed Court Order with the Companies Commission of Malaysia.

- (j) On 26 April 2018, TRlplc announced that Bursa Malaysia Depository Sdn Bhd had vide its letter dated 23 April 2018 confirmed that all the TRlplc Shares have been transferred to the Company. New Pimpinan Ehsan Shares will be duly credited to the CDS account of the Entitled Shareholders on 2 May 2018.
- (k) On 2 May 2018, TRlplc announced that all the CDS accounts of the entitled shareholders of TRlplc have been duly credited with new Pimpinan Ehsan Shares, marking the completion of the Share Exchange. The notices of allotment was despatched to the entitled shareholders of TRlplc on 26 April 2018.
- (l) The Company had been admitted to the Official List of Bursa Securities in place of TRlplc and the listing of and quotation for the Company entire issued share capital of RM69,125,087 comprising 69,125,087 Pimpinan Ehsan Shares on the Main Market of Bursa Securities had commenced on 3 May 2018, on a "Ready" basis pursuant to the Main Market Listing Requirement of Bursa Securities. The Pimpinan Ehsan Shares was listed on the "Construction" sector of the Main Market of Bursa Securities.
- (m) The Company on 3 May 2018 announced that the Transfer of Listing had been completed following the de-listing of TRlplc Shares and listing of Pimpinan Ehsan Shares. Consequently, TRlplc was a wholly-owned subsidiary of the Company, marking the completion of the Internal Reorganisation on 3 May 2018.

Accordingly, the SSA dated 16 December 2016 and the Supplemental Agreement to the SSA dated 15 September 2017 was unconditional.

- (n) On 31 May 2018, the Company announced that the Disposal had been completed on 31 May 2018 in accordance with the terms of the SSA. Accordingly, TRlplc had ceased to be a subsidiary of the Company.
- (o) Bursa Securities had vide its letter dated 16 May 2018 notified the Company that it is a Cash Company pursuant to Paragraph 8.03(1) of the Main Market Listing Requirements upon completion of the Disposal. In this respect, the Company must comply with the provisions and requirements in Paragraph 8.03 and Practice Note 16 ("PN16") of the Main Market Listing Requirements.
- (p) At the date of this report, the Company is still in the midst of formulating its proposal to acquire a new core business.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2019

SHARE CAPITAL

Class of shares	- Ordinary shares
Total number of Issued Shares	- 69,125,087
Amount of Shares issued as fully paid	- RM69,125,087.00
Voting rights	- One vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	493	13.817	12,438	0.017
100 - 1,000	1,956	54.820	1,057,004	1.529
1,001 - 10,000	960	26.905	2,991,817	4.328
10,001 - 100,000	126	3.531	3,593,637	5.198
100,001 - 3,456,253*	30	0.840	31,617,180	45.739
3,456,254 and above**	3	0.084	29,853,011	43.186

Remarks:

* Less than 5% of Issued Shares

** 5% and above of Issued Shares

LIST OF DIRECTORS' SHAREHOLDINGS

Per Register of Directors' Shareholdings

No.	Directors	Shareholdings			
		Direct Interest	%	Indirect Interest	%
1.	YBhg Tan Sri Rozali Bin Ismail	589,628	0.852	17,580,970 ^(a)	25.434
2.	Hajah Shamshiah Binti Hashim @ Abu Bakar	-	-	-	-
3.	Haji Ibrahim Bin Topaiwah	-	-	-	-
4.	Encik Jumsi Bin Batri	49,660	0.071	-	-
5.	Encik Mohammad Emir Bin Taufiq Ahmad @ Ahmad Mustapha	-	-	-	-
6.	Encik Hariz Shukri Bin Husin	-	-	-	-
7.	Puan Nur Dayana Binti Tan Sri Rozali (Alternate Director to YBhg Tan Sri Rozali Bin Ismail)	-	-	-	-

Note:

