

Registration No.: 201701013175 (1227340-V)

Boulevard Motor Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)

Acquisitions of property, plant and equipment during the financial year are by the following means:

	2023 RM	2022 RM
Cash	3,034,291	2,367,236

Leasehold land and buildings with carrying amounts of RM9,079,837 (2022: RM9,488,405) are charged to the bank for bank borrowings as disclosed in Note 17.

13. Inventories

	2023 RM	2022 RM
At cost:		
Motor vehicles	15,868,988	8,108,612
Spare parts	1,805,925	1,304,004
	<u>17,674,913</u>	<u>9,412,616</u>
Cost of inventories recognised as expenses	<u>556,628,646</u>	<u>514,814,840</u>

14. Trade and other receivables

Trade receivables		
- third parties	40,980,293	35,896,490
- due from companies in which the directors have interests	483,807	388,546
	<u>41,464,100</u>	<u>36,285,036</u>
Other receivables		
Refundable deposits	284,030	339,783
Incentive receivables	20,483,653	10,067,707
Sundry receivables		
- third parties	2,291,417	1,535,429
- due from related companies	2,886,201	3,325,677
	<u>25,945,301</u>	<u>15,268,596</u>
	<u>67,409,401</u>	<u>51,553,632</u>

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Boulevard Motor Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

14. Trade and other receivables (contd.)

Trade receivables are generally unsecured, non-interest bearing and on 30 days (2022: 30 days) terms.

Sundry receivables are unsecured, non-interest bearing and receivable on demand, except for amount due from related companies of RM2,783,920 (2022: RM2,953,371) which bears interest at rates of 4.50% (2022: 4.50%) per annum during the financial year.

15. Other current assets

	2023 RM	2022 RM
Prepayments	<u>128,862</u>	<u>114,884</u>

16. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	2023 RM	2022 RM
Cash on hand and at banks	32,994,119	14,817,544
Short term deposits with licensed banks	<u>7,400,000</u>	<u>18,000,000</u>
Cash and bank balances	<u>40,394,119</u>	<u>32,817,544</u>

The effective interest rates and maturity of deposits at the reporting date are 2% to 2.6% (2022: 2% to 2.35%) and 4 days (2022: 4 days) respectively.

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17. Loans and borrowings	2023 RM	2022 RM
Current		
Secured:		
Revolving credit	2,000,000	2,000,000
Term loans	1,196,448	1,196,448
	<u>3,196,448</u>	<u>3,196,448</u>
Non-current		
Secured:		
Term loans	3,477,704	4,676,192
Total loans and borrowings	<u>6,674,152</u>	<u>7,872,640</u>
Total loans and borrowings		
Revolving credit	2,000,000	2,000,000
Term loans	4,674,152	5,872,640
	<u>6,674,152</u>	<u>7,872,640</u>
The interest rates at the reporting date were as follows:		
	2023 %	2022 %
Revolving credit	5.31	4.80
Term loans	<u>5.28 - 5.44</u>	<u>4.94 - 5.15</u>

The revolving credits and term loans were secured by the following:

- (a) legal charges over the leasehold land of the Company as disclosed in Note 12;
- (b) joint and several guarantee by certain directors of the Company and a person connected with the directors; and
- (c) corporate guarantee by holding company.

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For the financial year ended 31 December 2023

18. Trade and other payables		2023	2022
		RM	RM
Trade payables			
- third parties	46,500,799	<u>38,878,119</u>	
Other payables			
Accrued operating expenses	2,541,078	2,746,790	
Deposit received	96,029	70,500	
Dividend payable	-	4,905,450	
Sundry payables			
- due to companies in which certain directors have interests	455,218	431,199	
- third parties	3,226,384	5,127,584	
	<u>6,318,709</u>	<u>13,281,523</u>	
	<u>52,819,508</u>	<u>52,159,642</u>	

Trade payables are unsecured, non-interest bearing and on 45 days (2022: 45 days) terms.

Sundry payables are unsecured, non-interest bearing and payable on demand.

19. Other current liabilities		2023	2022
		RM	RM
Service tax payable	122,566	<u>126,564</u>	

20. Deferred tax liabilities					
	As at 1	Recognised	As at 31	Recognised	As at 31
	January	in profit	December	in profit	December
	2022	or loss	2022	or loss	2023
	RM	RM	RM	RM	RM
Deferred tax liabilities:					
Property, plant and equipment	101,689	84,746	186,435	52,735	239,170
	<u>101,689</u>	<u>84,746</u>	<u>186,435</u>	<u>52,735</u>	<u>239,170</u>

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Boulevard Motor Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

21. Share capital	Number of Ordinary Shares		Amount	
	2023	2022	2023	2022
			RM	RM
Issued and fully paid				
At 1 January and 31 December	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

All ordinary shares are equally eligible to receive dividends and the repayment of capital and carry one vote per share at the shareholders meeting of the Company.

22. Dividends	2023	2022
	RM	RM
Recognised during the financial year:		
Dividend on ordinary shares:		
- First tax exempt (single-tier) interim dividend: RM1.50 (2022: RM2.60) per share	3,750,000	6,500,000
- Second tax exempt (single-tier) interim dividend: RM1.60 per share	<u>4,000,000</u>	<u>-</u>
	<u>7,750,000</u>	<u>6,500,000</u>

23. Significant related party transactions

Significant related party transactions entered into by the Company are as follows:

(a) Sale and purchase of goods and services

The Company's related party transactions during the year are as follows:

	2023	2022
	RM	RM
Transactions with holding company:		
Interest expenses	-	16,508
Dividend paid	<u>7,750,000</u>	<u>6,500,000</u>

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Boulevard Motor Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

23. Significant related party transactions (contd.)

Significant related party transactions entered into by the Company are as follows:

(a) Sale and purchase of goods and services (contd.)

The Company's related party transactions during the year are as follows (contd.):

	2023	2022
	RM	RM
Transactions with related companies:		
Interest income	(41,986)	(59,604)
Management fee received	-	(312,000)
Sales of goods and services	(19,266)	(2,792)
Purchase of goods and services	400	-
	<u>400</u>	<u>-</u>
Transactions with companies in which certain directors have interests		
Sales of goods and services	(7,482,717)	(3,605,139)
Sales of property, plant and equipment	(399,960)	(566,000)
Purchase of goods and services	960,155	507,894
Purchase of property, plant and equipment	-	13,030
Interest expenses	-	148,618
Rental expenses	975,000	921,000
	<u>975,000</u>	<u>921,000</u>

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable on transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2023	2022
	RM	RM
Total compensation (Note 10)	<u>204,999</u>	<u>316,842</u>

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Boulevard Motor Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

24. Financial instruments

Categories of financial instruments

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

Financial assets and financial liabilities at amortised cost (“AC”).

	2023		2022	
	Carrying amount	AC	Carrying amount	AC
	RM	RM	RM	RM
Financial assets				
Trade and other receivables	67,409,401	67,409,401	51,553,632	51,553,632
Cash and bank balances	40,394,119	40,394,119	32,817,544	32,817,544
	<u>107,803,520</u>	<u>107,803,520</u>	<u>84,371,176</u>	<u>84,371,176</u>
Financial liabilities				
Loans and borrowings	6,674,152	6,674,152	7,872,640	7,872,640
Trade and other payables	52,819,508	52,819,508	52,159,642	52,159,642
	<u>59,493,660</u>	<u>59,493,660</u>	<u>60,032,282</u>	<u>60,032,282</u>

25. Authorisation of financial statements for issue

The financial statements of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 June 2024.

**BOULEVARD MOTOR (SABAH) SDN. BHD.
201701035661 (1249832-H)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements
31 December 2023**

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Directors: Tan Sri Datuk Ling Chiong Ho
Ling Chiong Sing
Dennis Ling Lu Jing
Tang Tiong Ing

Secretary: Tang Tiong Ing

TB 2713
Mile ¾, Jalan Bahagia
P.O. Box 2
91000 Tawau, Sabah, Malaysia

Registered office and principal
place of business: Lot 515, Jalan Datuk Edward Jeli
Piasau Industrial Estate
98000 Miri, Sarawak

Auditors: Kevin How & Co PLT

Principal bankers: CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

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Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 December 2023.

Principal activities

The Company is principally engaged in car dealership, sales of spare parts, repairing and servicing of motor vehicles. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	RM
Profit after tax	<u>22,531,254</u>

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

Reserves and provisions

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

Dividends

The amount of dividends paid by the Company was as follows:

In respect of the financial year ended 31 December 2023:

	RM
First interim dividend of RM0.30 per share, single tier tax exempt declared on 30 June 2023 and paid on 6 July 2023	750,000
Second interim dividend of RM0.20 per share, single tier tax exempt declared on 23 December 2023 and payable on 29 December 2023	500,000
	<u>1,250,000</u>

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Directors

The directors of the Company in office during the current financial year and up to the date of this report are:

Tan Sri Datuk Ling Chiong Ho
Ling Chiong Sing
Dennis Ling Lu Jing
Tang Tiong Ing

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to 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 a director is a member or with a company in which a director has a substantial financial interest, except as disclosed in Note 22 to the financial statements.

