SOUTH MALAYSIA INDUSTRIES BERHAD

196901000152 (8482-D)

2024

ANNUAL REPORT

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FINANCIAL STATEMENTS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Dr Abdullah Bin Sepien
Chairman/Non-Independent Non-Executive Director

Dato' Zainuddin Bin Yahya
Independent Non-Executive Director

Puan Latifah Binti Abdul Latiff
Independent Non-Executive Director

Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Zainuddin Bin Yahya (Chairman)
Puan Latifah Binti Abdul Latiff
Dato' Sri Mohd Mokhtar Bin Mohd Shariff

NOMINATION COMMITTEE

Dato' Zainuddin Bin Yahya (Chairman)
Puan Latifah Binti Abdul Latiff
Dato' Sri Mohd Mokhtar Bin Mohd Shariff

REMUNERATION COMMITTEE

Puan Latifah Binti Abdul Latiff (Chairman)
Dato' Zainuddin Bin Yahya
Dato' Sri Mohd Mokhtar Bin Mohd Shariff

RISK MANAGEMENT COMMITTEE

Mr Leow Thang Fong (Chairman)
Dato' Zainuddin Bin Yahya
Mr Chong Heng Kiong
Mr Ham Sai Kit
Ms Yau Sek Fun

COMPANY SECRETARIES

Ms Wong Chee Yin
(MAICSA 7023530) [SSM PC No. 202008001953]
Ms Tan Siew Chin
(MAICSA 7007938) [SSM PC No. 202008000798]

AUDITORS

UHY Malaysia (formerly known as UHY) (AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Wilayah Persekutuan
Tel : 03 - 22793088
Fax : 03 - 22793099

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Registration No. 197901005880 (50164-V)
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 - 77843922
Fax : 03 - 77841988

REGISTERED OFFICE

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Jalan Tebrau, 80300 Johor Bahru
Johor Darul Takzim
Tel : 07 - 3322088
Fax : 07 - 3328096

HEAD OFFICE

13A Floor, Menara SMI
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur, Wilayah Persekutuan
Tel : 03 - 20781522
Fax : 03 - 20721509

PRINCIPAL BANKERS

RHB Bank Berhad
Bank Islam Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : Property
Stock Code : 4375

WEBSITE

www.smib.com.my

INVESTOR RELATIONS

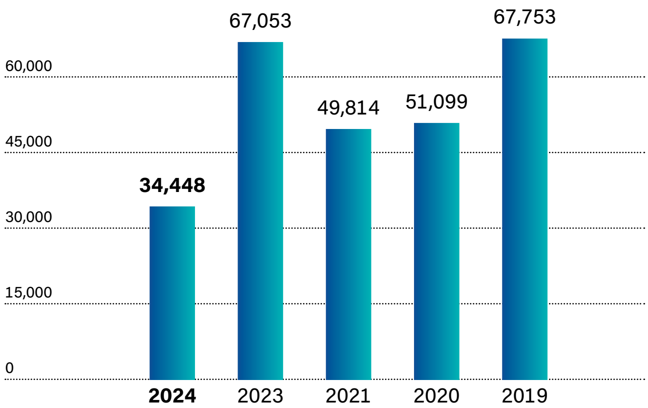
Email : query@smib.com.my
Tel : 03-20781522

GROUP FINANCIAL HIGHLIGHTS

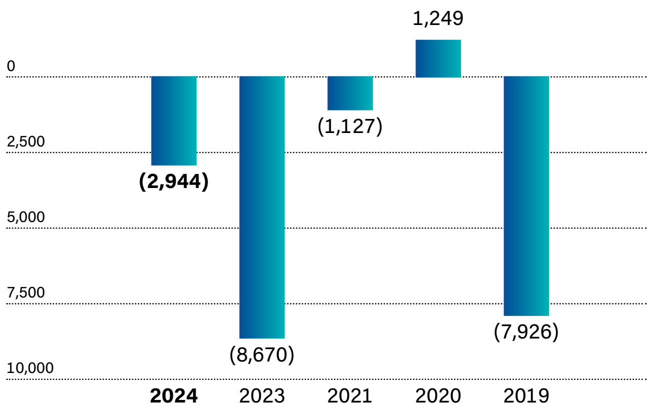
	FYE 2024 RM'000	FPE 2023 RM'000	FYE 2021 RM'000	Restated# FYE 2020 RM'000	Restated# FYE 2019 RM'000
Results					
Revenue	34,448	67,053	49,814	51,099	67,753
EBITDA*	(113)	(4,095)	2,220	2,571	(5,079)
Profit/(Loss) before tax	(2,944)	(8,670)	(1,127)	1,249	(7,926)
Profit/(Loss) after tax	(4,152)	(9,393)	(1,716)	785	(8,750)
Profit/(Loss) attributable to owners of the Company	(4,152)	(9,393)	(1,716)	(3,862)	(7,680)
Financial Position					
Total assets	155,694	160,077	177,502	190,439	202,981
Total Borrowings	13,382	14,984	20,269	26,905	22,860
Shareholders' equity	130,378	133,646	145,639	151,305	157,361
Net assets per share (sen)	62.10	63.66	69.37	72.07	74.96
Return on equity (%)	(3.18)	(7.03)	(1.18)	(2.55)	(4.86)
Gearing ratio (times)	0.04	0.03	0.10	0.16	0.09

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortisation*
Restated# - The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 Borrowing Costs

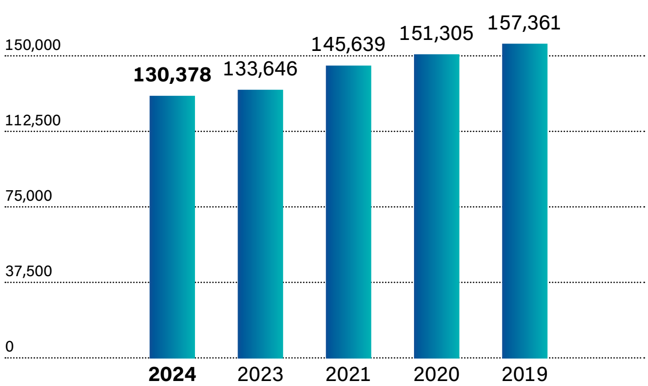
REVENUE (RM'000)



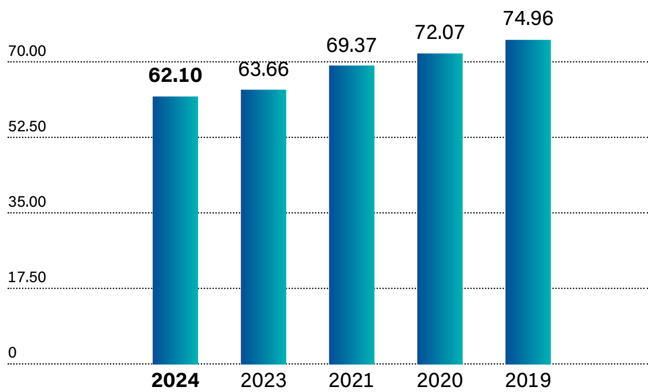
PROFIT/(LOSS) BEFORE TAX (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



NET ASSETS PER SHARE (SEN)



MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 30 June 2024.

Overview

The Company is principally engaged in property and investment holding, trading, property development activities and the provision of management services while its subsidiaries are principally involved in property development, car park management and operation and manufacturing and trading of assorted wires.

The Group's property development projects are in Ipoh and the car park sites are located at Kelana Jaya, Selangor while its wire factory is located in Tampoi, Johor.

Change in Financial Year End

On 31 March 2023, the Company changed its' financial year end from 31 December to 30 June. The audited financial statements of the Company for the preceding financial period were prepared for eighteen (18) months from 1 January 2022 to 30 June 2023. Thereafter, the financial statements under review were for the twelve (12) months period from 1 July 2023 to 30 June 2024. The change of financial year end applies to the Company and its subsidiaries.

Corporate Objectives and Strategies

The Group's main corporate objectives which were incorporated in the Group's 3-Year Business Plan 2025 - 2027 are as follows:

1. to sustain existing operations and turnaround to profitability by optimal utilisation of its available resources whilst meeting the needs of customers, employees and business partners
2. to identify business opportunities for long term growth

The key aspect to the Group's business sustainability is establishing continuous revenue streams while reigning in rising operating costs. The immediate priorities of the Board of Directors are:

Identifying New Land Bank

The challenge to the Group has always been finding suitable sizeable land banks at good locations. The Group will look for opportunities of acquiring lands with shorter holding periods and faster turnaround time. Joint ventures with suitable parties are also alternatives being pursued after the success of the Group's first Joint Development project i.e. Pinnacle Kelana Jaya.

Faced with slowdown of the global economy, exacerbated by weak property sentiments and conservative lending policies of the financial institutions, the Management has adopted a cautious approach in considering potential land investments.

Identifying New Business

Besides identifying suitable lands for development, the Group is also on the lookout to venture into new business that would help spur growth but again the slowdown in global and domestic demand has also increased business risks. The Group is adopting a more prudent and conservative approach with emphasis on market sentiments and risk analysis taking into considerations the changing business ecosystem and the greater focus on sustainability and environmental aspects.

Malaysia Economy

The Malaysian economy grew 5.9% in the April to June 2024 quarter, an increase from a 4.2% in the January to March 2024 quarter according to data released by Bank Negara Malaysia. Advance estimates show growth at 5.3% in the July to September 2024 period from the corresponding period last year. The higher growth from the services and manufacturing sectors was supported by strong private consumption and public sector investments.

Bank Negara Malaysia has projected an upper end growth of 4.5% to 5.5% in 2024 driven by resilient domestic expenditure with positive labour market conditions and improvement in external demand from global companies' supply chain shifting, more robust tourism activities and the strengthening of the Malaysian Ringgit against the US Dollar. However, downside risks remain mainly from the impact of the geopolitical tensions on commodity supplies, upward inflation amid the environment of high input costs and impact of the global financial market developments on the Malaysian Ringgit.

The Group's Business and Performance

Review of Financial Results and Financial Condition

	12 Months FYE 30.6.2024 RM'mil	18 months FPE 30.6.2023 RM'mil
Revenue		
Property Development	4.95	14.12
Manufacturing and Trading	21.91	42.25
Property & Investment Holding	7.59	10.68
	34.45	67.05
Profit/(Loss) Before Tax		
Property Development	(2.16)	(1.27)
Manufacturing and Trading	(4.31)	(4.00)
Property & Investment Holding	3.53	(3.40)
	(2.94)	(8.67)

Revenue

The Group's revenue for the 12 months Financial Year Ended 30 June 2024 (FYE) was RM34.45m while RM67.05m revenue was recorded in the 18 months Financial Period Ended 30 June 2023 (FPE). The manufacturing and trading division was the main revenue contributor followed by the property & investment holding division.

The manufacturing and trading division's average monthly revenue for the 12 months FYE was lower as compared with the 18 months FPE mainly due to lower sales quantities and lower average selling prices as a result of the competition from China imported wires amid weak local demand. Average selling price was slightly lower in the 12 months FYE as a result of lower cost of wire rods.

The property development division's revenue was lower at RM4.95m in the 12 months FYE mainly due to the delay in launching of Taman Klebang Phase 3 project.

Revenue of the property & investment holding division in the 12 months FYE comprise rental of commercial properties of RM1.48m (18 months FPE: RM2.05m) and car park operation revenue of RM6.11m (18 months FPE: RM8.63m). Higher average monthly car park revenue was recorded in the 12 months FYE was mainly due to the increase in season and casual collections for both the Kelana Square and Zenith car park sites as a result of improved tenant retail activities.

Profit or Loss before Tax

The Group recorded lower loss before tax of RM2.94m for the 12 months FYE as compared with RM8.67m loss recorded in the 18 months FPE mainly due to the RM6.39m fair value gain on investment properties in the FYE 30 June 2024.