- (a) Deemed interest by virtue of 100% shareholding interest in Central Plus (M) Sdn. Bhd. and Corporate Line (M) Sdn. Bhd., both are substantial corporate shareholders of the Company, of which 5% is held in his own name and 95% in his spouse's, Puan Sri Faridah Binti Idris and children's names and deemed interest by virtue of 16.031% equity interest held by his spouse's, Puan Sri Faridah Binti Idris and son, Encik Azlan Shah Bin Tan Sri Rozali.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 MARCH 2019

SUBSTANTIAL SHAREHOLDERS

Per Register of Substantial Shareholders

No.	Name	Shareholdings			
		Direct Interest	%	Indirect Interest	%
1.	YBhg Tan Sri Rozali Bin Ismail	589,628	0.852	17,580,970 ^(a)	25.434
2.	Puan Sri Faridah Binti Idris	10,588,002	15.317	6,992,968 ^(b)	10.117
3.	Ms Chee Shu Ying	4,339,700	6.278	-	-
4.	PED Holdings (M) Sdn. Bhd.	15,265,009	22.083	-	-
5.	Encik Yahaya Bin Shukor	-	-	15,265,009 ^(c)	22.083
6.	Encik Udzer Bin Abdul Karim	-	-	15,265,009 ^(d)	22.083
7.	Minat Bakti Sdn Bhd	4,000,000	5.786	-	-
8.	Encil Abdul Jalil Bin Md Khir	-	-	4,000,000 ^(e)	5.786
9.	Encik Zabha Bin Hj Husin	-	-	4,000,000 ^(f)	5.786

Notes:

- (a) Deemed interest by virtue of 100% shareholding interest in Central Plus (M) Sdn. Bhd. and Corporate Line (M) Sdn. Bhd., both are substantial corporate shareholders of the Company, of which 5% is held in his own name and 95% in his spouse's, Puan Sri Faridah Binti Idris and children's names and deemed interest by virtue of 16.031% equity interest held by his spouse's, Puan Sri Faridah Binti Idris and son, Encik Azlan Shah Bin Tan Sri Rozali.
- (b) Deemed interest by virtue of 100% equity interest in Central Plus (M) Sdn. Bhd. and Corporate Line (M) Sdn. Bhd., of which 5% equity interest is held by her spouse, YBhg Tan Sri Rozali Bin Ismail and 95% equity interest is held by herself and her children and deemed interested by virtue of 0.714% equity interest held by her son, Encik Azlan Shah Bin Tan Sri Rozali.
- (c) Deemed interest by virtue of 60% equity interest in PED Holdings (M) Sdn. Bhd.
- (d) Deemed interest by virtue of 40% equity interest in PED Holdings (M) Sdn. Bhd.
- (e) Deemed interest by virtue of 60% equity interest in Minat Bakti Sdn. Bhd.
- (f) Deemed interest by virtue of 40% equity interest in Minat Bakti Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 MARCH 2019

LIST OF TOP THIRTY LARGEST REGISTERED SHAREHOLDERS

Without aggregating securities from different securities accounts belonging to the same registered holder.

No.	Name	Shareholdings	%
1.	PED Holdings (M) Sdn. Bhd.	15,265,009	22.083
2.	Puan Sri Faridah Binti Idris	10,588,002	15.317
3.	Minat Bakti Sdn. Bhd.	4,000,000	5.786
4.	Central Plus (M) Sdn. Bhd.	3,296,666	4.769
5.	Corporate Line (M) Sdn. Bhd.	3,158,135	4.568
6.	Central Energy Sdn. Bhd.	3,021,400	4.370
7.	Formasi Simbolik Sdn. Bhd.	3,000,000	4.339
8.	Embun Edar Sdn. Bhd.	2,832,061	4.097
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chee Shu Ying	2,747,500	3.974
10.	Ting Poi Ling	2,022,400	2.925
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Chee Shu Ying	1,592,200	2.303
12.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,316,690	1.904
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Chang Cheng	1,267,000	1.832
14.	Ngu Cheng Wen	1,000,069	1.446
15.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Dek Kong	910,000	1.316
16.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ting Chek Ting	810,000	1.171
17.	Kenanga Nominees (Tempatan) Sdn. Bhd. Exempt an for Phillip Securities Pte Ltd (Client Account)	688,300	0.995