Details of directors' remunerations are disclosed in Note 10 to the financial statements.

Directors' interests

Pursuant to Section 59(3) of the Companies Act 2016, the beneficial interest of Dennis Ling Lu Jing is disclosed in the Directors' Report of the holding company, Dwi Bumijaya Sdn. Bhd.

The other directors in office at the end of the financial year did not have any interest in shares in the Company or the holding company during the financial year.

Other statutory information

- a) Before the statement of comprehensive income and statement of financial position of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and
 - ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Other statutory information (contd.)

- b) At the date of this report, the directors are not aware of any circumstances which would render:
- i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Company; and
 - ii) the values attributed to the current assets in the financial statements of the Company misleading.
- c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- d) As at the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report, there does not exist:
- i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability of the Company which has arisen since the end of the financial year.
- f) In the opinion of the directors:
- i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Holding company

The Company is a wholly-owned subsidiary of Dwi Bumijaya Sdn. Bhd., a company incorporated in Malaysia.

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Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Indemnity and insurance

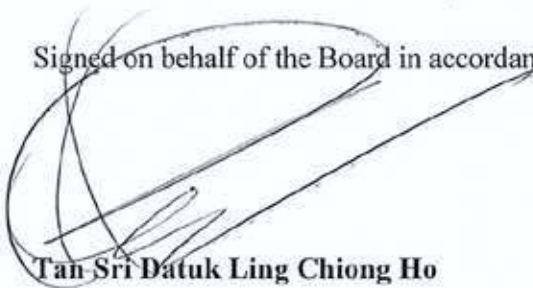
There was no indemnity given to or insurance effected for any director, officer or auditor of the Company during the financial year.

Auditors

The auditors, Kevin How & Co PLT, have expressed their willingness to continue in office.

Details of auditors' remunerations are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated **06 JUN 2024**



Tan Sri Datuk Ling Chiong Ho



Dennis Ling Lu Jing

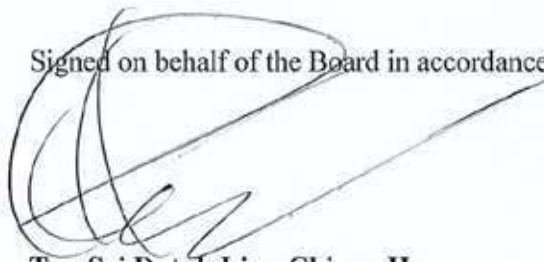
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Boulevard Motor (Sabah) Sdn. Bhd.
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Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

We, **Tan Sri Datuk Ling Chiong Ho** and **Dennis Ling Lu Jing**, being two of the directors of **Boulevard Motor (Sabah) Sdn. Bhd.** do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 34 are drawn up in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated **06 JUN 2024**



Tan Sri Datuk Ling Chiong Ho

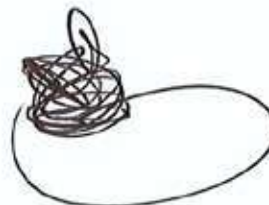


Dennis Ling Lu Jing

Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act 2016



I, **Dennis Ling Lu Jing**, being the director primarily responsible for the financial management of **Boulevard Motor (Sabah) Sdn. Bhd.**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 34 are in my opinion 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 **Dennis Ling Lu Jing** at
Miri in the State of Sarawak on **06 JUN 2024**



Dennis Ling Lu Jing

Before me,

D-2-02, Mini Time Square,
Marina ParkCity,
98000 Miri, Sarawak.
Tel: 085-419226



Kevin How & Co PLT

202406000002 (LLP0037524-LCA) & AF 1544
Chartered Accountants
A-2-27B, Miri Times Square
Marina ParkCity
98000 Miri
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Registration No.: 201701035661 (1249832-H)

**Independent Auditors' Report to the Members of
Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Boulevard Motor (Sabah) Sdn. Bhd.**, which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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



Registration No.: 201701035661 (1249832-H)

**Independent Auditors' Report to the Members of
Boulevard Motor (Sabah) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the 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.

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 the 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 the Malaysian Private Entities Reporting Standard 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Registration No.: 201701035661 (1249832-H)

**Independent Auditors' Report to the Members of
Boulevard Motor (Sabah) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



Kevin How & Co PLT
202406000002 (LLP0037524-LCA) & AF 1544
Chartered Accountants

Registration No.: 201701035661 (1249832-H)

**Independent Auditors' Report to the Members of
Boulevard Motor (Sabah) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

- 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.

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.

KH & PLT

Kevin How & Co PLT
202406000002 (LLP0037524-LCA) & AF1544
Chartered Accountants

Kevin How

Datuk Kevin K. How
00846/07/2024 J
Chartered Accountant

Miri, Malaysia
Date: 06 JUN 2024

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Comprehensive Income
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Revenue	5	382,672,628	335,130,443
Cost of sales		(338,454,352)	(307,696,118)
Gross profit		44,218,276	27,434,325
Other income	6	3,676,915	4,492,048
Selling and distribution expenses		(7,289,540)	(6,648,331)
Administrative expenses		(9,551,528)	(8,851,057)
Operating profit		31,054,123	16,426,985
Finance income	7	122,037	85,910
Finance costs	8	(1,432,970)	(1,580,833)
Profit before tax	9	29,743,190	14,932,062
Income tax expense	11	(7,211,936)	(3,715,430)
Profit for the year, net of tax, representing total comprehensive income for the year		<u>22,531,254</u>	<u>11,216,632</u>

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

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Financial Position
As at 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Non-current assets			
Property, plant and equipment	12	50,610,759	48,704,418
Current assets			
Inventories	13	9,033,295	3,312,353
Trade and other receivables	14	37,202,542	22,043,543
Other current assets	15	89,493	82,638
Cash and bank balances	16	13,830,254	7,583,718
		<u>60,155,584</u>	<u>33,022,252</u>
Total assets		<u>110,766,343</u>	<u>81,726,670</u>
Equity and liabilities			
Current liabilities			
Loans and borrowings	17	7,846,248	7,850,621
Trade and other payables	18	33,605,528	23,480,746
Tax payable		2,766,852	1,821,700
		<u>44,218,628</u>	<u>33,153,067</u>
Non-current liabilities			
Loans and borrowings	17	17,120,340	20,323,258
Trade and other payables	18	2,870,167	3,049,341
Deferred tax liabilities	19	310,609	235,659
		<u>20,301,116</u>	<u>23,608,258</u>
Total liabilities		<u>64,519,744</u>	<u>56,761,325</u>
Equity			
Share capital	20	2,500,000	2,500,000
Retained earnings		43,746,599	22,465,345
Total equity		<u>46,246,599</u>	<u>24,965,345</u>
Total equity and liabilities		<u>110,766,343</u>	<u>81,726,670</u>

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

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Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Changes in Equity
For the financial year ended 31 December 2023

	Note	Share capital (Note 20) RM	Retained earnings RM	Total equity RM
At 1 January 2022		2,500,000	14,248,713	16,748,713
Total comprehensive income for the year		-	11,216,632	11,216,632
Dividends	21	-	(3,000,000)	(3,000,000)
At 31 December 2022		2,500,000	22,465,345	24,965,345
Total comprehensive income for the year		-	22,531,254	22,531,254
Dividends	21	-	(1,250,000)	(1,250,000)
At 31 December 2023		<u>2,500,000</u>	<u>43,746,599</u>	<u>46,246,599</u>

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

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Boulevard Motor (Sabah) Sdn. Bhd.
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Statement of Cash Flows
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Operating activities			
Profit before tax		29,743,190	14,932,062
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	9	1,373,092	1,157,943
Gain on disposal of property, plant and equipment	6	(726,689)	(1,797,102)
Interest income	7	(122,037)	(85,910)
Interest expenses	8	1,432,970	1,580,833
Operating cash flows before changes in working capital		<u>31,700,526</u>	<u>15,787,826</u>
(Increase)/Decrease in inventories		(5,720,942)	1,352,351
(Increase)/Decrease in trade and other receivables		(15,158,999)	4,235,334
(Increase)/Decrease in other current assets		(6,855)	831
Increase/(Decrease) in trade and other payables		10,152,154	(18,626,797)
Net change in holding company balances		(500,000)	(950,361)
Net change in related companies balances		(206,546)	(4,704,186)
Cash flows from/(used in) operating activities		<u>20,259,338</u>	<u>(2,905,002)</u>
Interest paid		(1,432,970)	(1,580,833)
Interest received		122,037	85,910
Income tax paid		(6,191,834)	(2,759,554)
Net cash flows from/(used in) operating activities		<u>12,756,571</u>	<u>(7,159,479)</u>
Investing activities			
Acquisition of property, plant and equipment	12	(3,762,044)	(1,282,783)
Proceeds from disposal of property, plant and equipment		1,209,300	2,097,563
Net cash flows (used in)/from investing activities		<u>(2,552,744)</u>	<u>814,780</u>
Financing activities			
Repayment of term loans		(3,754,458)	(3,736,468)
Proceeds from term loans		547,167	923,504
Dividend paid on ordinary shares		(750,000)	-
Net cash flows used in financing activities		<u>(3,957,291)</u>	<u>(2,812,964)</u>

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Boulevard Motor (Sabah) Sdn. Bhd.
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Statement of Cash Flows
For the financial year ended 31 December 2023 (contd.)