The manufacturing and trading division recorded higher loss of RM4.31m as a result of low profit margin arising from low sales quantities and higher production costs. The increase in electricity surcharge costs and other raw material costs coupled with low sales quantities have affected the profit margins.

The property development division registered a higher loss of RM2.16m in the 12 months FYE mainly due to lower profit from the Group's projects in Ipoh: RM1.13m profit from Taman Klebang (18 months FPE: RM3.52m profit) and RM0.29m profit from Taman Saikat (18 months FPE: RM1.64m profit) offset by lower operating costs.

The property & investment holding division recorded a profit of RM3.53m in the 12 months FYE (18 months FPE: RM3.40m loss) with the investment holding division recording a loss of RM0.35m (18 months FPE: RM4.37m loss), offset by RM3.88m profit (18 months FPE: RM0.97m profit) of the car park operation. Higher car park profit was recorded in the 12 months FYE mainly due to the increase in the season and casual parking revenue and the fair value gain for the two car parks. The lower loss of the investment holding division for the 12 months FYE was mainly due to the fair value gain of investment properties.

Financial Position as at 30 June 2024

Assets

The Group's non-current assets of RM127.21m as at 30 June 2024 comprise mainly property, plant and equipment, right-of-use assets, investment properties, inventories and quoted and unquoted investments.

The carrying value of investment properties of the Group as at 30 June 2024 was RM96.97m, which represented an increase of RM6.39m from RM90.58m as at 30 June 2023 mainly due to the fair value gain on revaluation of properties.

The Group's other investments (non-current) decreased from RM19.98m as at 30 June 2023 to RM16.76m as at 30 June 2024 mainly due to RM3.22m net disposal of quoted investments in the financial year ended 30 June 2024.

Liquidity

The Group's financial position as at 30 June 2024 was healthy with relatively low level of borrowings at RM13.38m and cash and bank balances of RM8.10m.

As at 30 June 2024, the Group's gearing ratio remain low at 0.04 times as a result of RM1.09m net outflow from drawdown of bank facilities offset by loans and borrowings repayment. The cash flows generated from the Group's car park operations, the Group's developments in Ipoh and the manufacturing division were sufficient to meet the Group's respective borrowing commitments.

The Group's working capital requirements were funded by cash generated from the on-going development projects, car park and rental collections and manufacturing proceeds. Given the Group's low gearing level and the availability of assets to be offered for securities, the Group is in a good position to obtain additional short-term financing should the need arises.

As at 30 June 2024, there was no major capital expenditure other than the RM0.17m spent on plant and machinery and RM0.33m for lease of premises and equipment.

Review of Operating Activities

Manufacturing and trading

The Group's manufacturing and trading activities were mainly carried out by SMI Wire Sdn Bhd ("SMIW") which manufactures and trades in assorted steel wires including cold drawn, annealed, galvanised and PVC coated galvanized steel wires. The core product is galvanised steel wires and the main raw material is steel wire rods which are mainly sourced locally.

The manufacturing division's market conditions remain challenging, faced with intense price competition amid a low market demand, volatility in the commodity markets which caused prices of majority of our manufacturing inputs to surge in recent months, including steel wire rods, zinc, PVC resin and natural gas. The electricity cost has also increased substantially coupled with the minimum wage requirement have caused the prices of wire finished products to rise in tandem, putting a strain on working capital requirements. Hence, the division will need to keep a tight rein on its costs and credit control whilst balancing the need to achieve volume and market share and economy of scale. The import of cheap G.I. wires from China has also put pressure on the local manufacturers. The manufacturing operation is forecast to contribute significantly to the Group revenue, contributing an average of RM20m in the next three financial years. The division will strive to minimise losses in the next three financial years.

Property Development

The property division is expected to contribute significantly to the Group's results from 2025 to 2027 from the Ipoh projects carried out by Anastoria Sdn Bhd (Anastoria). The Group's existing land bank in Ipoh will be able to sustain development activities for the next 3 years. Bandar Meru Raya was fully developed and completed in 2018. The 8.5 acres Taman Klebang land purchased in 2017 together with an adjacent 1.57 acres land purchased in 2019 will continue to be developed in the next two years. The first phase in Taman Klebang comprising 38 units of double- storey terraced houses was launched in June 2019 and the development was completed in September 2022. Phase 2 comprising 28 units of double-storey terraced houses which was launched in August 2021 was completed in March 2024. Phase 3 comprising 31 units of double-storey terraced houses launched in June 2024 and is expected to be completed in the second quarter of 2025. Anastoria has also commenced the construction and opened for sale the 4 units of double storey shop-office at Taman Ipoh Jaya in early 2024 which is estimated to contribute of RM1.5m profit from 2025 to 2026. The odd lots in Taman Ipoh Jaya which consists of 4 units of double storey bungalow is expected to be sold from 2026 to 2027. Two phases of a new development project at Chenderong, Tanjung Tualang are expected to be launched in December 2024 with completion at the end of year 2027. The remaining land in Taman Ipoh Jaya Timur 1, Tanjung Tualang and Sungai Terap are available for future development. To sustain its development activities, Anastoria is actively looking to acquire more land in the near term.

With the higher construction costs, Anastoria will strive to improve efficiency and maintain the projected profit margin in the next 3 financial years. The division will constantly review the market demand and keep abreast with the economy to determine what the market really wants. This will enable the Group to reposition itself to face the growing competition in the property sector. The Group will also sell the remaining stock units in Pinnacle Kelana Jaya, Zenith and Kelana Square Kelana Jaya.

The challenge to the Group has always been finding suitable sizeable land banks at good locations. The Group will look for opportunities of acquiring lands with shorter holding period and faster turnaround time and also seek joint development ventures with suitable parties.

Property & Investment Holding

The property & investment holding division's activities comprise property investment (rental and car park operation) and investment holding.

The Group's overseas operation ceased completely after the completion of liquidation of an associate company incorporated in Mauritius and the sale of SMI (Hong Kong) Limited in year 2021. The Company has a 14.70% equity investment in Remarkables Park Corporation Ltd, New Zealand.

As for the investment holding division, revenue comprising of rental from Menara SMI and unsold commercial properties in Kelana Jaya of approximately RM2m is anticipated in the next three financial years. Rental income from investment properties is anticipated to improve in 2025 as confidence of the business community returns. However, the holding company is expected to make losses arising mainly from head office administrative and staff costs.

Car park operations

The Group owns and operates 2,230 car park bays in Kelana Square and 1,227 car park bays in Zenith Corporate Park in Kelana Jaya. The division is projected to contribute significantly to the Group results in the next 3 financial years. The car parks occupancy rates have increased gradually to the pre-Covid-19 levels in the past two years. Cashless equipment were installed in the Kelana Square site in May 2021 and Zenith sites in March 2023. The cashless equipment has increased operational efficiency and reduced revenue leakages. Upgrading and rectification works are carried out progressively to provide a more conducive environment to the parkers and to enhance the value of the car park assets. The division remains as one of the main contributors to the Group's profit and cash flow.

Identified Anticipated or Known Risks

The Group's operations and financial results could be affected by risks affecting the property development and manufacturing industries primarily the market demand, scarcity of land suitable for development, escalating land costs, prices of raw materials, currency exchange fluctuations, labour shortages and labour costs, changes in government policies on interest rates, taxes, import duties, minimum wage and tariffs. Measures undertaken by the Group to mitigate these risks include prudent cost management, hedging of foreign currency exposure, efficient production processes and upgrading of production capabilities and human resource policies on training, recruitment and retention.

Although Malaysia is not directly impacted by the geopolitical conflicts, the disruptions to global energy and commodity markets may lead to high energy and commodity prices such as wheat, corn, chemicals and fertilizer. This disruption of the supply chain could worsen, increasing logistics and shipping rates as well as input and raw material costs, increasing the costs of doing business and may suppress production and margins. The geopolitical risks pose structural challenges on global growth with economic volatility and complex global business environment in the coming year.

Corporate Developments

The Group did not undertake any corporate exercise or issue any debt or equity securities in the financial year ended 30 June 2024.

Material Litigation During the Financial Year and After the End of Reporting Period

There were no material events subsequent to the current financial year ended 30 June 2024 up to the date of this report other than as announced by the Company in relation to:

A. (1) a notice of intention dated 18 April 2023 received from Honsin Apparel Sdn. Bhd. ("Honsin") and HiQ Media (Malaysia) Sdn. Bhd. ("HiQ Media") to move resolutions requiring special notice pursuant to Sections 206(3) and 322 of the Companies Act 2016; (2) a request for record of depositors dated 26 April 2023 and 17 May 2023; and (3) the Originating Summons No. WA-24NCC-269-05/2023;
B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023;
C. Writ No. WA-22NCC-879-12/2023;
D. Kuala Lumpur High Court Application No. WA-25-103-03/2024;
E. Originating Summon No: JA-24NCC-12-03/2024;
F. Writ No. JA-22NCVC-28-03/2024;
G. Writ No. JA-22NCC-48-07/2024; and
H. Originating Summons No: WA-24NCC-302-07/2024.

A. Originating Summons No. WA-24NCC-269-05/2023 ("OS")

During the case management held on 18 May 2023, the legal counsel for the Company, Messrs Gideon Tan Razali Zaini informed the Court that the 3rd to 7th defendants named in the OS (which are all the Directors of the Company) should not be named as parties to the OS and as such, the 3rd to 7th defendants reserve their rights and will apply to strike out the claim against them. Upon hearing the submissions from both parties, the Court gave the following directions:

(a) the defendants to file affidavit in reply to OS by 30 May 2023;
(b) the parties to file any interlocutory applications by 30 May 2023;
(c) the parties to file and exchange written submissions for the OS by 20 June 2023; and
(d) the hearing for the OS is fixed on 17 August 2023.

The Company had on 30 May 2023 filed a striking out application to the OS filed against the 3rd to 7th defendants, however, such application was dismissed by the Court on 17 August 2023. The Court had also in the same hearing allowed Honsin and HiQ Media (collectively, "Plaintiffs") to amend the OS. As at 17 August 2023, the Court has yet to make any finding of facts in relation to the OS and the main hearing to determine the rights of the Plaintiffs to the record of depositors of the Company has been fixed on 11 September 2023.

The Court had during the hearing on 11 September 2023 reserved its decision and stated that its decision will only be delivered on 2 October 2023.

The Court in its decision which was given on 2 October 2023, allowed the Plaintiffs' Amended Originating Summons (Enclosure 39), and ordered the following:

(i) a declaration that the Plaintiffs are entitled to the Record of Depositors of the Company ("ROD") as at 26 April 2023 and the ROD as at 17 May 2023 for the purposes of convening the proposed Extraordinary General Meeting ("EGM");
(ii) an EGM of the Company may be convened pursuant to Section 314 of the Companies Act 2016 ("the Court Convened Meeting") within 50 days from the date of such order for the purpose of considering and if thought fit passing the resolutions set forth in the Plaintiff's notice dated 18 April 2023;
(iii) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at the next market day after the date of such order, within 3 market days immediately thereafter, in hardcopy only as furnished by Bursa Malaysia Depository Sdn. Bhd. ("BMDSB");
(iv) the notice of the Court Convened Meeting may be issued by the Plaintiffs within 3 working days from the receipt of the ROD as required under (iii) above;
(v) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at a date not less than 3 market days before the Court Convened Meeting or any adjournment thereof at a time not less than 48 hours before the Court Convened Meeting or any adjournment in hardcopy only as furnished by BMDSB.

The Court also ordered that RM30,000 to be paid by the Company to the Plaintiffs as costs.

The legal counsel for the defendants have orally applied to Court for a stay of the order and the Court has granted an interim stay of the order until 16 October 2023 and the Court has fixed for the hearing of the stay of the order on 16 October 2023.