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 29 MARCH 2019

LIST OF TOP THIRTY LARGEST REGISTERED SHAREHOLDERS (CONT'D)

Without aggregating securities from different securities accounts belonging to the same registered holder. (cont'd)

No.	Name	Shareholdings	%
18.	Encik Azlan Shah Bin Rozali	494,031	0.714
19.	Zainal Abidin Bin Ismail	416,600	0.602
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Nam Soon	406,200	0.587
21.	YBhg Tan Sri Rozali Bin Ismail	400,000	0.578
22.	Ting Poi Ling	348,700	0.504
23.	Yim Kam Moon	272,000	0.393
24.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Eng Guo Miao	258,900	0.374
25.	YBhg Tan Sri Rozali Bin Ismail	189,628	0.274
26.	Grand Merdin Realty Sdn. Bhd.	187,500	0.271
27.	Su Ming Yaw	180,000	0.260
28.	Lim Seng Qwee	165,000	0.238
29.	Leong Wai Hong	152,000	0.219
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Ting Poi Ling	134,200	0.194

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of the Company will be held at the Ballroom 1, Eastin Hotel, 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 29 May 2019 at 10.00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESSES:

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. To approve the payment of Directors' fees of RM183,200 in respect of the financial year ended 31 December 2018. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM31,400 for the period from 29 May 2019 up to the date of the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who are retiring pursuant to Clause 124 of the Constitution of the Company and being eligible, have offered themselves for re-election: | |
| (a) YBhg Tan Sri Rozali Bin Ismail | Ordinary Resolution 3 |
| (b) Encik Jumsi Bin Batri | Ordinary Resolution 4 |
| 5. To re-appoint Messrs BDO PLT as Auditors of the Company, for the financial year ending 31 December 2019 and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 5 |

SPECIAL BUSINESS:

To consider and if thought fit, with or without any modification(s), to pass the following ordinary and special resolutions:

- | | |
|--|------------------------------|
| 6. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 6 |
|--|------------------------------|

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory authorities, where such approval is necessary, authority be and is hereby given to the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time, at such price upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION OF THE COMPANY

Special Resolution

"THAT the existing Constitution of the Company be hereby altered or amended as set out in the Appendix A attached to the Annual Report 2018 with effect from the date of passing this resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/ or amendment as may be required or imposed by the relevant authorities."

By order of the Board

WONG WAI FOONG (MAICSA 7001358)

TAN BEE HWEI (MAICSA 7021024)

Company Secretaries

Kuala Lumpur

30 April 2019

NOTES ON THE APPOINTMENT OF PROXY:

- For the purpose of determining a member who shall be entitled to attend this Third Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 73 of the Constitution of the Company to issue a General Meeting Record of Depositors as at 21 May 2019. Only a depositor whose name appears on the Record of Depositors as at 21 May 2019 shall be entitled to attend the said meeting and to speak or vote thereat.
- A member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
- Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meetings, i.e. before 10.00 a.m. on 27 May 2019, Monday or any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES

1. **Explanatory Note 1 – To receive the Audited Financial Statements for the financial year ended 31 December 2018**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this resolution will not be put forward for voting.

2. **Ordinary Resolution 1 – Directors’ Fees**

The Board of Directors, upon Remuneration Committee’s recommendation, has reviewed the Directors’ fees after taking into consideration time commitment and responsibilities of the respective Director. Payment of the Directors’ fees for the financial year ended 31 December 2018 amounting to RM183,200 will be made by the Company if the proposed Ordinary Resolution 1 is passed in the forthcoming Annual General Meeting.