	Note	2023 RM	2022 RM
Net increase/(decrease) in cash and cash equivalents		6,246,536	(9,157,663)
Cash and cash equivalents at the beginning of the year		<u>7,583,718</u>	<u>16,741,381</u>
Cash and cash equivalents at the end of the year	16	<u><u>13,830,254</u></u>	<u><u>7,583,718</u></u>

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

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Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The principal place of business and registered office of the Company is located at Lot 515, Jalan Datuk Edward Jeli, Piasau Industrial Estate, 98000 Miri, Sarawak.

The Company is principally engaged in car dealership, sales of spare parts, repairing and servicing of motor vehicles. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a wholly-owned subsidiary of Dwi Bumijaya Sdn. Bhd., a company incorporated in Malaysia.

2. Basis of preparation

These financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared on the historical cost basis except otherwise disclosed in the notes below. The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

3. Summary of significant accounting policies

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment.

Depreciation of property, plant and equipment is provided for on a straight-line method to write off the cost of the asset to its residual value over the estimated useful lives, which are as follows:

Long term leasehold land and buildings	Over remaining leasehold period from 50 to 885 years
Motor vehicles	3 - 5 years
Plant and machinery	6.5 years
Equipment, furniture and fittings	3 - 6.5 years

Capital work-in-progress are not depreciated as these assets are not yet available for use.

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Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.1 Property, plant and equipment (contd.)

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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 resultant gain or loss recognised in profit or loss.

3.2 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Spare parts: purchase cost on weighted average method
- Motor vehicles: based on specific identification

Inventories are assessed for impairment at each reporting date by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to its selling price less costs to complete and sell, and the impairment loss is recognised immediately in profit or loss.

3.3 Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.4 Financial instruments

Initial recognition and measurement

The Company recognises a financial instrument (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at the transaction price, including transaction costs, except for financial instruments subsequently measured at fair value through profit or loss for which the transaction costs are expensed to profit or loss when incurred.

If the transaction constitutes a financing arrangement, the financial instrument is measured at the present value of future payments discounted at market rate for similar debt instrument.

Subsequent measurement

When the following conditions are met, the financial instruments shall be measured at amortised cost using the effective interest rate ("EIR") method:

- returns to the holders are determinable;
- no contractual provision which would result in the holder losing the principal amount or the attributable interest; and
- prepayment options which is not contingent upon future events.

All other financial instruments not measured at amortised cost are measured at fair value with changes in fair value recognised in profit or loss.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.4 Financial instruments (contd.)

Impairment of financial assets

Other than those financial assets measured at fair value through profit or loss, all financial assets are assessed at each reporting date for objective evidence of impairment. Where such evidence exist, impairment loss is measured as follows:

- financial asset measured at amortised cost, the impairment loss recognised is the difference between the carrying amount of the asset and the present value of the cash flow of the assets discounted at its original EIR; and
- financial asset measured at cost less impairment, the impairment loss recognised is the difference between the carrying amount of the asset less the amount receivable had the asset been sold at the reporting date.

All impairment losses are recognised in profit or loss.

Derecognition of financial instruments

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expires, or when the Company transfers the contractual rights to receive cash flows without retaining significant risks and rewards of ownership and ceases to be involved in the control of the financial asset transferred.

A financial liability is derecognised when it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.5 Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial) that require fair value measurement or disclosure, the Company uses the following measurement hierarchy:

- highest priority to quoted prices in active markets provided that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date;
- in the absence of an active market price, the price observed from a recent binding agreement or a recent transaction negotiated at arm's length and where necessary, adjusted for relevant economic conditions and time value of money; and
- in the absence of both market price and observable inputs, a fair value measurement of an item is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions that are reasonable and supportable.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term deposits with licensed bank (with original maturities of three months or less) that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in value.

3.7 Provisions

Provision is recognised when a reliable estimate can be made of a present obligation (legal or constructive) arising from a past event and for which a probable outflow of economic resources will be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration receivable, net of taxes, returns and discounts.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from services rendered is recognised when the services are performed.

3.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they incurred based on the EIR method.

3.12 Employee benefits

Short-term employee benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Bonus payments are recognised when, and only when, the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution plans

The Company makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised in the profit or loss in the period in which the related service is performed.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

4. Key judgements and estimations

There are no significant judgement or estimates applied in the preparation of these financial statements.

5. Revenue

	2023	2022
	RM	RM
Sales of motor vehicles	357,316,950	313,180,421
Sales of spare parts and services	25,355,678	21,950,022
	<u>382,672,628</u>	<u>335,130,443</u>

6. Other income

Commissions	2,742,939	2,496,489
Dealer subsidy	108,437	104,180
Gain on disposal of property, plant and equipment	726,689	1,797,102
Rental income	14,400	12,800
Sundry income	84,450	81,477
	<u>3,676,915</u>	<u>4,492,048</u>

7. Finance income

Interest income from:		
- current account	59,769	30,440
- short term deposits with licensed banks	62,268	55,470
	<u>122,037</u>	<u>85,910</u>

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Notes to the Financial Statements
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8. Finance costs

	2023 RM	2022 RM
Interest expenses on:		
- bank guarantee	2,931	2,106
- interest charged by holding company	-	28,443
- interest charged by related companies	38,164	71,811
- interest charged by a company in which certain directors have interests	-	220,574
- revolving credit	198,071	153,354
- term loans	1,161,844	1,075,871
- others	31,960	28,674
	<u>1,432,970</u>	<u>1,580,833</u>

9. Profit before tax

The following amounts have been included in arriving at profit before tax:

Employee benefits expense (Note 10)	7,725,360	7,070,470
Auditors' remunerations	20,000	20,000
Depreciation of property, plant and equipment (Note 12)	1,373,092	1,157,943
Rental expenses	355,454	382,446
	<u>7,725,360</u>	<u>7,070,470</u>

10. Employee benefits expense

Salaries and wages	6,493,545	5,943,867
Contributions to defined contribution plan	1,149,156	1,055,010
Social security contributions	82,657	71,593
	<u>7,725,360</u>	<u>7,070,470</u>

Included in employee benefits expense of the Company is the director's remunerations as follows:

	2023 RM	2022 RM
Salaries and other emoluments	210,000	60,000
Contributions to defined contribution plan	25,200	7,200
Social security contributions	1,159	386
	<u>236,359</u>	<u>67,586</u>

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Notes to the Financial Statements
For the financial year ended 31 December 2023

11. Income tax expense

	2023	2022
	RM	RM
Current income tax:		
Malaysian income tax	7,203,518	3,641,700
Overprovision in prior years	(66,532)	(17,248)
	<u>7,136,986</u>	<u>3,624,452</u>
Deferred taxation (Note 19):		
Origination of temporary differences	74,914	90,665
Underprovision in prior years	36	313
	<u>74,950</u>	<u>90,978</u>
Total income tax expense	<u>7,211,936</u>	<u>3,715,430</u>

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

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2023	2022
	RM	RM
Profit before tax	<u>29,743,190</u>	<u>14,932,062</u>
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	7,138,366	3,583,695
Adjustments:		
Expenses not deductible for tax purposes	140,066	148,670
Overprovision of income tax in prior years	(66,532)	(17,248)
Underprovision of deferred tax in prior years	36	313
Income tax expense for the year	<u>7,211,936</u>	<u>3,715,430</u>

APPENDIX III(C): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR (SABAH) FOR FYE 31 DECEMBER 2023 (CONT'D)

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment

Cost	Long term leasehold land and buildings RM	Motor vehicles RM	Plant and machinery RM	Equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
At 1 January 2022	46,883,318	4,956,069	812,373	353,519	134,272	53,139,551
Additions	437,677	757,085	7,320	25,261	55,440	1,282,783
Disposals	-	(2,232,285)	-	-	-	(2,232,285)
At 31 December 2022 and 1 January 2023	47,320,995	3,480,869	819,693	378,780	189,712	52,190,049
Additions	460,546	2,715,889	32,908	51,081	501,620	3,762,044
Disposals	-	(1,269,810)	(1,903)	-	-	(1,271,713)
At 31 December 2023	47,781,541	4,926,948	850,698	429,861	691,332	54,680,380

APPENDIX III(C): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR (SABAH) FOR FYE 31 DECEMBER 2023 (CONT'D)

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)	Long term	Motor	Plant and	Equipment,	Capital	Total
	leasehold land and buildings RM	vehicles RM	machinery RM	furniture and fittings RM	work-in- progress RM	
Accumulated depreciation						
At 1 January 2022	573,395	3,144,503	372,911	168,703	-	4,259,512
Depreciation charge for the year (Note 9)	446,712	538,117	122,765	50,349	-	1,157,943
Disposals	-	(1,931,824)	-	-	-	(1,931,824)
At 31 December 2022 and 1 January 2023	1,020,107	1,750,796	495,676	219,052	-	3,485,631
Depreciation charge for the year (Note 9)	455,642	735,726	126,663	55,061	-	1,373,092
Disposals	-	(789,100)	(2)	-	-	(789,102)
At 31 December 2023	1,475,749	1,697,422	622,337	274,113	-	4,069,621