No orders were made by the Court against the Directors of the Company.

On 17 October 2023, the Court dismissed the Company's appeal for the stay of execution and ordered the Company to pay RM5,000 as costs to be awarded to the Plaintiffs.

The Company had on 17 October 2023 filed a notice of motion to the Court of Appeal applying for a stay of execution of the order dated 2 October 2023 given by the High Court in relation to the OS.

The Company had on 30 October 2023 received from the Plaintiffs a notice of appeal filed with the Court of Appeal, to appeal on part of the High Court order given in relation to the OS where certain prayers of the Plaintiffs have been dismissed by the High Court.

B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023

Upon hearing the submission from the parties on 27 October 2023, the Court of Appeal granted the Company a stay of execution of such High Court order dated 2 October 2023 pending a full appeal to be heard with Civil Appeal No. W-02 (NCC)(A)-1617-10/2023. The case management was fixed on 2 January 2024.

During the case management held on 2 January 2024, since the High Court has yet to provide its grounds of decision, the Court of Appeal has fixed another date on 6 March 2024 for parties to update on the status of filing of the court papers.

The Court of Appeal has fixed another further case management date on 5 June 2024 for parties to update the Court, particularly on the High Court Judge's ground of decision.

During the case management held on 5 June 2024, the Court of Appeal has fixed a further case management on 5 November 2024 to enable parties to update on the status of filing supplementary records of appeal as the High Court Judge in Originating Summons No. WA-24NCC-269-05/2023 has yet to provide his grounds of judgment.

C. Writ No. WA-22NCC-879-12/2023

On 5 December 2023, the Company received from the solicitors of the Plaintiffs another Writ (Writ No. WA-22NCC-879-12/2023) and Statement of Claim filed with the High Court of Malaya in Kuala Lumpur.

The Plaintiffs have sought amongst others the following declarations:

(a) That the rights of the Plaintiffs have been violated and that amongst others the directors of the Company have failed to exercise their powers for the proper purpose and in good faith in requesting an extension of time to hold the 52nd Annual General Meeting of the Company ("52nd AGM");
(b) That the application for an extension of time to hold the 52nd AGM was done with a common intention between the defendants to further strengthen their control over the board of directors of the Company;
(c) That the extension of time given to the Company to hold the 52nd AGM is invalid, null and void and has no effect.

The Board of the Company however was of the view that the above suit was frivolous and vexatious as the allegations made against the defendants contain errors of facts and there was no cause of action as the issue of holding the 52nd AGM was a management prerogative. As such, the Board of the Company had given instruction to the Company's legal counsel to apply for striking out of the above suit.

The hearing of the striking out application was adjourned to 23 May 2024. The Company's legal counsel had applied for striking out at the hearing on 23 May 2024 and no decision was made on even date as the judge reserved his decision to be delivered on 13 June 2024.

The Company had on 23 December 2023 filed for a striking out application of the following suit seeking the following orders:

(i) That the Plaintiffs' Writ and Statement of Claim against 2nd to 6th and 14th Defendants be struck out;
(ii) Any orders as to costs against Plaintiffs be on a solicitor-client indemnity basis;
(iii) In the event that prayers (i) and/or (ii) above were allowed, such further order that the Plaintiffs' Writ and Statement of Claim filed against the Companies Commission of Malaysia which was named as the 16th Defendant be struck out; and/or
(iv) Such further and/or other reliefs deemed fit and appropriate by the Court.

Before the hearing for striking out application having fixed on 23 May 2024, the Plaintiffs filed an amended Writ and amended Statement of Claim on 10 May 2024.

The Court in its decision which was given on 13 June 2024, ordered the following:

(1) The Plaintiffs' Amended Writ dated 10 May 2024 and Amended Statement of Claim dated 10 May 2024 be struck out;
(2) The Plaintiffs to pay RM15,000 as costs to the Company and its Board of Directors;
(3) The Plaintiffs to pay RM15,000 as costs to Asian Pac Holdings Berhad and its Board of Directors;
(4) The claim against the Companies Commission of Malaysia as the 16th Defendant be struck out.

D. Kuala Lumpur High Court Application No. WA-25-103-03/2024

The Company had on 11 October 2023 written to Securities Commission of Malaysia ("SC") to follow up on the complaint lodged on 23 March 2023 by the Company with SC and the Takeover and Mergers Panel of SC ("Takeover Panel") in respect of a breach of Section 218(2) of the Capital Market Services Act 2007 ("CMSA") and Rule 15 of Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Take-Over Rules") against Honsin and HiQ Media as well as the persons who are acting in concert with them because the Company has cogent evidence that Honsin and HiQ Media and the persons acting in concert with them had failed to make a mandatory general offer to the Company's shareholders pursuant to Section 218(2) of the CMSA, when it is the obligations of Honsin, HiQ Media and the persons acting in concert with them to do so. Further, Rule 15 of the Take-Over Rules also provides that a party required to make a mandatory general offer shall not be appointed to the board of the Company until the offer document is dispatched save and unless consent is granted by the SC. Such complaint was publicly announced via a press release dated 4 April 2023 and published by The Edge Markets. It was also reported by The Edge Markets on 10 April 2023 that the SC has received a complaint from the Company and the SC was looking into the matter. To-date, the SC has not given a written decision of SC and the Takeover Panel on the complaint lodged by the Company.

On 14 March 2024, the Company announced that on 13 March 2024, the Company had filed a judicial review against the Securities Commission Malaysia (SC), seeking for the following orders or reliefs:

(a) A Mandamus order to compel SC to conform with the rules of natural justice in giving due consideration to and conduct of a proper hearing on the Company's complaint dated 23 March 2023 regarding a breach of Section 218(2) of CMSA by Honsin and HiQ Media and other persons or parties acting in concert ("Complaint");
(b) A Mandamus order to compel SC to make a proper and definitive decision on the Complaint in accordance with the proper procedures; and
(c) Upon a proper and definitive decision of the Complaint being made by SC in accordance with proper procedures, such decision be communicated to the Company in writing, setting out the basis and reasons for such a decision; and/or
(d) Further and/or in the alternatives, SC to comply with Section 364 of CMSA should the Company so request.

The leave application has been fixed for hearing on 29 April 2024.

On 30 April 2024, the Company referred to its announcement dated 14 March 2024 pertaining to its judicial review application vide Kuala Lumpur High Court Application No. WA-25-103-03/2024.

The Company announced that the hearing for leave to commence a judicial review against the Securities Commission Malaysia (SC) which was fixed on 29 April 2024 was adjourned as the SC requested to be heard on the ex parte stage.

The Court directed the SC to file in a submission as to why they should be allowed to be heard on the ex parte stage by 3 May 2024, the Company to file in a reply by 17 May 2024 and for the SC to file in a reply (if any) by 24 May 2024.

The hearing for leave application to commence a judicial review against the SC was heard on 20 June 2024 and the High Court had on 29 July 2024 delivered its decision, refusing the Company's leave application to commence for judicial review against the SC.

The Company had on 19 August 2024 filed a Notice of Appeal with Civil Appeal No. W-01(IM)-545-08/2024. A new case management has been fixed on 18 November 2024. The Company shall file records of appeal enclosing the cause papers which was previously argued at the High Court before the case management on 18 November 2024.

E. Originating Summon No: JA-24NCC-12-03/2024 ("OS")

On 26 March 2024, the Company in its announcement referred to its announcement dated 19 December 2023 on a material litigation wherein Honsin and HiQ Media had sought for amongst others, the following declaration:

(a) That the extension of time given to the Company by the Companies Commission of Malaysia to hold its 52nd AGM is invalid, null and void and has no effect.

Further to the announcement above, the Company announced, on an urgent basis, that the Company has been served on 26 March 2024, with an OS together with a notice of application for an interlocutory injunction by Honsin which has been fixed for hearing on 27 March 2024, on inter alia, the following prayers/orders sought by Honsin:

(b) To adjourn the 52nd AGM which has already been set on 27 March 2024 indefinitely until the disposal of the OS as mentioned above; and
(c) In the alternative, for the 52nd AGM to proceed as usual to deal with the matters as set out therein and on completion of such matters, to adjourn the 52nd AGM indefinitely after that.

On 27 March 2024, the Company announced that the Court hearing which was scheduled on 27 March 2024 at 9am in relation to OS and the notice of application for an interlocutory injunction filed by Honsin to adjourn the 52nd AGM, has been adjourned by the Court and the new hearing date is scheduled on 3 April 2024. As such, no decision with regards to the interlocutory injunction sought by Honsin has been made. The Company encourages all shareholders to attend the 52nd AGM to be held on the same day.

On 1 April 2024, the Company made reference to its earlier announcement dated 26 March 2024, whereby the Company had announced that there is a notice of application for an interlocutory injunction ("NOA"), seeking to adjourn the 52nd AGM which was fixed for hearing at 9am on 27 March 2024, and which the Court has adjourned the hearing to 3 April 2024 per the Company's announcement dated 27 March 2024.

The Company announced that together with the NOA, an OS was also served, seeking the following orders:

(i) the Company to circulate the candidate nomination notice provided by Honsin ("the Plaintiff") on 8 March 2024 to the registered shareholders of the Company in accordance with the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
(ii) the Company to take all necessary steps to propose the resolutions proposed by the Plaintiff in the Plaintiff's letter dated 8 March 2024 at the 52nd AGM scheduled to be held on 27 March 2024 or at any adjournment thereof.

The case management has been fixed on 13 May 2024 at 9am.

In any event, during the 52nd AGM which was held on 27 March 2024, the Chairman of the meeting had specifically invited Honsin or any other shareholders to propose any motion on their request for an adjournment of the 52nd AGM. Honsin's corporate representative in the 52nd AGM then proposed to adjourn the 52nd AGM arising out of the OS ("Adjournment").

Thereafter, the Chairman asked Honsin whether they require the vote for the Adjournment to be done by poll, to which Honsin confirmed they require a vote by poll.

This proposed motion was put to vote pursuant to the Constitution of the Company and the shareholders had voted against the Adjournment, which was also announced by the Company on 27 March 2024. As such, the 52nd AGM thereafter concluded and closed on 27 March 2024.

On 1 April 2024, the Company's solicitors has received a letter from the solicitors of Honsin, stating to the Court that they intend to withdraw the NOA.

As such, the Company believes that the matters as set out in both the NOA and the OS as mentioned above are now academic as the 52nd AGM had already concluded and closed on 27 March 2024.

On 3 April 2024, the Company announced that the notice of application for an interlocutory injunction of Honsin to adjourn the 52nd AGM, which was fixed for hearing on 3 April 2024 was withdrawn by Honsin with RM3,000 costs ordered against Honsin to be paid to the Company.

On 5 April 2024, Mr. Mah Sau Cheong filed an intervention application to be added as a party to the OS.

On 19 April 2024, the Company filed a striking out application against the OS on the grounds, inter alia, that it is an exercise of futility on the part of Plaintiffs since the 52nd AGM had been concluded.

During the case management on 13 May 2024, the Court has fixed the next case management to be held on 9 July 2024, to set the hearing date for:

(1) the striking out application filed by the Company against the OS; and
(2) the intervention application by Mr. Mah Sau Cheong.

The Court has further adjourned the hearing to 10 December 2024.