3. **Ordinary Resolution 2 – Directors’ Benefits (excluding Directors’ fees)**

Pursuant to Section 230(1) of the Act, Directors’ benefits (excluding Directors’ fee) to the Non-Executive Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is seeking shareholders’ approval for the payment of Directors’ benefits for the period from 29 May 2019 up to the date of the next Annual General Meeting of the Company.

The details of the Directors’ Remuneration can be found on page 18 of this Annual Report.

4. **Ordinary Resolution 3 & Ordinary Resolution 4 – To re-elect YBhg Tan Sri Rozali Bin Ismail and Encik Jumsi Bin Batri who are retiring pursuant to Clause 124 of the Constitution of the Company and being eligible, have offered themselves for re-election.**

Clause 124 of the Constitution of the Company (“Constitution”) provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3) shall retire by rotation at the conclusion of an AGM of the Company once in every year provided always that all Directors shall retire from office once at least in each three (3) years. All Directors who retire from office shall be eligible for re-election. The Directors who are subject to retirement by rotation are eligible for re-election in accordance with Clause 124 of the Constitution are YBhg Tan Sri Rozali Bin Ismail (Executive Chairman) and Encik Jumsi Bin Batri (Independent Non-Executive Director).

For the purpose of determining the eligibility of the Directors to stand for re-election at the Third AGM, the Nominating Committee (“NC”) has considered the following:

- (a) The performance and contribution of each of the Directors based on their assessment results of the Board Effectiveness Evaluation 2018;
- (b) The assessment of the individual Director’s level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (c) In respect of Independent and Non-Executive Directors (“INED”), the level of independence demonstrated by each of the INEDs, and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment or the ability to act in the best interests of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (CONT'D)

4. **Ordinary Resolution 3 & Ordinary Resolution 4 – To re-elect YBhg Tan Sri Rozali Bin Ismail and Encik Jumsi Bin Batri who are retiring pursuant to Clause 124 of the Constitution of the Company and being eligible, have offered themselves for re-election. (cont'd)**

In line with Practice 5.1 of the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the INEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance.

The Board agreed with NC's recommendation that the Directors who retire in accordance with Clause 124 of the Constitution are eligible to stand for re-election. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

5. **Ordinary Resolution 6 – Authority to issue shares pursuant to Sections 75 and 76 of the Act**

The proposed Ordinary Resolution 6 is proposed to seek general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the Third AGM, to issue and allot new ordinary shares of the Company of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The authority to issue shares pursuant to Sections 75 and 76 of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares.

6. **Special Resolution – Proposed Alteration**

This proposed Special Resolution, if passed, will enable the Company to alter and amend its existing Constitution of the Company as drafted in accordance with the relevant provisions of the Act, relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Securities and other provisions of laws and regulations that are applicable to the Company.

This proposed Special Resolution is required to be passed by a majority of not less than seventy-five percent (75%) of such members who are entitled to vote and do vote in person or by proxy at the Third AGM.

For further information on the Proposed Alteration, please refer to the Appendix A attached to the Annual Report 2018.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS)

There is no Director standing for election at the Third Annual General Meeting of the Company.