APPENDIX III(C): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR (SABAH) FOR FYE 31 DECEMBER 2023 (CONT'D)

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)	Long term leasehold land and buildings RM	Motor vehicles RM	Plant and machinery RM	Equipment, furniture and fittings RM	Capital work-in- progress RM	Total RM
Net carrying amount						
At 31 December 2022	46,300,888	1,730,073	324,017	159,728	189,712	48,704,418
At 31 December 2023	46,305,792	3,229,526	228,361	155,748	691,332	50,610,759

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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)

Acquisitions of property, plant and equipment during the financial year are by the following means:

	2023	2022
	RM	RM
Cash	<u>3,762,044</u>	<u>1,282,783</u>

Net carrying amounts of property, plant and equipment pledged for borrowings as referred to in Note 17 are as follows:

	2023	2022
	RM	RM
Long term leasehold lands and buildings	<u>46,305,792</u>	<u>46,300,888</u>

13. Inventories

At cost:

Motor vehicles	7,492,546	2,244,062
Spare parts	1,540,749	1,068,291
	<u>9,033,295</u>	<u>3,312,353</u>
Cost of inventories recognised as expenses	<u>338,454,352</u>	<u>307,696,118</u>

14. Trade and other receivables

Trade receivables

- third parties	22,604,389	13,983,384
- due from companies in which certain directors have interests	1,030	122,500
	<u>22,605,419</u>	<u>14,105,884</u>

Other receivables

Refundable deposits	97,830	97,830
Incentive receivables	12,874,259	6,129,014
Sundry receivables		
- third parties	1,625,034	1,710,815
	<u>14,597,123</u>	<u>7,937,659</u>
	<u>37,202,542</u>	<u>22,043,543</u>

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Notes to the Financial Statements
For the financial year ended 31 December 2023

14. Trade and other receivables (contd.)

Trade receivables are generally unsecured, non-interest bearing and on 30 days (2022: 30 days) terms.

Sundry receivables are unsecured, non-interest bearing and receivable on demand.

15. Other current assets

	2023 RM	2022 RM
Prepayments	<u>89,493</u>	<u>82,638</u>

16. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	2023 RM	2022 RM
Cash on hand and at banks	10,930,254	6,233,718
Short term deposits with licensed banks	<u>2,900,000</u>	<u>1,350,000</u>
Cash and bank balances	<u>13,830,254</u>	<u>7,583,718</u>

The effective interest rates and maturity of deposits as at the reporting date are as follows:

	Interest rates		Maturity	
	2023 %	2022 %	2023 Days	2022 Days
Short term deposits with a licensed bank	<u>2.00 - 2.60</u>	<u>2.00 - 2.35</u>	<u>4</u>	<u>4</u>

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Notes to the Financial Statements
For the financial year ended 31 December 2023

17. Loans and borrowings

	2023	2022
	RM	RM
Current		
Secured:		
Revolving credits	4,000,000	4,000,000
Term loans	3,846,248	3,850,621
	<u>7,846,248</u>	<u>7,850,621</u>
Non-current		
Secured:		
Term loans	17,120,340	20,323,258
Total loans and borrowings	<u>24,966,588</u>	<u>28,173,879</u>
Total loans and borrowings		
Revolving credits	4,000,000	4,000,000
Term loans	20,966,588	24,173,879
	<u>24,966,588</u>	<u>28,173,879</u>

The interest rates at the reporting date were as follows:

	2023	2022
	%	%
Revolving credits	4.79 - 5.31	4.32 - 4.77
Term loans	<u>5.43 - 5.45</u>	<u>4.94</u>

The revolving credits and term loans are secured by the following:

- (a) legal charges over leasehold land as disclosed in Note 12;
- (b) joint and several guarantee by certain directors of the Company and a person connected with the directors; and
- (c) corporate guarantee by holding company.

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

18. Trade and other payables

	2023 RM	2022 RM
Current		
Trade payables		
- third parties	27,324,960	13,907,929
Other payables		
Accrued operating expenses	1,750,267	1,722,452
Deposit received	2,344,705	2,175,374
Dividend payable	-	3,000,000
Sundry payables		
- third parties	2,003,744	2,473,040
- due to companies in which certain directors have interests	181,852	174,579
- due to a related company	-	27,372
	<u>6,280,568</u>	<u>9,572,817</u>
	<u>33,605,528</u>	<u>23,480,746</u>
Non-current		
Other payables		
Sundry payables		
- due to a related company	2,870,167	3,049,341
	<u>36,475,695</u>	<u>26,530,087</u>

Trade payables are unsecured, non-interest bearing and on 45 days (2022: 45 days) terms.

Sundry payables are unsecured, non-interest bearing and payable on demand. Included in sundry payables was an amount of RM 2,783,920 (2022: RM2,953,371) which bore interest at rate of 4.50% (2022: 4.50%) per annum.

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. Deferred tax liabilities

	As at 1 January 2022 RM	Recognised in profit or loss RM	As at 31 December 2022 RM	Recognised in profit or loss RM	As at 31 December 2023 RM
Deferred tax liabilities:					
Property, plant and equipment	144,681	90,978	235,659	74,950	310,609

20. Share capital

	Number of Ordinary Shares		Amount	
	2023	2022	2023 RM	2022 RM
Issued and fully paid				
At 1 January and 31 December	2,500,000	2,500,000	2,500,000	2,500,000

All ordinary shares are equally eligible to receive dividends and the repayment of capital and carry one vote per share at the shareholders meeting of the Company.

21. Dividends

	2023 RM	2022 RM
Recognised during the financial year:		
Dividend on ordinary shares:		
- First interim single-tier dividend in respect of RM0.30 (2022: RM1.20) per share	750,000	3,000,000
- Second interim single-tier dividend in respect of RM0.20 per share	500,000	-
	<u>1,250,000</u>	<u>3,000,000</u>

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

22. Significant related party transactions

Significant related party transactions entered into by the Company are as follows:

(a) Sale and purchase of goods and services

The Company's related party transactions during the year are as follows:

	2023	2022
	RM	RM
Transactions with holding company:		
Interest expenses	-	28,443
Dividend paid	1,250,000	3,000,000
	<u> </u>	<u> </u>
Transactions with related companies:		
Sales of property, plant and equipment	(400)	-
Management fee	-	263,000
Interest expenses	38,164	71,811
Purchases of goods and services	16,463	2,792
	<u> </u>	<u> </u>
Transactions with companies in which certain directors have interests:		
Purchase of property, plant and equipment	22,635	-
Sales of goods and services	(641,062)	(1,832)
Sales of property, plant and equipment	(60,000)	(312,000)
Purchases of goods and services	302,067	185,924
Interest expenses	-	220,574
	<u> </u>	<u> </u>

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable on transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2023	2022
	RM	RM
Total compensation (Note 10)	236,359	67,586
	<u> </u>	<u> </u>

Registration No.: 201701035661 (1249832-H)

Boulevard Motor (Sabah) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

23. Financial instruments

Categories of financial instruments

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

Financial assets and financial liabilities at amortised cost ("AC").

	2023		2022	
	Carrying amount RM	AC RM	Carrying amount RM	AC RM
Financial assets				
Trade and other receivables	37,202,542	37,202,542	22,043,543	22,043,543
Cash and bank balances	13,830,254	13,830,254	7,583,718	7,583,718
	<u>51,032,796</u>	<u>51,032,796</u>	<u>29,627,261</u>	<u>29,627,261</u>
Financial liabilities				
Loans and borrowings	24,966,588	24,966,588	28,173,879	28,173,879
Trade and other payables	36,475,695	36,475,695	26,530,087	26,530,087
	<u>61,442,283</u>	<u>61,442,283</u>	<u>54,703,966</u>	<u>54,703,966</u>

24. Authorisation of financial statements for issue

The financial statements of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 June 2024.

**BOULEVARD MOTOR (LABUAN) SDN. BHD.
201701041441 (1255614-M)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements
31 December 2023**

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Directors:	Tan Sri Datuk Ling Chiong Ho Ling Chiong Sing Dennis Ling Lu Jing
Secretary:	Tang Tiong Ing
Principal place of business:	Lot 06, Car Showroom 1KM Tanjung Kubong, Kampung Batu Arang 87000 Labuan, W.P. Labuan
Registered office:	Lot 515, Jalan Datuk Edward Jeli Piasau Industrial Estate 98000 Miri, Sarawak
Auditors:	Kevin How & Co PLT
Principal bankers:	Affin Islamic Bank Berhad CIMB Bank Berhad Hong Leong Bank Berhad Malayan Banking Berhad Public Bank Berhad RHB Bank Berhad

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

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Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 December 2023.