F. Writ No. JA-22NCVC-28-03/2024

The Company announced that the Company has been served on 20 March 2024, with a writ of summons and notice of application for an interim injunction by Mr. Mah Sau Cheong, seeking for an order, amongst others:

(a) to restrain the Company from tabling at its 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company, the resolutions proposed in the notice of the Honsin dated 8 March 2024 and the notice of Chong Fu Shen dated 7 March 2024 until a full and final disposal of the suit;
(b) to restrain Honsin and/or Chong Fu Shen from proposing the resolutions contained in their notices dated 8 March 2024 and 7 March 2024 respectively at the Company's 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company until a full and final disposal of the suit;
(c) to restrain Datuk Au Yee Boon from causing or procuring any other party or persons including Honsin, HiQ Media, Techbase Solutions Berhad (previously known as Prolexus Berhad), YB Ventures Berhad and its subsidiaries and/or personnel from moving any resolutions to remove and/or add directors to the Company until a full and final disposal of the suit;
(d) to restrain Honsin and/or Chong Fu Shen from proposing any resolutions to remove and/or add directors to the Company pending a full and final disposal of the suit.

On 22 April 2024, Chong Fu Shen filed a defense and counterclaim against Writ No. JA-22NCVC-28-03/2024 seeking for reliefs, amongst others:

(i) declaration that notwithstanding any complaints under Section 218(2) of CMSA read together with the Paragraph 15.01 of the Take-Over Rules, Chong Fu Shen had a legal, statutory and/or constitutional right to have his Nomination Notice dated 7 March 2024 properly circulated and considered at the 52nd AGM subject to any ruling or determination by the SC;
(ii) declaration that the Company's Board's failure and/or refusal to circulate Chong Fu Shen's Nomination Notice dated 7 March 2024 premised on Mah Sau Cheong's unsubstantiated and baseless allegations is a breach of duty on their part as well as an interference with Chong Fu Shen's legal, statutory and/or constitutional rights;
(iii) order that the 52nd AGM be reconvened on a date as may be determined by the Court and upon such terms as may be directed by the Court to consider the proposals made by Chong Fu Shen through his nomination notice dated 7 March 2024 with the further direction that any appointment voted for by the shareholders shall take effect from 27 March 2024; and
(iv) that the Board of the Company post the 52nd AGM comprising of the 3rd to 6th Defendants or any one or more of them, whether through themselves or individually or through their agents, employees, nominees or otherwise howsoever shall be restrained and an injunction be granted to restrain them from exercising any power or authority to manage or administer or otherwise intermeddle in the business and affairs of the Company pending the disposal of this action and, if orders are granted under paragraph (c) herein, until the outcome of such reconvened annual general meeting.

On the same day, Chong Fu Shen also filed an application for injunction against the Company, its directors and Mah Sau Cheong to seek the same relief as paragraph (d) above.

On 21 May 2024, the Company and the other directors being the defendants of the counterclaim as aforementioned had filed a striking out application to strike out such counterclaim. A case management was fixed on 28 May 2024. During the case management, the Court had instructed the parties to file their cause papers and a hearing was fixed on 21 August 2024. The hearing is further adjourned to 17 November 2024.

G. Writ No. JA-22NCC-48-07/2024

The Company announced that the Company has been served by Mr. Mah Sau Cheong ("Plaintiff") through his solicitors on 11 July 2024 with a sealed copy of Writ of Summons No: JA-22NCC-48-07/2024 and Statement of Claim. The aforesaid claim relates to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation). The Plaintiff is seeking, inter alia, the following prayers/orders:

(a) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM24,084,036.00 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.500 per share; or alternatively
(b) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM17,019,385.44 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.060 per share; or alternatively
(c) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024) shares; or alternatively
(d) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the losses suffered by the Plaintiff due to the depressed mandatory general offer price in the event that the Defendants other than the Company were ordered to make a mandatory general offer to all the other remaining shareholders of the Company, including the Plaintiff.

On the case management which was fixed on 13 August 2024, the Court has given the following directions:

(i) The Company as the 1st Defendant to file its respective Defence by 25 September 2024; and
(ii) Plaintiff to filed Reply to the Company's Defence by 29 November 2024.

The next case management is fixed on 10 December 2024 for parties to update the Court on the status of filing cause papers and the service of cause papers.

The Company announced that the Company had on 27 August 2024 been served by the Plaintiff through his solicitors a sealed notice of application for an interim injunction vide Johor Bahru High Court vide Suit No. JA-22NCC-48-07/2024. The case management was fixed on 28 August 2024 at 9am.

The Plaintiff seeks for, inter alia, the following reliefs:

(1) An order that Honsin Apparel Sdn. Bhd. (2nd Defendant), HiQ Media (Malaysia) Sdn. Bhd. (3rd Defendant), Datuk Au Yee Boon (16th Defendant), Leong Seng Wui (28th Defendant), Velocity Capital Sdn. Bhd. (29th Defendant) and/or Target 1 Sdn. Bhd. (30th Defendant), whether by through themselves, their directors, officers, employees and/or agents are restrained and an injunction is granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover Offer dated 20 August 2024 to acquire shares in the Company until this suit is disposed of or until further order; and
(2) An order that the Company, whether by themselves, their directors, officers, employees and/or agents be restrained and an injunction be granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until this suit is disposed of or until further order.

The interim injunction by the Plaintiff is, inter alia, to maintain the status quo until full hearing or disposal of Suit No. JA-22NCC-48-07/2024 in relation to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation) by the Defendants other than the Company who are acting in concert conspired to manipulate and fix the price of the Company's shares to facilitate an unconditional mandatory take-over offer at RM0.45 per share whereas the offer price should be between RM1.06 to RM1.50 per share.

During the case management on 28 August 2024, the Court Registrar gave the following directions:

(aa) the hearing for the Plaintiff's interim injunction application is fixed on 27 October 2024;
(bb) the Defendants including the Company to file respective affidavits in reply by 17 September 2024;
(cc) the Plaintiff and the Defendants to file respective 1st Written Submissions by 8 October 2024; and
(dd) the Plaintiff and the Defendants to file respective Written Submissions in Reply by 25 October 2024.

The Company announced that on 4 September 2024, the Company's legal counsels had received a notification from the Court that a hearing on an ad interim injunction in relation to Plaintiff's interim injunction application vide Suit 48 which the Company received on 27 August 2024, was scheduled on 5 September 2024 at 12.15pm. The Court had during the hearing on 5 September 2024 dismissed the Plaintiff's ad interim injunction application. Nevertheless, the Company had during the case management on 28 August 2024 and the hearing on 5 September 2024 agreed to prayer (b) as set out in the Plaintiff's Interim Injunction Application. The aforesaid prayer (b) is reproduced as below:

"An order that the Company, whether by themselves, their directors, officers, employees and/or agents be restrained and an injunction be granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until this suit is disposed of or until further order."

Meanwhile, the hearing for the Plaintiff's interim injunction application remains on 27 October 2024.

Due to the conflicting positions above whereby on one hand, the Court has dismissed the Plaintiff's ad interim injunction application while pending the hearing of the Plaintiff's interim injunction application on 27 October 2024 and on another hand, the Company has already agreed to prayer (b) as set out in the Plaintiff's interim injunction application to not take further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024, the Company had since on 8 September 2024 filed an application to the Court for further directions and/or consequential orders arising from the outcome of the hearing on 5 September 2024 and the Court has fixed the case management on 9 October 2024. The Company will not take further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until directions and/or consequential orders are given by the Court.

On 7 October 2024, the SC had filed in an urgent application to intervene into Suit 48 seeking to be added as a party to this Suit 48. Further, Leong Seng Wui (28th Defendant), Velocity Capital Sdn. Bhd. (29th Defendant) and Target 1 Sdn. Bhd. (30th Defendant) had collectively filed for a transfer application to have the matter to be heard in the Kuala Lumpur High Court instead of the Johor Bahru High Court.

The Court had fixed an urgent case management on 7 October 2024 to streamline the ongoing applications (i.e. the Suit 48, the Interim Injunction Application and the application for further directions and/or consequential orders).

On 8 October 2024, the Court had given its directions that the hearing for SC to intervene into Suit 48 will be heard on 10 November 2024 and the hearing for the case transfer will be held on 29 April 2025 and the case management for the other matters in relation to Suit 48 will be held on 22 January 2025.

H. Originating Summons No: WA-24NCC-302-07/2024

The Company announced that the Company had on 3 July 2024 filed for an application pursuant to Order 24 Rule 7A and/or Order 92 Rule 4 of the Rules of Court 2012 seeking amongst others the following orders:

(a) an order that Kenanga Investment Bank Berhad (the "Respondent") being the stockbroker for Target 1 Sdn. Bhd. and/or Velocity Capital Sdn. Bhd. provide the identities of the sellers and/or documents and full information pertaining to the related transactions set out below:

   (i) The transaction by Velocity Capital Sdn. Bhd. and/or Target 1 Sdn. Bhd. in acquisition of 32,582,000 shares in the Company;
   (ii) The transaction by Velocity Capital Sdn. Bhd.'s acquisition of 2,500,000 in the Company's shares via open market by Target 1 Sdn. Bhd. on 5 June 2024; and/or
   (iii) The transaction by Velocity Capital Sdn. Bhd.'s in acquisition of 29,303,800 shares in the Company via Direct Business Transaction by Target 1 Sdn. Bhd. on 5 June 2024,

(collectively being referred as "the said Transactions")

all as set out in the Notice of Interest of a Substantial Shareholder dated 7 June 2024;

(b) an order that the Respondent delivers to the Company or the Company's Solicitors the identities of the sellers and/or documents and full information within seven (7) days of the order herein.
(c) that the Respondent do forthwith set forth and disclose the identities and/or documents sought in prayers 1 and 2 above in the form of Affidavits filed in Court and served on the Applicant's solicitors within seven (7) days from the date of the Order herein;
(d) that the Company is given the liberty to apply for any other documents that are in the possession, custody or control of the Respondent.

The grounds for the above application by the Company is that the Company believes that there is a possible breach of Section 176 of Capital Markets and Services Act 2007.

Further the Company believes the required identities, documents and or full information sought is important to supplement the Company's Securities Commission Complaint which is yet to resolve and such identities, documents and or full information sought will be fresh evidence to the on-going court proceedings involving the Company.

During the case management which was fixed on 17 July 2024 at 9am, the Company announced that the Court has instructed as follows:

(i) Respondent to file an affidavit in reply by 31 July 2024;
(ii) Applicant to file an affidavit in reply by 21 August 2024;
(iii) Parties to file the 1st submission by 12 September 2024;
(iv) Parties to file the reply submission by 27 September 2024; and
(v) Hearing has been fixed on 12 November 2024.

Subsequent Event After the End of the Reporting Period

On 20 August 2024, the Board of Directors had received a notice of unconditional mandatory take-over offer ("Notice") from TA Securities Holdings Berhad on behalf of Target 1 Sdn. Bhd. ("Offeror") to acquire all the remaining ordinary shares in South Malaysia Industries Berhad ("SMI Shares") which are not already held by the Offeror and its persons acting in concert for a cash offer price of RM0.45 per Offer Share ("Offer Price"). The Board had announced the receipt of the Notice on 20 August 2024.

On 27 August 2024, the Company had issued the Notice to the shareholders of the Company.

On 26 September 2024, pursuant to paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, Sierac Corporate Advisers Sdn. Bhd. has been appointed by the Board as the Independent Adviser ("IA") to provide comments, opinions, information and recommendation to the non-interested Directors of the Company and the holders of the Offer Shares in relation to the Unconditional Mandatory Take-Over from TA Securities Holdings Berhad on behalf of Target 1 Sdn. Bhd. dated 20 August 2024.

Dividend

The Board of Directors does not recommend the payment of any dividend for the financial year ended 30 June 2024 as there were accumulated losses in the statements of financial position as at 30 June 2024.

SUSTAINABILITY STATEMENT

This Detailed Sustainability Statement ("Statement") sets out what the Board considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters, that impact the way the Group's operations are carried out as well as how such Material Sustainability Matters are managed. This Statement is prepared in accordance with the Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice Note 9 of the Listing Requirements on the content of sustainability statements. In preparing this Statement, the Board of Directors ("Board") has also considered the Sustainability Reporting Guide and its accompanying Toolkits, issued by Bursa Securities.