Appendix A

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it:-

Clause No.	Existing Clauses	Proposed Clauses	
5(n)(i)	New Clause	“Event of Transmission”	Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
5(t)(i)	New Clause	“Other Documents”	<p>Means including, but not limited to any of the following documents that may be issued by the Company from time to time:</p> <p>(a) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission:</p> <p>(i) Notices relating to general meetings, instrument appointing a proxy (including electronic proxy appointment and voting manner), annual reports, audited financial statements, circular to shareholders, notices to holders of Securities, prospectus, information memorandum, notice of resolution, statement and other documents relating thereto;</p> <p>(ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc.;</p> <p>(iii) Other publication concerning the Company; and/or</p> <p>(iv) All written communications.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses	
5(t)(i)	New Clause	“Other Documents”	<p>Means including, but not limited to any of the following documents that may be issued by the Company from time to time (cont'd):</p> <p>(b) In respect of a Director:</p> <p>(i) Notices relating to meetings of Board and Board committees and other documents relating thereto;</p> <p>(ii) Notices relating to general meetings, annual reports, audited financial statements, circular to shareholders, and other documents relating thereto;</p> <p>(iii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc.;</p> <p>(iv) Other publication concerning the Company; and/or</p> <p>(v) All written communications.</p> <p>(c) In respect of the Auditors:</p> <p>(i) Notices relating to general meetings, audited financial statements, and other documents relating thereto;</p> <p>(ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc.; and/or</p> <p>(iii) All written communications.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
99.	An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the Directors may approve) and shall be deemed to include the right to demand or join in demanding a poll:	An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow (including the electronic proxy appointment and voting manner) or in any other form which is usual or which the Directors may approve) and shall be deemed to include the right to demand or join in demanding a poll:
101.	<p>An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall:</p> <p>(1) be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote; or</p> <p>(2) in the case of a poll be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting not less than twenty-four (24) hours before the time appointed for the taking of the poll.</p>	<p>An instrument appointing a proxy (including the electronic proxy appointment and voting manner) or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall:</p> <p>(1) be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote; or</p> <p>(2) in the case of a poll be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting not less than twenty-four (24) hours before the time appointed for the taking of the poll.</p> <p>Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A Member is not precluded from attending the meeting in person after lodging the instrument of proxy, however, such attendance shall automatically revoke the authority granted to the proxy.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
101.	Such a power of attorney (or a notarially certified copy of such power of attorney) once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. An instrument of proxy or power of attorney shall be invalid unless such instrument or power of attorney (or a notarially certified copy of such power of attorney) is deposited or delivered in a manner so permitted. A Member is not precluded from attending the meeting in person after lodging the instrument of proxy, however, such attendance shall automatically revoke the authority granted to the proxy.	
101(A)	New Clause	<p>An instrument appointing a proxy may be accepted if it is:</p> <p>(1) transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member; or</p> <p>(2) authenticated in any document given to the Company by electronic means which shows the validity of the appointment of a proxy.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
101(B)	New Clause	<p>The delivery of an instrument by proxy may be effected by:</p> <p>(1) physical delivery of the document;</p> <p>(2) delivery by facsimile transmission;</p> <p>(3) delivery by email transmission; or</p> <p>(4) lodging electronic document,</p> <p>to the place, facsimile number, electronic address or the designated website link or address (where applicable) as specified in the notice of general meeting.</p>
101(C)	New Clause	<p>The proceedings at a general meeting shall not be invalidated where an appointment of proxy in respect of that general meeting is sent in electronic form, but cannot be read by the Company due to technical problems or other reasons.</p>