Principal activities

The Company is principally engaged in car dealership, sales of spare parts, repairing and servicing of motor vehicles. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	RM
Profit after tax	<u><u>3,392,857</u></u>

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

Reserves and provisions

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

Dividends

The amount of dividends paid by the Company was as follows:

In respect of the financial year ended 31 December 2023:

	RM
First interim dividend of RM0.20 per share, single tier tax exempt, paid on 25 July 2023	500,000
Second interim dividend of RM0.20 per share, single tier tax exempt, payable on 29 December 2023	<u>500,000</u>
	<u><u>1,000,000</u></u>

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

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Directors

The directors of the Company in office during the current financial year and up to the date of this report are:

Tan Sri Datuk Ling Chiong Ho
Ling Chiong Sing
Dennis Ling Lu Jing

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to 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, except as disclosed in Note 21 to the financial statements.

Details of directors' remunerations are disclosed in Note 10 to the financial statements.

Directors' interests

Pursuant to Section 59(3) of the Companies Act 2016, the beneficial interest of Dennis Ling Lu Jing is disclosed in the Directors' Report of the holding company, Dwi Bumijaya Sdn. Bhd.

The other directors in office at the end of the financial year did not have any interest in shares in the Company or the holding company during the financial year.

Other statutory information

- a) Before the statement of comprehensive income and statement of financial position of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and
 - ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Other statutory information (contd.)

- b) At the date of this report, the directors are not aware of any circumstances which would render:
- i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Company; and
 - ii) the values attributed to the current assets in the financial statements of the Company misleading.
- c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- d) As at the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report, there does not exist:
- i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability of the Company which has arisen since the end of the financial year.
- f) In the opinion of the directors:
- i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Holding company

The Company is a wholly-owned subsidiary of Dwi Bumijaya Sdn. Bhd., a company incorporated in Malaysia.

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Directors' Report

Indemnity and insurance

There was no indemnity given to or insurance effected for any director, officer or auditor of the Company during the financial year.

Auditors

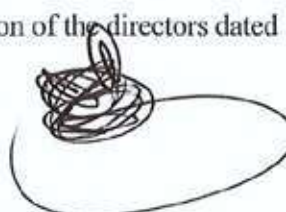
The auditors, Kevin How & Co PLT, have expressed their willingness to continue in office.

Details of auditors' remunerations are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated **06 JUN 2024**



Tan Sri Datuk Ling Chiong Ho



Dennis Ling Lu Jing

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

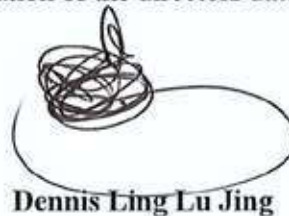
Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

We, **Tan Sri Datuk Ling Chiong Ho** and **Dennis Ling Lu Jing**, being two of the directors of **Boulevard Motor (Labuan) Sdn. Bhd.**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 33 are drawn up in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated **06 JUN 2024**



Tan Sri Datuk Ling Chiong Ho

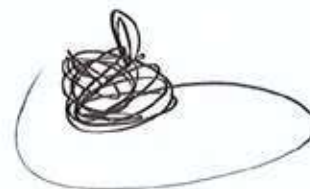


Dennis Ling Lu Jing

Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Dennis Ling Lu Jing**, being the director primarily responsible for the financial management of **Boulevard Motor (Labuan) Sdn. Bhd.**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 33 are in my opinion 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 **Dennis Ling Lu Jing** at Miri in the State of Sarawak on **06 JUN 2024**



Dennis Ling Lu Jing

Before me,



D-2-02, Miri Time Square,
Marina ParkCity,
98000 Miri, Sarawak.
Tel: 085-419226



Kevin How & Co PLT

202406000002 (LLP0037524-LCA) & AF 1544
Chartered Accountants
A-2-27B, Miri Times Square
Marina ParkCity
98000 Miri
Sarawak, Malaysia

Mailing Address :
P.O.Box 1209,
98008 Miri, Sarawak, Malaysia
Phone : +6085 423881
Fax : +6085 413921
WWW.KHCO.COM.MY

Registration No.: 201701041441 (1255614-M)

**Independent Auditors' Report to the Members of
Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Boulevard Motor (Labuan) Sdn. Bhd.**, which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 33.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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



Registration No.: 201701041441 (1255614-M)

**Independent Auditors' Report to the Members of
Boulevard Motor (Labuan) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the 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.

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 the 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 the Malaysian Private Entities Reporting Standard 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Registration No.: 201701041441 (1255614-M)

**Independent Auditors' Report to the Members of
Boulevard Motor (Labuan) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



Kevin How & Co PLT
202406000002 (LLP0037524-LCA) & AF 1544
Chartered Accountants

Registration No.: 201701041441 (1255614-M)

**Independent Auditors' Report to the Members of
Boulevard Motor (Labuan) Sdn. Bhd. (contd.)**

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

- 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.

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.

KH & Co PLT

Kevin How & Co PLT
202406000002 (LLP0037524-LCA) & AF1544
Chartered Accountants

Kevin How

Datuk Kevin K. How
00846/07/2024 J
Chartered Accountant

Miri, Malaysia

Date: 06 JUN 2024

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Comprehensive Income
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Revenue	5	64,084,485	53,178,221
Cost of sales		(57,331,188)	(48,011,434)
Gross profit		6,753,297	5,166,787
Other income	6	2,019,778	818,722
Selling and distribution expenses		(1,476,168)	(1,400,684)
Administrative expenses		(2,557,474)	(2,258,120)
Operating profit		4,739,433	2,326,705
Finance income	7	75,195	72,549
Finance costs	8	(273,799)	(297,934)
Profit before tax	9	4,540,829	2,101,320
Income tax expense	11	(1,147,972)	(494,089)
Profit for the year, net of tax, representing total comprehensive income for the year		3,392,857	1,607,231

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

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Financial Position
As at 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Non-current assets			
Property, plant and equipment	12	6,303,283	6,130,357
Current assets			
Inventories	13	550,314	5,737,736
Trade and other receivables	14	6,901,230	3,750,091
Other current assets	15	14,806	11,783
Tax recoverable		-	72,306
Cash and bank balances	16	4,851,994	5,290,376
		<u>12,318,344</u>	<u>14,862,292</u>
Total assets		<u>18,621,627</u>	<u>20,992,649</u>
Equity and liabilities			
Current liabilities			
Loans and borrowings	17	3,227,717	3,199,077
Trade and other payables	18	5,289,593	9,710,326
Tax payable		317,497	-
		<u>8,834,807</u>	<u>12,909,403</u>
Non-current liabilities			
Loans and borrowings	17	1,576,298	2,297,750
Deferred tax liabilities	19	75,331	43,162
		<u>1,651,629</u>	<u>2,340,912</u>
Total liabilities		<u>10,486,436</u>	<u>15,250,315</u>
Equity			
Share capital	20	2,500,000	2,500,000
Retained earnings		5,635,191	3,242,334
Total equity		<u>8,135,191</u>	<u>5,742,334</u>
Total equity and liabilities		<u>18,621,627</u>	<u>20,992,649</u>

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

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Changes in Equity
For the financial year ended 31 December 2023

	Share capital (Note 20) RM	Retained earnings RM	Total equity RM
At 1 January 2022	2,500,000	2,135,103	4,635,103
Total comprehensive income for the year	-	1,607,231	1,607,231
Dividends (Note 22)	-	(500,000)	(500,000)
At 31 December 2022	<u>2,500,000</u>	<u>3,242,334</u>	<u>5,742,334</u>
Total comprehensive income for the year	-	3,392,857	3,392,857
Dividends (Note 22)	-	(1,000,000)	(1,000,000)
At 31 December 2023	<u><u>2,500,000</u></u>	<u><u>5,635,191</u></u>	<u><u>8,135,191</u></u>

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

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Cash Flows
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Operating activities			
Profit before tax		4,540,829	2,101,320
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	9	459,469	394,784
Gain on disposal of property, plant and equipment	6	(148,345)	(135,999)
Interest income	7	(75,195)	(72,549)
Interest expenses	8	273,799	297,934
Operating cash flows before changes in working capital		<u>5,050,557</u>	<u>2,585,490</u>
Decrease/(Increase) in inventories		5,187,422	(4,041,175)
Increase in trade and other receivables		(3,178,511)	(824,929)
Increase in other current assets		(3,023)	(17)
(Decrease)/Increase in trade and other payables		(4,277,829)	2,376,559
Net change in holding company balances		(594,550)	(331,238)
Net change in related company balances		(20,982)	3,542,656
Cash flows from operating activities		<u>2,163,084</u>	<u>3,307,346</u>
Interest paid		(273,799)	(297,934)
Interest received		75,195	72,549
Income tax paid		(726,000)	(590,834)
Net cash flows from operating activities		<u>1,238,480</u>	<u>2,491,127</u>
Investing activities			
Proceeds from disposal of property, plant and equipment		225,000	136,000
Acquisition of property, plant and equipment	12	(709,050)	(325,253)
Net cash flows used in investing activities		<u>(484,050)</u>	<u>(189,253)</u>
Financing activities			
Dividend paid on ordinary shares		(500,000)	(405,450)
Repayment of term loans		(692,812)	(682,420)
Net cash flows used in financing activities		<u>(1,192,812)</u>	<u>(1,087,870)</u>

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Boulevard Motor (Labuan) Sdn. Bhd.
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Statement of Cash Flows
For the financial year ended 31 December 2023 (contd.)