This Statement for the financial year ended 30 June 2024 affirms the Board unwavering commitment to integrating sustainable practices encompassing economic, environmental and social ("EES") aspects across the Group's key business operations, as follows:

(i) Wire manufacturing and trading;
(ii) Property development; and
(iii) Car park operations.

This Statement is prepared in accordance with the MMLR of Bursa Securities, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and in compliance with Practice Note 9 of MMLR of Bursa Securities.

This Statement has not been subjected to an assurance process following the resignation of the Group's chief audit executive. Moving forward, the Board targets assurance to be undertaken by the internal audit function for the financial year ended 30 June 2025.

Reporting Period

This Statement is for the reporting period from 1 July 2023 to 30 June 2024, unless otherwise specified. This includes statistical data for most disclosures, where applicable.

Reporting Scope

In this Statement, the Group's wire manufacturing and trading business is located in Tampoi, Johor. Whereas, the Group's property development is mainly based in Ipoh, Perak and car park operations are based in Petaling Jaya, Selangor.

Feedback

As the Group progresses on the sustainability journey, we value your thoughts, concerns and feedback as invaluable opportunities for continual improvement. Hence, you may direct them to:

South Malaysia Industries Berhad
Suite 1301, 13th Floor, City Plaza
Jalan Tebrau, 80300 Johor Bahru
Johor Darul Takzim

Sustainability Governance Structure

Whilst the Board is primarily responsible for the sustainability performance of the Group, a committee, namely the Risk Management Committee ("RMC"), helmed by key management personnel, has been tasked to assist the Board in managing sustainability related matters.

The Group integrates sustainability into its risk management system, where sustainability is one of the key discussion points at all its meetings. The RMC is entrusted with responsibilities that include the establishment of a sustainability framework; review of the adequacy of the sustainability initiatives and processes; ensuring the effectiveness in identification, management and reporting of Material Sustainability Matters; and monitoring and overseeing all sustainable strategies and initiatives of the Group. The RMC plays a pivotal role in ensuring the success of the Group's sustainability initiatives.

Since 2018, the Group has adopted a sustainability framework and provided overall oversight in the sustainability initiatives and processes regarding the materiality assessment review, its results and management of Material Sustainability Matters.

Materiality Process

The Group has adopted a materiality process developed considering the MMLR of Bursa Securities and Sustainability Reporting Guide and its accompanying Toolkits to identify important EES themes where actions can impact sustainability and also to identify any significant changes in the Group's materiality sustainability matters.

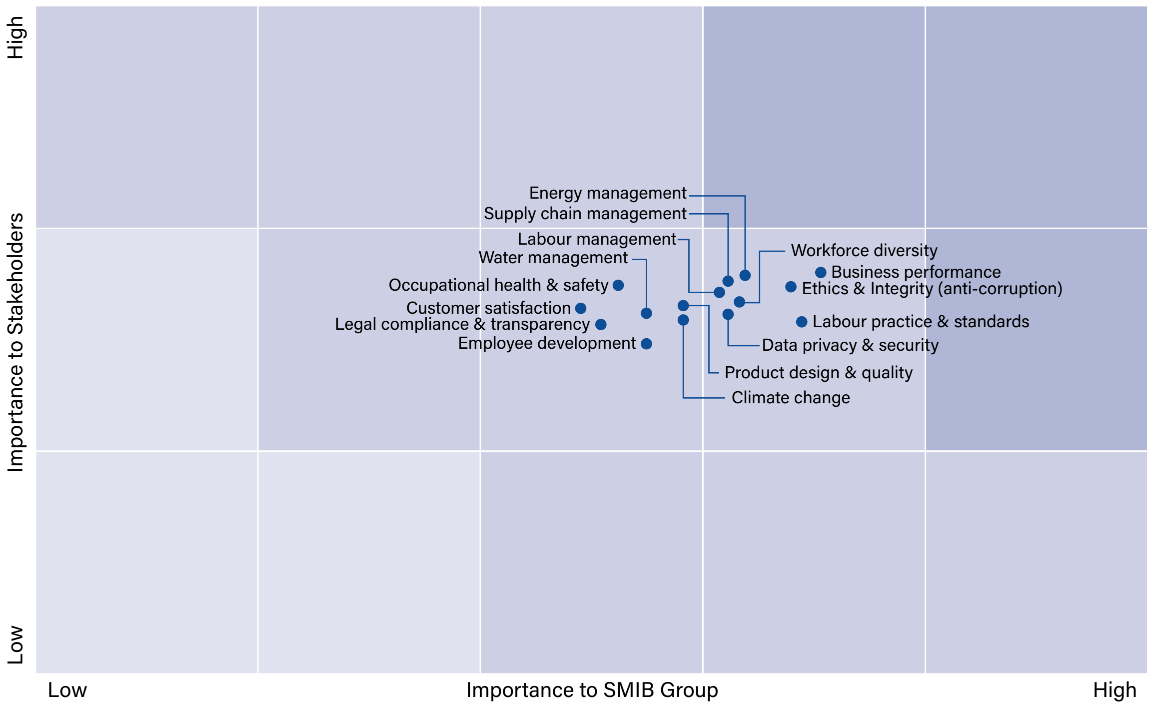
The materiality assessment review has taken into consideration any development or significant changes to the industries, business and markets the Group operates in, stakeholders' views and concerns and business implications regarding EES aspects. Management personnel responsible for the respective business units had participated in the materiality assessment review and this has been included in the scope of the Statement. The Group's stakeholders include, amongst others, customers, employees, contractors, consultants, shareholders and investors, and government agencies, law enforcers and regulators.

For the financial year under review, the Group has noted no significant changes in the material sustainability matters of the Group, as our business and operations remained unchanged.

Materiality Matrix

The Group's material sustainability matters outline crucial environmental, social and governance topics, thus ensuring the Group's strategies remain dynamic and relevant.

The Group's material sustainability matters ("MSM") are represented in the diagram below, whereby the x-axis denotes the significance of the MSMs to the Group whereas the y-axis denotes their significance to stakeholders. MSMs deemed most important by the Group and its stakeholders are those that are on the topmost right-hand corner of the quadrant.



Key Stakeholders	Type of Engagement	Frequency of Engagement	Key Concerns
Customers (Wire manufacturing and trading)	Customer feedback management	Regularly / Daily	Customer satisfaction
Customers (Property development)	Market surveys	Ad-hoc / As required	Product pricing and design
	Feedback from inspection	Ad-hoc / As required (upon delivery of vacant possession)	Quality and product workmanship
	Joint management meeting	Monthly	Customer satisfaction
	Annual general meeting	Annually	Customer satisfaction
Customers (Car park operations)	Customer service desk	Regularly / Daily	Customer satisfaction and assistance
	Incident report	Ad-hoc / As required	Safety and Security
Employees	Departmental meetings and staff briefings	Weekly / Monthly	Efficiency and effectiveness
	Performance appraisal	Annually	Career development
	Employee development trainings	Ad-hoc / As required	Employee Benefits & Remuneration
	Internal circulars / bulletins	Ad-hoc / As required	Workplace Safety and Health
	Employee engagement activities	Ad-hoc / As required	Work-life balance
	Employee engagement activities	Ad-hoc / As required	Uncertainty / change management
Investors and shareholders	Annual General Meeting Corporate Governance Report Corporate Governance Overview Statement	Annually	Corporate Governance
	Engagement sessions through meetings and conferences	Annually	Return on Investment
Financial Institutions and lenders	Quarterly results announcement Annual Report		Financial Performance and fulfilment of financial obligations
	Audit confirmation		Statutory requirement
Government Agencies, Law Enforcers and Regulators	Meetings and conferences	Ad-hoc / As required	Regulatory requirements

Sustainability Efforts

Quality and Timely Delivery

With over 30 years of experience in wire manufacturing, the Group has built a loyal customer base through the quality and reliability of its products and delivery. The Group's factory located in Johor Bahru currently runs at half capacity, producing about 500MT of wires per month to fulfil customers' orders and for buffer stock. The Wire Manufacturing Division has a dedicated Quality Controller who is responsible for ensuring consistency in the quality of its products and delivery.

In addition, the Group's Sales Managers for the Wire Manufacturing Division maintains a close relationship with customers, as well as business operations, in ensuring expectations, including expectation gaps if any, between internal stakeholders and external stakeholders are properly managed.

The Group has not received any major complaints on quality or timeliness of delivery of its products for the financial year under review.

The Group considers the quality and timely delivery of its property development units to be vital and has, accordingly, adopted the industry's best practices, where procurement of materials and services are controlled via tender board procedures, to ensure conformance to specified requirements and to ensure timely delivery of performance.

In addition, the Group's Property Division conducts stringent quality checks at all stages of construction and finishing of their property development projects. The project managers appointed are well equipped with industry knowledge and vast experience. In their day-to-day operations, project managers conduct frequent site visits to supervise and monitor the projects, putting emphasis on design safety, practicality and aesthetic appeal that are packaged in the comfort of a secure and well-built home.

The status of the Group's on-going and future projects is summarised as below:

Name of Projects	Type of Products	Total Units	Building Work Progress as at 20/09/2024	Balance Unsold Unit as at 20/09/2024	Value of Unsold Units (RM)
Taman Klebang Emas	Double Storey - Terrace (Phase 2)	28	Completed	Sold out	-
	Double Storey - Terrace (Phase 3)	31	On-Going - 75%	Launched in July 2024	13,787,368
	Total	**59**			
Taman Ipoh Jaya Timur	Double Storey - Shop Lot (Commercial)	4	On-Going - 40%	Launched in April 2024	Pending Management Approval
	Bungalow	1	On-Going - 18%		1,375,000
	Total	**5**			
Chenderong, Tanjung Tualang	Single Storey - Shop Lot	37	Pending Authority Approval	TBC	TBC
	Bungalow	11			
	Single Storey - Semi-D	24			
	Single Storey - Terrace	265			
	Total	**337**			

The Group has applied for the planning permission from Batu Gajah District Council (Majlis Daerah Batu Gajah) to develop Chenderong, Tanjung Tualang land, comprising thirty-seven (37) of commercial units, and three hundred (300) of residential units.

The Chenderong, Tanjung Tualang land is located next to a 59-hectare adventure-themed park known as the Nature Inspirational Park or Escape Ipoh and an iconic tourist attraction called Tanjung Tualang Tin Dredge No. 5 (TT5), which is one of the last tin dredges left in the world.

Sustainability Efforts (cont'd)

Quality and Timely Delivery (cont'd)

The Group anticipates and stays abreast of latest trends in the property market. From time to time, the Property Division carries out market surveys to keep abreast of the latest market needs and expectations.

The Group has two (2) car park sites located in Petaling Jaya, Selangor, which serve the neighbouring residences, retail shoppers and office workers. Additionally, the Group recognises the importance for its car park facilities to remain in conducive conditions and, as such, periodic maintenance and upkeep works are performed.

As part of the Group's on-going endeavours to be environmentally friendly, the two (2) car park sites have successfully implemented a full cashless system and they no longer issue paper tickets. This effort has resulted in a positive economic impact, arising from the discontinuation of paper tickets and printing.

The Group recognises the importance of security and cleanliness at its car park facilities. As such, it has appointed security and cleaning vendors to maintain security, including periodic patrolling to handle and prevent crime, and maintain cleanliness at the sites respectively. Alongside the replacement of lighting with LED lightings, visibility and security of both car parks have currently been improved significantly and creates a much safer and more comfortable feeling to users.

There were no major incidents recorded on crime at the car park facilities for the financial year ended 30 June 2024.

Waste Management

More than ever, the Group views waste management as an integral part of its wire manufacturing business. Unmanaged generation and disposal of waste presents a cost to the business and may also lead to opportunity cost. The Group has hence put in place efforts to minimise waste disposal from the manufacturing process, for example, selling off by-products of the manufacturing process such as zinc ash and zinc dross instead of disposing. This does not only help to reduce disposal cost incurred but also provides opportunity for waste to be converted into value.