124.	<p>An election of Directors shall take place each year during the annual general meeting. At every annual general meeting, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3) shall retire from office such that each Director shall retire from office once in every three (3) years, and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.</p>	<p>At the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the annual general meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
183.	<p>The Company may give any notice or other document and the documents referred to in Clause 176 to a Member either:</p> <p>(1) personally or by sending it by post in a prepaid envelope addressed to the Member at his registered or service address as appearing in the Register, Record of Depositors or (if he has no registered address within Malaysia) to the service address (if any) within Malaysia supplied by him to the Company for the giving of the notice to him or by leaving it at that address; or</p> <p>(2) by sending it by courier addressed to the Member at his registered or service address as appearing in the Register or Record of Depositors or (if he has no registered address within Malaysia) to the service address (if any) within Malaysia supplied him to the Company for the giving of the notice to him.</p>	<p>Any Company's Other Documents may be given by the Company to the persons mentioned below in the following manner:</p> <p>(1) In respect of a Member and person entitled to a security in consequence of an Event of Transmission ("Persons"):</p> <p>(a) The Company's Other Documents shall be in writing and shall be given to the aforesaid Persons either:</p> <p>(i) in hard copy, which shall be sent to the Persons either personally or by post to his last known address;</p> <p>(ii) in electronic form, which shall be either:</p> <p>(aa) transmitted to the last known electronic address provided by the Persons to the Company;</p> <p>(bb) transmitted to the last known contact details as recorded in the Register of Members or Record of Depositors provided by the Persons to the Company or Depository respectively;</p> <p>(cc) by publishing on a website;</p> <p>(dd) transmitted by the Company to the Persons using any appropriate electronic communication platform established by the Company or third parties, or</p> <p>(iii) partly in hard copy and partly in electronic form.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
		<p>(1) In respect of a Member and person entitled to a security in consequence of an Event of Transmission ("Persons"): (cont'd)</p> <p>(b) If a notice of general meeting is published on the website, the Company must notify the Persons in writing in hard copy or electronic form stating the following:</p> <p>(i) it concerns a general meeting;</p> <p>(ii) the place, date and time of the general meeting; and</p> <p>(iii) the designated website link or address where a copy of the notice may be downloaded,</p> <p>and the notice must be published on the Company's website throughout the period starting from the date of notification until the conclusion of the general meeting.</p> <p>(c) If the Company publishes its documents (other than a notice of general meeting) ("Company's Publication") on its Company's website or any other appropriate electronic communication platform, the Company must notify the Persons in writing in hard copy or electronic form stating the following:</p> <p>(i) brief description of the Company's Publication; and</p> <p>(ii) the designated website link or address where a copy of the Company's Publication may be downloaded.</p> <p>(d) In the event of a delivery failure, the Company must immediately send the Company's Other Documents to the affected Members by other appropriate means as permitted under Clause 183(1)(a).</p> <p>(e) The Persons may request for a hard copy of the Company's Other Documents from the Company if they are sent by electronic means.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
		<p>(2) In respect of a Director, the Company's Other Documents shall be in writing and shall be given to the Director either:</p> <p>(a) in the manner(s) set out in Clause 183(1) (except for publishing on a website); or</p> <p>(b) to the Director's last known service address.</p> <p>(3) In respect of the Auditors, the Company's Other Documents shall be in writing and shall be given to the Auditors either:</p> <p>(a) in the manner(s) set out in Clause 183(1) (except for publishing on a website); or</p> <p>(b) to the Auditors' last known address.</p> <p>(4) For the purpose of Clause 183(1), the Board of Directors may, at their discretion, determine the appropriate mode of communication with the persons mentioned above.</p>
184.	<p>The Company may also give any notice to a Member by:</p> <p>(1) telex, facsimile, telegram, electronic mail and other methods of (apart from those referred to above) communicating writing in visible form to his registered or service address or the number supplied by such Member to the Company;</p> <p>(2) publishing on the Company's website; or</p> <p>advertisement in accordance with Clause 185.</p>	[Deleted]