	Note	2023 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents		(438,382)	1,214,004
Cash and cash equivalents at the beginning of the year		<u>5,290,376</u>	<u>4,076,372</u>
Cash and cash equivalents at the end of the year	16	<u><u>4,851,994</u></u>	<u><u>5,290,376</u></u>

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

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Notes to the Financial Statements
For the financial year ended 31 December 2023

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The principal place of business of the Company is located at Lot 06, Car Showroom 1KM, Tanjung Kubong, Kampung Batu Arang, 87000 Labuan, W.P. Labuan. The registered office of the Company is located at Lot 515, Jalan Datuk Edward Jeli, Piasau Industrial Estate, 98000 Miri, Sarawak.

The Company is principally engaged in car dealership, sales of spare parts, repairing and servicing of motor vehicles. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a wholly-owned subsidiary of Dwi Bumijaya Sdn. Bhd., a company incorporated in Malaysia.

2. Basis of preparation

These financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared on the historical cost basis except otherwise disclosed in the notes below. The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

3. Summary of significant accounting policies

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment.

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of the asset to its residual value over the estimated useful lives, which are as follows:

Long-term leasehold land and buildings	Over remaining leasehold period from 869 years
Short term leasehold land and buildings	Over remaining leasehold period from 25 years
Motor vehicles	3 - 5 years
Plant and machinery	6.5 years
Equipment, furniture and fittings	5 - 6.5 years
Signboard	6.5 years

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Boulevard Motor (Labuan) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.1 Property, plant and equipment (contd.)

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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 resultant gain or loss recognised in profit or loss.

3.2 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Spare parts: purchase cost on weighted average method
- Motor vehicles: based on specific identification

Inventories are assessed for impairment at each reporting date by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, the carrying amount is reduced to its selling price less costs to complete and sell, and the impairment loss is recognised immediately in profit or loss.

3.3 Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.3 Impairment of non-financial assets (contd.)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.4 Financial instruments

Initial recognition and measurement

The Company recognises a financial instrument (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at the transaction price, including transaction costs, except for financial instruments subsequently measured at fair value through profit or loss for which the transaction costs are expensed to profit or loss when incurred.

If the transaction constitutes a financing arrangement, the financial instrument is measured at the present value of future payments discounted at market rate for similar debt instrument.

Subsequent measurement

When the following conditions are met, the financial instruments shall be measured at amortised cost using the effective interest rate ("EIR") method:

- returns to the holders are determinable;
- no contractual provision which would result in the holder losing the principal amount or the attributable interest; and
- prepayment options which is not contingent upon future events.

All other financial instruments not measured at amortised cost are measured at fair value with changes in fair value recognised in profit or loss.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.4 Financial instruments (contd.)

Impairment of financial assets

Other than those financial assets measured at fair value through profit or loss, all financial assets are assessed at each reporting date for objective evidence of impairment. Where such evidence exist, impairment loss is measured as follows:

- financial asset measured at amortised cost, the impairment loss recognised is the difference between the carrying amount of the asset and the present value of the cash flow of the assets discounted at its original EIR; and
- financial asset measured at cost less impairment, the impairment loss recognised is the difference between the carrying amount of the asset less the amount receivable had the asset been sold at the reporting date.

All impairment losses are recognised in profit or loss.

Derecognition of financial instruments

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expires, or when the Company transfers the contractual rights to receive cash flows without retaining significant risks and rewards of ownership and ceases to be involved in the control of the financial asset transferred.

A financial liability is derecognised when it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.5 Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial) that require fair value measurement or disclosure, the Company uses the following measurement hierarchy:

- highest priority to quoted prices in active markets provided that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date;
- in the absence of an active market price, the price observed from a recent binding agreement or a recent transaction negotiated at arm's length and where necessary, adjusted for relevant economic conditions and time value of money; and
- in the absence of both market price and observable inputs, a fair value measurement of an item is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions that are reasonable and supportable.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term deposits with licensed bank (with original maturities of three months or less) that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in value.

3.7 Provisions

Provision is recognised when a reliable estimate can be made of a present obligation (legal or constructive) arising from a past event and for which a probable outflow of economic resources will be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.8 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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Boulevard Motor (Labuan) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

3. Summary of significant accounting policies (contd.)

3.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration receivable, net of taxes, returns and discounts.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from services rendered is recognised when the services are performed.

3.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they incurred based on the EIR method.

3.12 Employee benefits

Short-term employee benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Bonus payments are recognised when, and only when, the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution plans

The Company makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised in the profit or loss in the period in which the related service is performed.

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Notes to the Financial Statements
For the financial year ended 31 December 2023

4. Key judgements and estimations

There are no significant judgement or estimates applied in the preparation of these financial statements.

5. Revenue

	2023	2022
	RM	RM
Sales of motor vehicles	59,170,129	48,507,544
Sales of spare parts and services	4,914,356	4,670,677
	<u>64,084,485</u>	<u>53,178,221</u>

6. Other income

Commissions	535,141	465,925
Dealer subsidy	22,779	22,787
Gain on disposal of property, plant and equipment	148,345	135,999
Sundry income	1,313,513	194,011
	<u>2,019,778</u>	<u>818,722</u>

7. Finance income

Interest income from:		
- Current account	47,084	10,452
- Interest charged to a related company	-	27,372
- Short term deposits with licensed banks	28,111	34,725
	<u>75,195</u>	<u>72,549</u>

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Notes to the Financial Statements
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8. Finance costs

	2023	2022
	RM	RM
Interest expenses on:		
- Bank guarantee	135	1,015
- Interest charged by holding company	-	2,715
- Interest charged by a related company	3,822	15,164
- Interest charged by a company in which certain directors have interests	-	18,130
- Revolving credit	133,578	113,310
- Term loans	132,092	142,484
- Others	4,172	5,116
	<u>273,799</u>	<u>297,934</u>

9. Profit before tax

The following amounts have been included in arriving at profit before tax:

Employee benefits expenses (Note 10)	2,591,001	2,321,295
Auditors' remunerations	7,000	7,000
Depreciation of property, plant and equipment (Note 12)	459,469	394,784
Rental of equipment	8,353	11,199
	<u>2,591,001</u>	<u>2,321,295</u>

10. Employee benefits expense

Salaries and wages	2,288,861	2,033,231
Contributions to defined contribution plan	276,662	265,411
Social security contributions	25,478	22,653
	<u>2,591,001</u>	<u>2,321,295</u>

Included in employee benefits expense of the Company is the director's remunerations as follows:

	2023	2022
	RM	RM
Salaries and other emoluments	98,000	28,000
Contributions to defined contribution plan	11,760	3,360
Social security contributions	1,159	386
	<u>110,919</u>	<u>31,746</u>

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Notes to the Financial Statements
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11. Income tax expense

	2023	2022
	RM	RM
Current income tax:		
Malaysian income tax	1,115,292	535,300
Under/(Over)provision in prior years	511	(66,726)
	<u>1,115,803</u>	<u>468,574</u>
Deferred income tax (Note 19):		
Origination of temporary differences	32,628	25,588
Overprovision in prior years	(459)	(73)
	<u>32,169</u>	<u>25,515</u>
Total income tax expense	<u>1,147,972</u>	<u>494,089</u>

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

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2023	2022
	RM	RM
Profit before tax	<u>4,540,829</u>	<u>2,101,320</u>
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	1,089,799	504,317
Adjustments:		
Expenses not deductible for tax purposes	76,523	65,211
Effect of income not subject to tax	(18,402)	(8,640)
Under/(Over)provision of income tax in prior years	511	(66,726)
Overprovision of deferred tax in prior years	(459)	(73)
Income tax expense for the year	<u>1,147,972</u>	<u>494,089</u>

APPENDIX III(D): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR (LABUAN) FOR FYE 31 DECEMBER 2023 (CONT'D)

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Boulevard Motor (Labuan) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment	Long term leasehold land and buildings RM		Short term leasehold land and buildings RM		Motor vehicles RM		Plant and machinery RM		Equipment, furniture and fittings RM		Signboard RM	Total RM
Cost												
At 1 January 2022	663,500	6,121,470	821,157	147,253	118,186	50,510	7,922,076					
Additions	-	-	322,719	1,788	746	-	325,253					
Disposals	-	-	(124,154)	-	-	-	(124,154)					
At 31 December 2022 and 1 January 2023	663,500	6,121,470	1,019,722	149,041	118,932	50,510	8,123,175					
Additions	-	-	671,273	1,300	36,477	-	709,050					
Disposals	-	-	(274,621)	-	-	-	(274,621)					
At 31 December 2023	663,500	6,121,470	1,416,374	150,341	155,409	50,510	8,557,604					

APPENDIX III(D): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR (LABUAN) FOR FYE 31 DECEMBER 2023 (CONT'D)

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)	Long term	Short term	Motor	Plant and	Equipment,	Signboard	Total	
	leasehold	leasehold						vehicles
	land and	land and	RM	RM	and	RM	RM	RM
	buildings	buildings			fittings			
	RM	RM			RM			
Accumulated depreciation								
At 1 January 2022	3,055	972,558	598,232	87,190	38,421	22,731	1,722,187	
Depreciation charge for the year (Note 9)	764	245,186	101,361	22,274	17,622	7,577	394,784	
Disposals	-	-	(124,153)	-	-	-	(124,153)	
At 31 December 2022 and 1 January 2023	3,819	1,217,744	575,440	109,464	56,043	30,308	1,992,818	
Depreciation charge for the year (Note 9)	764	245,186	164,755	22,497	18,690	7,577	459,469	
Disposals	-	-	(197,966)	-	-	-	(197,966)	
At 31 December 2023	4,583	1,462,930	542,229	131,961	74,733	37,885	2,254,321	
Net carrying amount								
At 31 December 2022	659,681	4,903,726	444,282	39,577	62,889	20,202	6,130,357	
At 31 December 2023	658,917	4,658,540	874,145	18,380	80,676	12,625	6,303,283	

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Notes to the Financial Statements
For the financial year ended 31 December 2023

12. Property, plant and equipment (contd.)

Acquisitions of property, plant and equipment during the financial year are by the following means:

	2023 RM	2022 RM
Cash	709,050	325,253

The long term leasehold land and buildings and short term leasehold land and buildings of the Company with net carrying amount of RM658,917 (2022: RM659,681) and RM4,658,540 (2022: RM4,903,726) are pledged for borrowings as referred to in Note 17.