The Group has also established an effluent treatment system, where effluents from manufacturing activities are treated and thereafter collected by a licensed outsourced hazardous waste management company for disposal. The main type of wastewater generated from the Group's wire manufacturing operation is effluent from wire cooling and acid rinse water, which is a scheduled waste and is treated in-house and collected by a licensed outsourced hazardous waste management company.

At construction site, the Group takes care to reduce and manage wastes in a responsible manner by ensuring the appointed licensed contractors to do the same. Besides installing silt traps to minimise site pollution, all wastes generated from project sites are either recycled for reuse or transported to designated disposal sites timely and efficiently to minimise disruption to the daily lives of the community.

Energy and Resource Conservation

At the manufacturing plant, energy and electricity is one of most intensively used resources. Efficient use of energy and electricity is crucial, not only in managing the profit margin of the business, but also in tackling climate change. The Group has engaged an energy consulting engineering firm to analyse and advise on the efficient use of energy. As a result, various efforts were undertaken to reduce energy consumption, such as installation of skylight roofing to provide natural lighting during daytime and the replacement of high bay lighting with LED lighting by phases. The progress of this initiative as of financial year ended 30 June 2024 is as follows:

Key efforts	Progress	Completion Year	Estimated savings per annum (RM)
Replacement with LED lighting	100%	July 2023 to June 2024	26,105
	Total Estimated Savings per Annum		26,105

Sustainability Efforts (cont'd)

Energy and Resource Conservation (cont'd)

The Group believes in harmony and balance between nature and the built environment. To conserve natural resources, the Group adopts low-flush toilet system in its design, which reduces water usage and provides cost saving in water bills for the homeowners.

Additionally, the Group is diligent in the selection of building materials, placing focus on environmentally friendly building materials. The use of non-degradable materials such as plastic is minimised while materials that may cause health hazards such as asbestos ceiling are avoided, where possible. The Group is also looking at the prospect of having its future projects certified with Green Building Index ("GBI"), a recognition on efficient use of resources and minimal environmental impact to its surroundings.

At the car park sites, the Group has achieved greater energy efficiency by converting all conventional lighting to LED lighting. The LED lighting in the car park sites has provided a more comfortable and secure environment for users, as well as to minimise electricity consumption cost.

Occupational Safety and Health

The Group is cognisant of the operating environment of its businesses and has placed significant emphasis in ensuring its employees perform their day-to-day operations in a safe and healthy working environment. Occupational safety and health risk is discussed and monitored through the Group's quarterly meetings of the Risk Management Committee. The Group has in place established standard operating procedures for its operation activities which have incorporated safety procedures and practices. In addition, employees are provided with relevant personal protective equipment and periodic safety training to instil safety awareness.

As for the Group's key subsidiary, ie. the Wire Manufacturing Division, the Group supervises the safety conduct of its operations through the Operational Safety and Health ("OSHA") Committee. OSHA meetings are held periodically to report and discuss any safety and health related risks, including formulation of action plans, if required.

As for the Group's Property Development Division, while the Group does not directly involve in the carrying out of construction works of its development projects, it requires contractors to maintain a safe work environment which at minimum complies with relevant safety laws and regulations.

For the financial year ended 30 June 2024, the Group's summary on recordable incidents relating to employees' occupational safety and health are as follows:

	Total Recordable Incidents	Total Lost Workdays	Severity Rate*
12 months ended 31 December 2021	2	62	31
18 months ended 30 June 2023	3	86	29
12 months ended 30 June 2024	1	40	40

Note: * Severity Rate is a calculation that gives an average of the lost days per recordable incident.

There were no fatalities for the financial year ended 30 June 2024.

The Group will continue to monitor and review its internal control systems pertaining to occupational safety and health to provide employees with a safe work environment.

Sustainability Efforts (cont'd)

Skills and Talent Development and Retention

The Group is mindful of the need to constantly upskill its workforce and treat its employees fairly by providing equal opportunities to all for personal and career enhancement within the Group. Every year, the Group invests in developing employees' functional development, leadership, soft skills, as well as occupational safety trainings. The Group also encourages professional development by employees by offering to sponsor the cost of selected professional qualifications.

Through performance appraisal sessions and day-to-day engagement with employees, Heads of Department discuss with employees to identify each individual's training needs and arrange for training with the respective Human Resources function. In addition, the Group keeps itself updated on changes or development in the Group's business environment and relevant industries, including changes to laws and regulations and provides appropriate training to relevant personnel to ensure the Group's businesses remain relevant and comply with laws and regulations.

The Group recognises the value of dedicated and long serving employees, acknowledging that their dedication, loyalty and contribution throughout the years have made the Group what it is today. The Group has a policy to provide financial incentives to award long serving employees for completing 10 years of service within the Group and subsequently every five (5) years thereafter.

The Group also places emphasis on the importance to achieve a positive work-life balance by providing its employees with adequate rest days (i.e. paid leave) as well as an overseas vacation trip annually. Events and gatherings are also regularly organised for employees to celebrate the various festivals of our Group's multi-racial group of employees.

Diversity and Inclusion

The Group's commitment to diversity and inclusion is articulated in its recognition of the value of different backgrounds and expertise, as a catalyst to promote creativity and innovation. The Group opposes policies that discriminate based on gender, race, ethnicity, religion, marital status and age.

Human Rights

The Group upholds human rights that all individuals are to be treated with respect and a courteous manner. It is the responsibility of the employees to treat each other with mutual respect and courtesy. The employees extend this practice to all individuals, who are to be treated with dignity and respect regardless of their gender, race, ethnicity, religion, marital status and age. Any complaints concerning the infringement of human rights shall be promptly investigated for immediate action.

There were no reported incidents of human rights violation for the financial year ended 30 June 2024.

Building a Sustainable Future

The Board is of the view that the existing sustainability practices adopted are adequate and pertinent to steer the Group's sustainable growth. Nonetheless, it will consider the need to implement other sustainability practices, as appropriate, to augment existing ones as the Board monitors the sustainability performance of the Group's operations on an ongoing basis.

Anti-Bribery and Anti-Corruption Policy

The Group has established an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") since 1 January 2020, as the Board and Management are committed to upholding strong ethical business practices and good corporate governance, to ensure sustainable growth.

The Group's comprehensive ABAC Policy covers various aspects of corruption and bribery. This policy is communicated to all employees, suppliers, third parties, contractors and any parties engaged in work with the Group.

Sustainability Efforts (cont'd)

Anti-Bribery and Anti-Corruption Policy (cont'd)

Percentage of employees who have attended training on Anti-Bribery and Anti-Corruption, are as follows:

Category	FY2024	FY2023
Heads of Department*	100%	100%
Manager	100%	100%
Executive	100%	100%
Staff^	100%	100%

* Including senior management
^ Comprising non-executive/technical staff excluding general workers

Whistleblowing Mechanism

The Group's whistleblowing policy has been established to facilitate the reporting of any possible irregularities within the Group. The policy allows employees, stakeholders and members of the public to any irregularities or improper conduct while assuring the whistleblowers who acted in good faith that they shall not face any discrimination and retaliation.

Further details of the Group's whistleblowing policy is found online via https://smib.com.my/wp-content/uploads/2022/10/Whistle-Blowing-Policy-2022-.pdf.

For the current financial year ended 30 June 2024, the Group did not receive any complaints from whistleblowers.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	17.14
Executive	Percentage	31.43
Non-Executive/Technical Staff	Percentage	51.43
General Workers	Percentage	0.00
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	0.61
Management Above 50	Percentage	6.67
Executive Under 30	Percentage	1.20
Executive Between 30-50	Percentage	7.88
Executive Above 50	Percentage	4.24
Non-Executive/Technical Staff Under 30	Percentage	1.82
Non-Executive/Technical Staff Between 30-50	Percentage	10.30
Non-Executive/Technical Staff Above 50	Percentage	9.70
General Workers Under 30	Percentage	24.24
General Workers Between 30-50	Percentage	21.82
General Workers Above 50	Percentage	11.52
Gender Group by Employee Category		
Management Male	Percentage	50.00
Management Female	Percentage	50.00
Executive Male	Percentage	27.30
Executive Female	Percentage	72.70
Non-Executive/Technical Staff Male	Percentage	58.30
Non-Executive/Technical Staff Female	Percentage	41.70
General Workers Male	Percentage	98.90
General Workers Female	Percentage	1.10
Bursa C3 (b) Percentage of Directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	5,054.36
Bursa (Health and safety)		
Bursa C5(a) Number of work-related facilities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.02
Bursa C5(c) Number of employees trained on health and safety standards	Number	20

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	86
Executive	Hours	63
Non-Executive/Technical Staff	Hours	168
General Workers	Hours	84
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Executive	Number	8
Non-Executive/Technical Staff	Number	7
General Workers	Number	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.87
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	17.280000

Internal assurance	External assurance	No assurance	(*) Restated

DIRECTORS' PROFILE

DATO' DR ABDULLAH BIN SEPIEN
Non-Independent Non-Executive Chairman
Malaysian, Male, Age 77
Date of Appointment: 26 September 1994

Dato' Dr Abdullah Bin Sepien obtained his Doctor of Philosophy in Economics and Masters Degree in Agriculture Development Economics from the Australia National University in 1980 and 1975 respectively; and a Bachelor of Science Degree in Agricultural Economics from Louisiana State University in 1971.

He served Bank Bumiputera Malaysia Berhad ("BBMB") Group for more than 12 years in various capacities. These included Chief Economist of BBMB from 1983 to 1985, Chief Executive of Bumiputera Lloyds Leasing Berhad from 1985 to 1986, Chief Executive of Bumiputera Merchant Bankers Berhad from 1986 to 1989 and Chief General Manager of BBMB from 1989 to 1993. Before joining BBMB, he was with the Rubber Research Institute of Malaysia from 1967 to 1981, and was Head of Economics and Statistics Division in 1981.

Dato' Dr Abdullah ceased to be the member of the Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee on 1 October 2021 to be in line with the revised Malaysian Code on Corporate Governance issued by Securities Commission dated 28 April 2021, whereby Chairman of the Board should not be a member of the Board Committees.

Dato' Dr Abdullah was re-designated as Non-Independent Non-Executive Director with effect from 1 April 2022.

DATO' ZAINUDDIN BIN YAHYA
Independent, Non-Executive Director
Malaysian, Male, Age 65
Date of Appointment: 1 October 2019

Chairman of Audit Committee
Chairman of Nomination Committee
Member of Remuneration Committee
Member of Risk Management Committee

Dato' Zainuddin Bin Yahya holds a Bachelor of Economics Degree from University of Malaya in 1981. Prior to joining the Ministry of Foreign Affairs in 1988, he was an Assistant Director at the Ministry of International Trade and Industry for 5 years.

Dato' Zainuddin has almost 31 years experience in diplomacy, having served in various bilateral and multilateral posts at the Malaysian missions/ embassies abroad. During his career, Dato' Zainuddin had served as Ambassador of Malaysia to a few countries namely Syria; Belgium/EU and concurrently accredited to Luxembourg; and the People's Republic of China and concurrently accredited to Mongolia.

Dato' Zainuddin was re-designated as Chairman of the Nomination Committee and appointed as member of Remuneration Committee both on 1 October 2021.

Dato' Zainuddin was appointed as an additional member of the Risk Management Committee with effect on 1 April 2022.

PUAN LATIFAH BINTI ABDUL LATIFF
Independent, Non-Executive Director
Malaysian, Female, Age 63
Date of Appointment: 1 June 2018

Chairman of Remuneration Committee
Member of Audit Committee
Member of Nomination Committee

Puan Latifah Abdul Latiff holds a Bachelor of Science Degree (majoring in Finance) from Indiana University, Bloomington, USA.