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
184(A)	None	<p>Where the Company's Other Documents are:</p> <ol style="list-style-type: none"> (1) served by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of the Persons, on the day after the date of its posting; (2) sent by facsimile transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted, unless the Company receives notification that the transmission was not successful; (3) sent by electronic transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted electronically, unless the Company receives notification that the transmission was not successful; (4) published on the Company's website or any appropriate electronic communication platform, service of the notice shall be deemed to be effected on the day on which the notice first appears on the Company's website to which the relevant person may have access or the day on which the notice of publication is deemed to have been served or delivered to such person under Clause 183, whichever is later; or (5) served or delivered in person, service of the notice shall be deemed effected at the time the relevant Company's Other Documents are delivered, received or left at the address of such person.
184(B)	None	<p>The Company's Other Documents may be given by the Company to joint holders by giving the notice to the joint holder first named in the Register of Members.</p>
184(C)	None	<p>Any Company's Other Documents delivered or sent to any Member in such manner as provided in Clause 183(1) shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative or survivor.</p>

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
188.	<p>(1) A notice or document shall be deemed given:</p> <p>(a) (in the case of post or courier) on being posted or despatched; or</p> <p>(b) (in the case of delivery by hand) on delivery.</p> <p>(2) A notice shall also be deemed given:</p> <p>(a) (in the case telex, facsimile, telegram, electronic mail or other methods of (apart from those referred to above) communicating writing in visible form)) on despatch or transmission; or</p> <p>(b) (in the case of an advertisement referred to in Clause 188) on the day on which the advertisement appears in the relevant national daily newspaper.</p>	[Deleted]

PROPOSED ALTERATION OR AMENDMENT TO THE EXISTING CONSTITUTION (CONT'D)

The existing Constitution of the Company is amended by alteration, modifications, deletion and/or additions, wherever necessary, whereby the affected existing Clauses are reproduced here with the Proposed Alteration or Amendment in bold, alongside it (cont'd):-

Clause No.	Existing Clauses	Proposed Clauses
	<p>(3) A notice or document shall be deemed:</p> <p>(a) posted on a certain date if it is proven that an envelope containing a notice was properly addressed, prepaid and put in the post on that date;</p> <p>(b) despatched by courier on a certain date if on that date, it is left at an office of the person, body or company carrying out the courier service or it is collected by an employee or representative of such person, body or company; or</p> <p>(c) delivered on the day of transmission in the case of electronic means.</p>	

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ADMINISTRATIVE DETAILS

FOR THE 3RD ANNUAL GENERAL MEETING (3RD AGM)

PIMPINAN EHSAN BERHAD (Company No. 1192777-W)

Date	:	Wednesday, 29 May 2019
Registration	:	From 8.00 a.m. onwards at Ballroom 1, Eastin Hotel
Commencement of Meeting	:	10.00 a.m.
Venue	:	Ballroom 1, Eastin Hotel 13, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan

REGISTRATION

- Registration will start at 8.00 a.m. at Ballroom 1, Eastin Hotel and will close on such time as may be determined by the Chairman of the Meeting. The shareholders are requested to be punctual.
- Please produce your original Identification Card (IC) at the registration counter for verification and ensure that your IC is collected upon completion of registration.
- After the verification, you are required to write your name and sign on the attendance list, you will be given an identification wristband and lunch food voucher (non-Muslim shareholders) or Buka Puasa voucher (Muslim shareholders) upon successful registration.
- Please note that you are not allowed to enter the meeting hall without the identification wristband. There will be no replacement in the event you lose or misplace the identification wristband.
- Please note that the lunch food voucher (non-Muslim shareholders) or Buka Puasa voucher (Muslim shareholders) will be given according to head count, which will be provided for the shareholder or first proxy ONLY.
- In the event where you are the shareholder and also a proxy, only ONE (1) lunch food voucher (non-Muslim shareholders) or Buka Puasa voucher (Muslim shareholders) will be given regardless of the number of shareholders you are representing as a proxy.
- No person will be allowed to register on behalf of another person even with the original IC of the other person.
- If you are attending the meeting as shareholder as well as proxy, you will be registered once and will be given only one identification wristband to enter the meeting hall.

PROXY

- A member of the Company is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote at the same Meeting in his stead, provided that the member specifies the proportion of his shareholdings to be represented by each proxy.
- A shareholder and his/her appointed proxy cannot attend the Meeting at the same time. The shareholder must revoke the appointment of the proxy if he/she wishes to attend the Meeting himself/herself.
- If you wish to attend the Meeting yourself, please do not submit any Proxy Form.
- If you have submitted your Proxy Form prior to the Meeting and subsequently decided to attend the Meeting yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

PARKING

- Parking for visitors is available at the basement parking lots of the Eastin Hotel, Petaling Jaya. Shareholders are to exchange their entry tickets with exit tickets at the designated counter. The Company will not provide cash reimbursements for parking charges incurred by shareholders/proxies attending the AGM and who park their vehicles at the car park of other buildings.
- Shareholders are encouraged to use the Mass Rapid Transit (MRT) to Phileo Damansara Station which is 350 metres (about 5 minutes walking) to the doorstep of Eastin Hotel, Petaling Jaya.