13. Inventories

	2023 RM	2022 RM
At cost:		
Motor vehicles	203,191	5,447,159
Spare parts	347,123	290,577
	<u>550,314</u>	<u>5,737,736</u>
Cost of inventories recognised as expenses	<u>57,331,189</u>	<u>48,011,434</u>

14. Trade and other receivables

Trade receivables		
- third parties	4,184,370	2,551,602
- due from a company in which certain directors have interests	509	4,899
	<u>4,184,879</u>	<u>2,556,501</u>
Other receivables		
Refundable deposits	16,160	15,710
Incentive receivables	2,492,317	1,000,839
Sundry receivables		
- third parties	207,874	149,669
- due from a related company	-	27,372
	<u>2,716,351</u>	<u>1,193,590</u>
	<u>6,901,230</u>	<u>3,750,091</u>

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Notes to the Financial Statements
For the financial year ended 31 December 2023

14. Trade and other receivables (contd.)

Trade receivables are generally unsecured, non-interest bearing and on 30 days (2022: 30 days) terms.

Sundry receivables are unsecured, non-interest bearing and receivable on demand.

15. Other current assets

	2023	2022
	RM	RM
Prepayments	<u>14,806</u>	<u>11,783</u>

16. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	2023	2022
	RM	RM
Cash on hand and at banks	4,051,994	3,190,376
Short term deposits with licensed banks	<u>800,000</u>	<u>2,100,000</u>
	<u>4,851,994</u>	<u>5,290,376</u>

The effective interest rates and maturities of deposits at the reporting date are 2.60% (2022: 2.00% - 2.35%) and 4 days (2022: 4 days) respectively.

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For the financial year ended 31 December 2023

17. Loans and borrowings	2023	2022
	RM	RM
Current		
Secured:		
Revolving credit	2,500,000	2,500,000
Term loans	727,717	699,077
	<u>3,227,717</u>	<u>3,199,077</u>
Non-current		
Secured:		
Term loans	1,576,298	2,297,750
Total loans and borrowings	<u>4,804,015</u>	<u>5,496,827</u>
Total loans and borrowings		
Revolving credit	2,500,000	2,500,000
Term loans	2,304,015	2,996,827
	<u>4,804,015</u>	<u>5,496,827</u>
The interest rates at the reporting date were as follows:		
	2023	2022
	%	%
Revolving credit	4.79 – 5.65	4.32 – 5.40
Term loans	<u>3.50 – 5.31</u>	<u>3.50 – 5.06</u>

The revolving credit and term loans are secured by the following:

- (a) first party first and second legal charges over the landed properties of the Company as disclosed in Note 12;
- (b) joint and several guarantees by the directors of the Company and a third party;
- (c) corporate guarantee by holding company; and
- (d) guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP).

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18. Trade and other payables

	2023 RM	2022 RM
Trade payables		
- third parties	4,694,845	7,744,063
Other payables		
Accrued operating expenses	356,664	317,944
Deposit received	80,851	854,171
Sundry payables		
- third parties	88,840	594,306
- due to companies in which certain directors have interests	52,358	40,903
- due to a related company	16,035	64,389
- due to a holding company	-	94,550
	<u>594,748</u>	<u>1,966,263</u>
	<u>5,289,593</u>	<u>9,710,326</u>

Trade payables are generally unsecured, non-interest bearing and on 45 days (2022: 45 days) terms.

Sundry payables are unsecured, non-interest bearing and payable on demand.

19. Deferred tax liabilities

	As at 1 January 2022 RM	Recognised in profit or loss RM	As at 31 December 2022 RM	Recognised in profit or loss RM	As at 31 December 2023 RM
Deferred tax liabilities:					
Property, plant and equipment	17,647	25,515	43,162	32,169	75,331

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20. Share capital

	Number of Ordinary Shares		Amount	
	2023	2022	2023 RM	2022 RM
Issued and fully paid				
At 1 January and 31 December	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

All ordinary shares are equally eligible to receive dividends and the repayment of capital and carry one vote per share at the shareholders meeting of the Company.

21. Significant related party transactions

Significant related party transactions entered into by the Company are as follows:

(a) Sale and purchase of goods and services

The Company's related party transactions during the year are as follows:

	2023 RM	2022 RM
Transactions with holding company:		
Dividend paid	1,000,000	500,000
Interest expenses	<u>-</u>	<u>2,715</u>
Transactions with related companies:		
Purchase of goods and services	2,392	-
Interest income	-	(27,372)
Interest expenses	3,822	15,164
Management fee	<u>-</u>	<u>49,000</u>
Transactions with a company in which certain directors have interests		
Sales of goods and services	(269,169)	(8,979)
Purchase of goods and services	102,464	52,379
Interest expenses	<u>-</u>	<u>18,130</u>

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

21. Significant related party transactions (contd.)

Significant related party transactions entered into by the Company are as follows (contd.):

(a) Sale and purchase of goods and services (contd.)

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable on transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2023 RM	2022 RM
Total compensation (Note 10)	<u>110,919</u>	<u>31,746</u>

22. Dividends

Recognised during the financial year:

Dividend on ordinary shares:

- First tax exempt (single-tier) interim dividend: RM0.20 (2022: RM0.20) per share	500,000	500,000
- Second tax exempt (single-tier) interim dividend: RM0.20 per share	<u>500,000</u>	<u>-</u>
	<u>1,000,000</u>	<u>500,000</u>

Registration No.: 201701041441 (1255614-M)

Boulevard Motor (Labuan) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2023

23. Financial instruments

Categories of financial instruments

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

Financial assets and financial liabilities at amortised cost ("AC").

	2023		2022	
	Carrying amount RM	AC RM	Carrying amount RM	AC RM
Financial assets				
Trade and other receivables	6,901,230	6,901,230	3,750,091	3,750,091
Cash and bank balances	4,851,994	4,851,994	5,290,376	5,290,376
	<u>11,753,224</u>	<u>11,753,224</u>	<u>9,040,467</u>	<u>9,040,467</u>
Financial liabilities				
Loans and borrowings	4,804,015	4,804,015	5,496,827	5,496,827
Trade and other payables	5,289,593	5,289,593	9,710,326	9,710,326
	<u>10,093,608</u>	<u>10,093,608</u>	<u>15,207,153</u>	<u>15,207,153</u>

24. Authorisation of financial statements for issue

The financial statements of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 June 2024.

1. BACKGROUND INFORMATION

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any information in this Circular false or misleading.

Information relating to the Target Companies had been obtained from publicly available sources and/or provided by the management of the Target Companies, and the sole responsibility of the Board is limited to ensuring that such information has been accurately reproduced in this Circular.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

2.1 AmInvestment Bank

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of Shin Yang Group Berhad.

AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

2.2 cfSolutions

cfSolutions, being the Independent Adviser for the Proposed Acquisition, confirmed that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the IAL and all references thereto in the form and context in which they appear in this Circular.

cfSolutions has also given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser in respect of the Proposed Acquisition.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable may have a material impact on the financial position of our business.