Puan Latifah has over 30 years of experience in the areas of commercial & investment banking, development finance and insurance, having served both local and foreign financial institutions. Throughout her career, she was involved in business development and lending activities with key focus on origination, negotiating and structuring loan transactions, loan portfolio management and credit supervision.

In 2009, she played a pivotal role when she was hired as one of the pioneer teams to set up Danajamin Nasional Berhad (Danajamin), Malaysia's first financial guarantee insurer. She spearheaded the only business division of the company and was also a member of the senior management team where she served on various management committees responsible for reviewing and deliberating business proposals, risk management initiatives and processes, audit and compliance as well as overall management of the organization. Her tenor with Danajamin was for five (5) years.

Puan Latifah's last executive position was Senior Vice President of Business Banking II in Bank Pembangunan Malaysia Berhad (BPMB), a government-owned development financial institution. She served BPMB for two (2) years from 2016 to 2018.

Puan Latifah was appointed as Chairman of Remuneration Committee and member of Nomination Committee of the Company on 1 October 2021.

Currently, Puan Latifah sits on the board of Mynews Holdings Berhad and MK Land Holdings Berhad.

DATO' SRI MOHD MOKHTAR BIN MOHD SHARIFF
Independent, Non-Executive Director
Malaysian, Male, Age 67
Date of Appointment: 1 April 2022

Member of Audit Committee
Member of Nomination Committee
Member of Remuneration Committee

Dato' Sri Mohd Mokhtar holds a degree in Bachelor of Law (Hons), a Master of Business Administration, Certificate of Legal Practice and was called to the Malaysian Bar on September 2019.

Dato' Sri Mohd Mokhtar had served the Royal Malaysia Police from 3 July 1977 to 22 May 2018. He held key senior positions in the Royal Malaysian Police namely, Director of Special Branch, Director of Narcotics Crime Investigation Department, Chief Police Officer of Johor, Deputy Chief Police Officer of Pahang, Deputy Chief Police Officer of Johor and Head of Special Branch Kuala Lumpur. He had also served in the Embassy of Malaysia in Bangkok, Thailand.

Currently, Dato' Sri Mohd Mokhtar sits on the boards of MY. E.G. Services Berhad, Pacific & Orient Berhad and TMC Life Sciences Berhad.

Notes:-

i) Family relationship with any Director and/or Substantial Shareholder
None of the Directors has any family relationship with any director and/or substantial shareholder of the Company.

ii) Conflict of interest
None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

iii) Conviction for offences
None of the Directors has any conviction of offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the Directors by the relevant regulatory bodies during the financial year.

SENIOR MANAGEMENT PROFILE

MR LEOW THANG FONG

Chief Executive Officer
Malaysian, Male, Age 73
Chairman of Risk Management Committee
Date of Appointment: 1 May 2024

Mr. Leow Thang Fong was appointed to the Board on 26 September 1994. He retired at the 52nd AGM held on 27 March 2024 and was subsequently appointed as Chief Executive Officer of the Group on 1 May 2024.

Mr Leow Thang Fong is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Malaysian Institute of Accountants. He was in the auditing profession for eight years, after which he left Hanafiah Raslan & Mohamed in 1979. He then joined the Corporate Finance Department of Chartered Merchant Bankers Malaysia Berhad in 1979 after which he joined Asian Pac Holdings Berhad to become its Company Secretary in 1984. He then left in 1989 and joined Gula Perak Berhad as a Director until January 2009.

MR CHONG HENG KIONG

Director
Malaysian, Male, Age 86

Mr Chong Heng Kiong is the Executive Director of Anastoria Sdn Bhd, a wholly owned subsidiary of the Company.

Mr Chong graduated from Royal Melbourne Institute of Technology, Australia with a Degree in Civil Engineering and Diploma in Industrial Management in 1968. He is now responsible for SMI's property development operations. He holds several directorships in both local and overseas incorporated private companies which are involved in real estate development.

Mr Chong is the uncle of Mr Mah Sau Cheong, a Substantial Shareholder of SMI.

MR HAM SAI KIT

General Manager
Malaysian, Male, Age 69

Mr Ham Sai Kit joined SMI in March 1986 and is the General Manager of the manufacturing operations. He graduated from Loughborough University of Technology with a degree in Civil Engineering in 1978 and also holds a Master in Business Administration from Cranfield Institute of Technology, United Kingdom. He has extensive marketing experience in the building and construction industry and had a successful career in the civil and structural engineering consultancy sector.

MS YAU SEK FUN

Group Accountant
Malaysian, Female, Age 58

Ms Yau Sek Fun joined SMI in July 2000 as Group Accountant and she is a member of the Malaysian Institute of Certified Public Accountants. Prior to joining the Company, she was attached to the then Arthur Anderson & Co from 1988 to 1995 where she gained experience in auditing companies in various industries. Thereafter, she joined Asian Pac Holdings Berhad as its accountant before joining SMI.

MR WONG KUM SENG
Production Manager
Malaysian, Male, Age 70

Mr Wong Kum Seng is the Production Manager of SMI Wire Sdn Bhd. He joined the Group in October 1987. He received his Production Engineering Degree from the University of Aston, United Kingdom in 1977 and has extensive experience in managing metal hardware factories. He was with Malaysia Ropes Berhad from 1978 to 1982 as Production Manager and Malaysia Metal Industries Berhad as Factory Manager from 1982 to 1985. He obtained his Master in Business Administration from the University of Bath, United Kingdom.

DATIN ZUBAIDAH BTE BUNYAMIN
General Manager
Malaysian, Female, Age 68

Datin Zubaidah Binti Bunyamin joined SMI in April 1994 as the Senior Manager, Property Division and was promoted to General Manager. She handle's the property administration and land matters that requires close liaison with the Government Departments and State Authorities. She is well versed with legal matters related to stratified development.

Datin Zubaidah studied The Institute of Chartered Secretaries and Administrators at the Middlesex University London, United Kingdom. Prior to joining SMI, she was the Internal Auditor, Unit Head in Malaysia Building Society Berhad in 1978 and thereafter she joined Kewangan Usaha Bersatu Berhad and was the senior Manager of the Treasury Department.

Notes:-

i) **Family relationship with any Director and/or Substantial Shareholder**
Save as disclosed above, none of the senior management has any family relationship with any director and/or substantial shareholder of the Company.

ii) **Conflict of interest**
None of the senior management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

iii) **Conviction for offences**
None of the senior management has any conviction of offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the Directors by the relevant regulatory bodies during the financial year.

iv) **Directorships in any listed issuers or non-listed public companies in Malaysia**
None of the senior management has any directorships in any listed issuers or non-listed public companies in Malaysia.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") oversees the financial reporting, internal control system, external auditing, governance control and regulatory compliance of the Group.

The Board is pleased to present the Audit Committee Report for the financial year ended 30 June 2024.

COMPOSITION AND MEETINGS

The Audit Committee ("AC") comprises the following members and details of their attendance at meetings held during the financial year ended 30 June 2024 are as follow:

Names	Attendance of Meeting
Dato' Zainuddin Bin Yahya Chairman/ Independent Non-Executive Director	5/5
Dato' Sri Mohd Mokhtar Bin Mohd Shariff Member/ Independent Non-Executive Director	4/5
Puan Latifah Binti Abdul Latiff Member/ Independent Non-Executive Director	5/5

None of the AC members are former key audit partner of the External Auditors. Nevertheless, a cooling-off period of at least two (2) years shall be observed by the Board before such person is being appointed as a member of the AC.

The composition of the AC meets the requirements of Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). All members of the AC are financially literate and have the relevant experience and capacities necessary to discharge their duties and responsibilities effectively. Puan Latifah Abdul Latiff holds a Bachelor of Science Degree (majoring in Finance) from Indiana University, Bloomington, USA. She has over 30 years experiences in the financial services industry specifically in the areas of commercial & investment banking, development finance and insurance.

The AC is chaired by an Independent Non-Executive Director, who is not the Chairman of the Board. This is in line with Paragraph 15.10 of the MMLR and Practice 9.1 of the MCCG 2021.

The Board has reviewed the terms of office of the AC members and assessed the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the AC's terms of reference, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

During the financial year ended 30 June 2024, five (5) meetings were held. These meetings were also attended by the Chief Executive Officer, Group Accountant, Internal Auditor and representatives of the External Auditors. Other members of the Board and Senior Management attended the meetings by invitation. The meetings have been appropriately structured with AC members receiving notices, agendas and papers sufficiently in advance of the meetings.

The AC Chairman reports to the Board on principal matters deliberated at the AC meetings. Minutes of each meeting are circulated to the Board at the following Board meeting.

TERMS OF REFERENCE

The AC is guided by its Terms of Reference in performing its duties and discharging it responsibilities. The Terms of Reference of the AC is available on the Company's website at www.smib.com.my.

SUMMARY OF WORKS

During the financial year ended 30 June 2024, the AC has carried out the following work in accordance with its terms of reference to meet its responsibilities:

Financial Reporting

- Reviewed the unaudited quarterly financial reports and audited financial statements before they were presented to the Board for approval and release to Bursa Securities; which focusing particularly on:
  - going concern assumption;
  - compliance with accounting standards and regulatory requirements;
  - changes in major accounting policies and practices and its implementation;
  - significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
  - the outlook and prospects of the Group; and
  - significant audit issues and adjustments arising from the audit.

In relation to the aforementioned reviews, the discussions included various matters, including key audit matters and the implications to the Group, and how these matters were addressed in the audit, the identification of key contributing factors to the fluctuations in the financial performance and position of the Group to enhance AC's understanding of the Group's business operation.

Matters relating to External Audit

- Reviewed the audit plan of the External Auditors in terms of their scope of audit, audit methodology, timetable and areas of audit emphasis prior to the commencement of their audit;

- Reviewed and discussed with the External Auditors on the audited report and areas of concern highlighted in the audit review memorandum, including management response to the concerns raised by the External Auditors;

- Assessed the independence and objectivity of the External Auditors during the year. This includes monitoring the fees of total non-audit work by the External Auditors. The non-audit fees are disclosed in the Corporate Governance Overview Statement in this Annual Report;

- Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the External Auditors;

- Discussed the key audit matters raised by the External Auditors with Management and the disclosure thereof in the Auditors' Report for the financial year ended 30 June 2024, which is in line with the requirements of the International Standards on Auditing;

- Noted that upon an enquiry by the External Auditors, Management, the Internal Auditors and all AC members verbally confirmed that they were not aware of any actual, suspected or alleged fraud affecting the Group or contravention of any laws or statutory regulations by the Group;

- Reviewed the independence of the External Auditors and have received written assurance from External Auditors confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements as well as the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants; and

- The AC is also satisfied that the External Auditors have and will be able to carry out their responsibilities in an unbiased and professional manner and thus recommended their re-appointment for the next financial year.

SUMMARY OF WORKS (CONT'D)

During the financial year ended 30 June 2024, the AC has carried out the following work in accordance with its terms of reference to meet its responsibilities: (cont'd)

Annual Reporting

- Reviewed and recommended the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 30 June 2024 to the Board for approval for inclusion in the Annual Report.

Matter relating to Internal Audit

- Reviewed and approved the annual Internal Audit Plan prepared by Internal Audit Department ("IAD") for activities to be undertaken for the financial year 2024. The annual Internal Audit Plan was developed based on the risk based approach, outlining the areas of coverage, audit scope and adequacy of resources of IAD.

- Reviewed a total of six (6) internal audit reports (including follow-up review reports) prepared by IAD at the quarterly AC meetings on the audit findings and recommendations, management's response and/or action taken thereto, and ensure that material findings were satisfactorily addressed by Management. Enquiries were made to both IAD and Management over details of issues raised, root causes and the proposed corrective actions. The AC also provide additional advisory on issues raised through the discussion with the IAD and Management.