ADMINISTRATIVE DETAILS (CONT'D)

FOR THE 3RD ANNUAL GENERAL MEETING (3RD AGM)

PIMPINAN EHSAN BERHAD (Company No. 1192777-W)

VOTING PROCEDURES

- The voting at the Meeting will be conducted by poll voting in accordance with the Provision of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and an independent scrutineer will be appointed to verify the poll results.
- E-voting for all of the resolutions as set out in the Notice of Meeting will take place only upon the conclusion of the deliberations of all the businesses to be transacted at the Meeting. The registration of attendance will be closed, to facilitate commencement of Poll Voting.
- All attendees at the Meeting will be briefed and guided by the Poll Administrator before commencement of the voting process.

REFRESHMENT AND DOOR GIFT

- Welcoming coffee and coffee break are provided for the non-muslim shareholders.
- Lunch provided for non-muslim shareholders only with food lunch voucher.
- Muslim shareholders may redeem the Buka Puasa voucher through reservation.
- No door gift is provided for this event.

ENTITLEMENT TO ATTEND AND VOTE

- Only Members whose names appear in the Record of Depositors as at 5.00 p.m. on 21 May 2019 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend, speak and/or vote on his/her behalf.

ENQUIRES

For enquires on the administrative details of this meeting, please contact the following officers during office hours (Monday - Friday from 9.00 a.m. to 5.00 p.m.):

Tricor Investor & Issuing House Services Sdn. Bhd.

(Puan Ros Sakila/Mr Alven)

Telephone : +603-2783 9299

Email : is.enquiry@my.tricorglobal.com

PROXY FORM

No. of Shares Held

CDS Account No.

*I/We _____

NRIC/Passport/Company No. _____ Tel/Hp No. _____

of _____

being member(s) of Pimpinan Ehsan Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

and/or* (*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Third Annual General Meeting of the Company to be held at the **Ballroom 1, Eastin Hotel, 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan** on **Wednesday, 29 May 2019** at **10.00 a.m.** and at any adjournment thereof, and to vote as indicated below:

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon			
		Ordinary Resolution ("OR") / Special Resolution ("SR")	For	Against
2.	Payment of Directors' fees of RM183,200 for the financial year ended 31 December 2018	OR 1		
3.	Payment of Directors' benefits (excluding Directors' fee) to the Non-Executive Directors up to an amount of RM31,400 for the period from 29 May 2019 up to the date of the next annual general meeting of the Company	OR 2		
4.	Re-election of Tan Sri Rozali Bin Ismail as Director	OR 3		
5.	Re-election of Encik Jumsi Bin Batri as Director	OR 4		
6.	Re-appointment of Messrs BDO PLT as Auditors of the Company, for the financial year ending 31 December 2019 and to authorise the Board of Directors to fix their remuneration	OR 5		
Special Business				
7.	Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	OR 6		
8.	Proposed Alteration or Amendment to the Existing Constitution of the Company	SR		

[Please indicate with an "X" in the spaces provided on how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.]

Dated this day _____ of _____ 2019

*Signature/Common Seal of Shareholder

* Delete if not applicable

Number of ordinary
shares held CDS
account no.

NOTES ON THE APPOINTMENT OF PROXY:

1. For the purpose of determining a member who shall be entitled to attend this Third Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 73 of the Constitution of the Company to issue a General Meeting Record of Depositors as at 21 May 2019. Only a depositor whose name appears on the Record of Depositors as at 21 May 2019 shall be entitled to attend the said meeting and to speak or vote thereat.
2. A member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
4. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meetings, i.e. before 10.00 a.m. on 27 May 2019, Monday or any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

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AFFIX
POSTAGE
STAMP

The Company Secretary
Pimpinan Ehsan Berhad (1192777-W)
C/o Tricor Investor & Issuing House Services Sdn. Bhd. (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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PIMPINAN EHSAN BERHAD

(1192777-W)

www.pebhd.com.my