3.2 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on our financial position.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Sublot 153 (Parent Lot 70) Jalan Kuala Baram, Kuala Baram 98100 Miri, Sarawak, Malaysia from Mondays to Fridays (except public holidays) from the date of this Circular to the time set for convening the EGM:

- (i) Constitution of our Company and the Target Companies;
- (ii) copy of the SSAs;
- (iii) audited consolidated financial statements of our Company for the past 2 FYE 30 June 2022 and FYE 30 June 2023 and unaudited consolidated financial statements for the 9-month financial period ended 31 March 2024;
- (iv) audited financial statements of Boulevard Jaya for the past 2 FYE 30 June 2022 and FYE 30 June 2023;
- (v) audited financial statements of Boulevard Motor Group for the past 2 FYE 31 December 2022 and 31 December 2023; and
- (vi) the letters of consent and conflict of interests referred to in Section 2 above

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SHIN YANG GROUP BERHAD
Registration No: 200401027554 (666062-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Shin Yang Group Berhad (“the Company” or “**SYGROUP**”) will be held at Conference Room at Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Friday, 30 August 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY SYGROUP OF:

- (i) **100% EQUITY INTEREST IN BOULEVARD JAYA SDN BHD (“BOULEVARD JAYA”) FROM SHIN YANG HOLDING SENDIRIAN BERHAD, KTE MOTORS SDN BHD AND LING CHIONG SING; AND**
- (ii) **60% EQUITY INTEREST IN EACH OF BOULEVARD MOTOR SDN BHD (“BOULEVARD MOTOR”), BOULEVARD MOTOR (SABAH) SDN BHD (“BOULEVARD MOTOR (SABAH)”) AND BOULEVARD MOTOR (LABUAN) SDN BHD (“BOULEVARD MOTOR (LABUAN)”) FROM DWI BUMIJAYA SDN BHD,**

FOR A PURCHASE CONSIDERATION OF RM 144,500,000.00 TO BE SATISFIED VIA A COMBINATION OF CASH AND TREASURY SHARES HELD BY THE COMPANY (“PROPOSED ACQUISITION”).

(BOULEVARD MOTOR, BOULEVARD MOTOR (SABAH) AND BOULEVARD MOTOR (LABUAN) ARE COLLECTIVELY REFERRED TO AS “BOULEVARD MOTOR GROUP”)

(SHIN YANG HOLDING SENDIRIAN BERHAD, KTE MOTORS SDN BHD, LING CHIONG SING AND DWI BUMIJAYA SDN BHD ARE COLLECTIVELY REFERRED TO AS VENDORS)

“(1) THAT subject to the approvals of the relevant authorities and the relevant parties being obtained, where required, approval be and is hereby given for the Company to undertake the Proposed Acquisition to acquire the following:

- (i) 15,000,000 ordinary shares in Boulevard Jaya, representing 100% equity interest in Boulevard Jaya from Shin Yang Holding Sendirian Berhad, KTE Motors Sdn Bhd and Ling Chiong Sing;
- (ii) 1,500,000 ordinary shares in Boulevard Motor, representing 60% equity interest in Boulevard Motor from Dwi Bumijaya Sdn Bhd;
- (iii) 1,500,000 ordinary shares in Boulevard Motor (Sabah), representing 60% equity interest in Boulevard Motor from Dwi Bumijaya Sdn Bhd; and
- (iv) 1,500,000 ordinary shares in Boulevard Motor (Labuan), representing 60% equity interest in Boulevard Motor from Dwi Bumijaya Sdn Bhd,

(collectively “**Sale Shares**”) for RM144,500,000.00 (“**Purchase Consideration**”) to be satisfied via a combination of cash and 55,000,000 treasury shares held by the Company and subject to the terms and conditions as stipulated in the conditional share sale agreements dated 11 July 2024 entered into between the Company and the Vendors in respect of the Proposed Acquisition (collectively “**SSAs**”).

- (2) THAT in the event any of the dealership agreements under SSAs are not renewed by 30 June 2025 or such other time as may be agreed between the Company and the Vendors, or in the event any of the Boulevard Jaya or Boulevard Motor Group is made to stop any of the activities covered under any of the dealership agreements by UMW Toyota Motor Sdn Bhd at any time after the Completion Date under the SSAs but before the renewed dealership agreements are delivered to the Purchaser (“**the Trigger Event**”) of which the Put Options have been deemed granted by the Vendors, within a period of three (3) months from the date of any of the Trigger Events, whichever is the later, and in the event the Board of Directors of the Company (“**Board**”) deems fit, approval be and is hereby given for the Company:
- (i) to exercise the Put Option by notice in writing (“**Put Notice**”) issued to the Vendors requiring the Vendors to purchase back all the Sale Shares from the Company within thirty (30) days from the Put Notice at the same Purchase Consideration of the respective SSAs and the net assets of the Boulevard Jaya or Boulevard Motor Group upon the sale to the Vendors shall be at least equivalent to the audited net assets of Boulevard Motor Group as at 31 December 2023 and Boulevard Jaya as at 30 June 2024 (subject to adjustments for any dividends declared prior to completion of the Proposed Acquisition for Boulevard Jaya and adjustments for addition or impairment of net assets upon completion for Boulevard Jaya or Boulevard Motor Group, if applicable); and
 - (ii) at the costs and expenses of the Vendors, to transfer the Sale Shares back to the Vendors within seven (7) days after receipt of the refund of all the money paid by the Company under the SSAs with interests at the rate of three-point five percent (3.5%) per annum;

(“Proposed Sale Back”)

AND THAT the Board be and is hereby authorised to sign, execute and deliver on behalf of the Company, all necessary documents and empowered to do all acts, deeds and things as the Board may deem fit, necessary and expedient in order to implement, finalise and give full effect to complete the Proposed Acquisition and the Proposed Sale Back (if required), with full powers to assent to any conditions, variations, modifications, and/or amendments in any manner may be imposed, required or permitted by the relevant authorities in connection to the Proposed Acquisition and the Proposed Sale Back, in the best interests of the Company.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF SYGROUP TO INCLUDE AUTOMOTIVE DEALERSHIP BUSINESS PURSUANT TO THE PROPOSED ACQUISITION (“PROPOSED DIVERSIFICATION”)

“**THAT**, subject to the provisions of the Constitution of SYGROUP and its subsidiaries (“**SYGROUP Group**”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all authorities (if required), approval be and is hereby granted to SYGROUP Group to diversify the existing businesses of SYGROUP Group to include automotive dealership business;

AND THAT the Board be and is hereby authorised to do all acts, deeds and things as may be required to give full effect to the Proposed Diversification with full powers to assent to any conditions, modifications, variations, and/or amendments in any manner as may be required or imposed by any relevant authorities and to take all such steps to do all steps and actions as the Directors may deem fit or expedient to implement, finalise and give full effect to the Proposed Diversification.”

By order of the Board
Shin Yang Group Berhad

RICHARD LING PENG LIING (MIA 9688)
(SSM PC 201908000676)
Company Secretary
Sarawak

Date: 15 August 2024

Notes:-

- (1) *in respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 21 August 2024 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
- (2) *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.*
- (3) *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*
- (4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised in writing.*
- (6) *To be valid, this form, duly completed must be deposited at the Registered Office of the Company situated at Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram, 98100 Miri, Sarawak, Malaysia not less than forty-eight (48) hours before the time for holding the meeting (i.e: Wednesday, 28 August 2024) or at any adjournment thereof.*
- (7) *Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice shall be put to vote by poll.*
- (8) *The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.*

ADMINISTRATIVE GUIDE:-

- a) A member is required to register ahead of the EGM to allow the Company to make the necessary arrangements in relation to the EGM, i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants by providing the below details by email to ir.syscorp@shinyang.com.my
 - Full name;
 - Identity Card or Passport Number;
 - Contact number (optional – for better coordination); and
 - CDS account number
- b) Members are encouraged to appoint the Chairman of the EGM (or any other person) to act as proxy to attend and vote at the EGM on their behalf by submitting the Proxy Form with predetermined voting instruction.
- c) The Company will closely monitor the situation and reserve the right to take further measures or short notice arrangements as and when appropriate in order to minimise any risk to the EGM.



SHIN YANG GROUP BERHAD
 Registration No: 200401027554 (666062-A)

PROXY FORM

No of ordinary shares held	CDS Account No

I/We _____,
 FULL NAME NRIC NO/ PASSPORT NO/ COMPANY NO

of _____
 FULL ADDRESS

being a member/members of Shin Yang Group Berhad, hereby appoint:

Name of Proxy	NRIC / Passport No.	Proportion of Shareholdings (%)
and/or failing him/her		

or ****Chairman of the Meeting as *my/our proxy to vote for* me/us and on* my/our behalf at the Extraordinary General Meeting of the Company to be held at Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak on Friday, 30 August 2024 at 10.00 a.m.. and, at any adjournment thereof.**

(Please indicate with an "X" in the space provided above on how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion). All voting will be conducted by way of poll.

AGENDA	RESOLUTION	FOR	AGAINST
Proposed Acquisition	Ordinary resolution 1		
Proposed Diversification	Ordinary resolution 2		

* Strike out whichever inapplicable.

** If you do not wish to appoint the Chairman of the Meeting as your proxy/one (1) of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space(s) provided.

Dated thisday of 2024

.....
 Signature and/or Common Seal of Shareholders

Notes:

- (1) *in respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 21 August 2024 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
- (2) *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.*

- (3) *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*
- (4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised in writing.*
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 - Identity Card or Passport Number;
 - Contact number (optional – for better coordination); and
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- c) The Company will closely monitor the situation and reserve the right to take further measures or short notice arrangements as and when appropriate in order to minimise any risk to the EGM.

Please fold here to seal

Affix Postage
Stamp

SHIN YANG GROUP BERHAD

Registration No. 200401027554 (666062-A)
Sublot 153, (Parent Lot 70),
Jalan Kuala Baram, Kuala Baram,
98100 Miri, Sarawak,
Malaysia

Please fold here to seal