- Monitored and deliberated the implementation of audit recommendations arising from the audit activities as well as the follow-up audits conducted by IAD to ensure that all key risks and controls have been addressed. The AC also considered the timelines of completion of the proposed actions and whether such actions effectively resolved the issues raised.

- Reviewed and discussed the quarterly status report of the employees' voluntary disclosures of gifts, hospitality and sponsorships offered and received in compliance with the Group's Anti-Bribery and Anti-Corruption Policy at AC meetings.

- The Chairman of the AC had given briefings to the Board on the Internal Audit Report presented by IAD at the Board meetings following each of the AC meetings.

Related Party Transaction

- Reviewed the quarterly updates on the related party transactions entered into by the Company and/or its Group of Companies, to ensure the transactions were at arm's length and they were not detrimental to the interests of the minority shareholders.

Risk Management

- The AC reviewed the overall risk profile of the Group and provided guidance on the action plans to address the identified risks and reported to the Board thereon.

- Reviewed the quarterly Risk Assessment Reports comprising the Action Plans on Significant Risk and Risk Register which were then presented to the AC and thereafter to the Board.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house and is independent from the main activities and operations of the Group's operating units. The principal responsibility of the Internal Auditor is to perform independent, regular and systematic reviews of the systems of internal controls throughout the Group so as to provide reasonable assurance that such systems is adequate and continue to operate effectively and efficiently.

It is the responsibility of the IAD to provide the AC with independent and objective reports on the state of internal controls of the various business operating units within the Group and the extent of compliance with the Group's policies and procedures as well as relevant statutory requirements. The audit reports are presented to the AC for review, deliberation and approval.

During the financial year ended 30 June 2024, the following activities were carried out by the IAD:

- Prepared risk-based audit plans for the financial year ended 30 June 2025 for approval by the AC;
- Completed audit assignments as per approved annual audit plan;
- Performed reviews based on the approved audit plan, in which focus areas were from the results of risk assessment conducted on the business plan, financial statements and operational processes;
- Recommended improvements to strengthen the system of internal controls;
- Conducted quarterly reviews to determine the extent of compliance with established policies, procedures and statutory requirements; including the employee's compliance with the Company's established anti-bribery and anti-corruption policy;
- Followed up with management from corrective actions taken on agreed audit recommendations to strengthen the system of internal controls; and
- Reported to the AC the achievement of the audit plan and status of resources of the Group's internal audit function.

The total cost incurred from the internal audit function in respect of financial year ended 30 June 2024 was RM129,139.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of South Malaysia Industries Berhad ("the Board") acknowledges the importance of practicing high standards of corporate governance in the best interest of the Company and its stakeholders, and to protect and enhance shareholders' value as well as the performance of the Company and its subsidiaries ("the Group").

The Board is committed to the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG" or "CG Code") and is pleased to present the Group's application of the three (3) Key Principles set out in the MCCG during the financial year ended 30 June 2024 ("FY2024"), under the stewardship of the Board:

(a) Board Leadership and Effectiveness;
(b) Effective Audit and Risk Management; and
(c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board is pleased to present this statement supported by the Corporate Governance Report 2024 ("CG Report") which is available on the Company's website at www.smib.com.my. The CG Report provides the details on how the Group has applied the three (3) abovesaid principles outlined in the MCCG during FY 2024 as well as explanations for the departures from the abovementioned practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

Board's Roles and Responsibilities

The Board's main roles are to create value for shareholders and provide leadership to the Group. It is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning for members of the board and senior management, implementing investor relation programmes and ensuring the system of internal controls and management information are adequate and effective.

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- To review and approve strategies, business plans and significant policies and ensure the Group's goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations;

- The Management devises action plans in accordance with business plans and work towards achieving the targets. Management meetings are carried out to track progress and identify risks;

- To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Company's assets. The Board analyses the financial results periodically and seek clarification on any anomaly. Besides explaining on the deviation, the Management is also required to have back-up plans. Further meetings will be conducted to follow up on the effectiveness of these plans;

- To ensure that the Group has appropriate business risk management processes, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

- To establish various Board Committees and ensure their effectiveness to address specific issues, by considering their recommendations and acting on their reports;

- To ensure that there is in place an appropriate succession plan for members of the Board and senior management. The Management periodically reviews the status of succession of key positions;

- To review the Board Charter periodically and making it available publicly on the Company's website including the Terms of Reference ("TOR") which deals with the respective committees namely, Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee; and

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board Responsibilities (cont'd)

Board's Roles and Responsibilities (cont'd)

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions: (cont'd)

- To ensure that there is in place an appropriate investor relations and communications policy and accordingly the Company has established an email address namely query@smib.com.my. The Board recognises the need to keep shareholders informed on key or material development. Majority of the communications are through announcements made to Bursa Malaysia Securities Berhad ("Bursa Securities"). General information has been provided on the Company's website at www.smib.com.my and is constantly updated. Further information such as conditions of business, business direction, status of certain projects, etc are explained in the Management Discussion and Analysis in the Annual Report.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the authorities and discretion to the Executive Director and key management team of the operating units within the Group ("the Management") as well as properly constituted Board committees. There is a clear segregation of responsibilities reserved for the Board and those delegated to the Management.

The Board committees established to assist the Board, namely:

i. Audit Committee ("AC")
ii. Nomination Committee ("NC")
iii. Remuneration Committee ("RC")
iv. Risk Management Committee ("RMC")
(collectively referred to as the "Board Committees").

The power delegated to the Board Committees are set out in the Terms of Reference of each of the Committees as approved by the Board and set in the Appendices I, II, III and IV of the Board Charter.

The Chairman

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Chairman is committed to instill good corporate governance practices, leadership and effectiveness of the Board.

Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO are distinct and separated to ensure a balance of power and authority. The CEO is appointed by the Board to be overall responsible for the efficient and effective management and operation of the Group, in accordance with the strategic direction of the Board. The CEO has the executive responsibility for the day-to-day operation of the Group's business within the authorities delegated by the Board.

Qualified and Competent Company Secretaries

The Board is supported by suitably qualified secretary who is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretary is responsible for the overall corporate secretarial function and providing advices to the Board regarding the performance of duties in corporate compliances.

On a quarterly basis, the Company Secretary serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the securities of the Company in accordance with Chapter 14 of the Main Market Listing Requirements ("MMLR") of Bursa Securities.

The Company Secretary also acts as the Company Secretary for all the Board Committees. The Company Secretary attends all Board Committees meetings to record deliberations, issues discussed and conclusions in discharging her duties and responsibilities and also provide advice in relation to relevant guides and legislation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board Responsibilities (cont'd)

Qualified and Competent Company Secretaries (cont'd)

Other roles of the Company Secretary include coordinating the preparation of Board papers with Management, ensure Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated in evolving regulatory requirements.

The Company also engages the services of Tricor Corporate Services Sdn Bhd, an external consultant on corporate secretarial matters and compliance to provide additional advice on issues pertaining to compliance and Corporate Governance.

Access to information and advice

The Board has unrestricted access to information of the Group. The Directors may also seek independent advice at the expense of the Company, if need be so as to ensure that they are able to make independent and informed decisions. The Board may also seek advice from the Management or request further explanations, information and updates on any aspect of the Group's operation or business concerns.

The Board also recognised that decision making processes are highly dependent on the quality of information furnished. Therefore, the Board expects to receive adequate, timely and quality information on an ongoing basis to effectively discharge their duties. Notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers will be forwarded to the Directors at least five (5) days before the meeting is held, except in the case of an emergency, where reasonable time would suffice. This is to ensure that Board papers comprising due notice of issues to be discussed and the supporting information and documentation are provided to the Board sufficiently in advance.

The Board's deliberations regarding the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretary. Minutes are prepared for all Board and Board Committees' proceedings, circulated to the Board and/or Board Committee Members and will be confirmed and signed by the respective Chairman. The minutes will then be tabled at the subsequent meetings for notation.

Board Charter

In discharging its functions and responsibilities, the Board is guided by the Board Charter which outlines the role, functions, operation, duties and responsibilities of the Board, Board Committees and matters reserved for the Board. The role of Chairman, Executive Director and Independent Directors are also clearly defined in the Board Charter.

The Board Charter as well as the Terms of Reference of the Board Committees are reviewed from time to time when necessary. Amendments and updates are made from time to time in accordance with the needs of the Group to ensure its effectiveness and consistency with the Board's objectives and corporate vision as well as to be in line with the changes to statutory and regulatory requirements.

The Board Charter is available on the Company website at www.smib.com.my.

Code of Conduct and Ethics

The Group has in place a code of ethics for Directors and employees to govern their standard of ethics and good conduct. The Code of Ethics for Directors described the standards of business conduct and ethical behavior for Directors in discharging and exercising their duties and responsibilities as Directors of the Company. The Code of Ethics for Directors is available on the Company's website at www.smib.com.my.

For employees, the Code of Conduct which governs the standards for Labor, Health and Safety, Environment, Business Ethnics and Management Systems to manage conformity to the Code of Conduct. The policies, practices and procedures of the Code of Conduct for employees are clearly outlined in the Office Policy Manual of respective subsidiary under the Group. The Code of Conduct for employees is integrated into the Group management practices and reviewed periodically. These codes provide guidance to all so that right choices can be made in response to any ethical dilemma in daily work.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I – Board Responsibilities (cont'd)

Whistleblowing Policy

The Board had also established a Whistleblowing Policy, to provide employees/stakeholders a proper channel and guidance to raise genuine concerns, disclose any wrongdoing or misconduct, unethical behavior, malpractices, any violation of Code of Ethics, unlawful, illegal acts or failure to comply with regulatory requirements. The Board and the Management assure that the whistleblowers are kept confidential and are protected from any possible reprisals or retaliations if the disclosure is genuine.

The AC is the contact point for all employees. All members of the AC are the Company's Non-Executive Directors. Any reports should be sent directly to the Chairman of the AC.

The Whistleblowing Policy is available on the Company's website at www.smib.com.my.

Anti-Bribery and Anti-Corruption Policy

In line with the new provision, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Board has adopted an Anti-Bribery and Anti-Corruption Policy in November 2019. The Board and the Group's employees are prohibited from, directly or indirectly, receiving or providing gifts, kickbacks or gratuities from/to third party. A copy of the Anti-Bribery and Anti- Corruption Policy is available on the Company's website at www.smib.com.my.

Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy in year 2022, which serves as a guide for the Nomination Committee and the Board in the selection of candidates for appointment as Directors and for re-election of Directors to the Board of the Company and its subsidiaries. This Policy also aims to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.smib.com.my.

Part II - Board Composition

Composition of the Board

The current Board of Directors consists of four (4) members, comprising a Non-Independent Non-Executive Chairman and three (3) Independent Non-Executive Directors ("NEDs"). The Company thus complies with Paragraph 15.02 of the MMLR whereby at least two (2) or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors; and also fulfil the Practice 5.2 of the CG Code, at least half of the Board comprises Independent Directors. Of the four (4) Directors on the Board, one (1) is woman.

The composition of the Board reveals their varied background as outlined on pages 27 to 28 of this Annual Report. The Board members are equipped with the relevant skills, knowledge and expertise required for the proper running of the Company's affairs. The effectiveness of the individual Directors and the Board as a whole are assessed annually by the NC.

Generally, the CEO along with the senior management are responsible for making and implementing operational decisions. Non-Executive Directors play a key supporting role, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate goals and objectives, policies and decisions. The Board collectively made decisions in the best interest of the Company.

Tenure of Independent Directors

Currently, the Company does not have a formal policy on the tenure for Independent Directors as the Board is of the view that a term of more than nine (9) years may not necessarily impair the independence and judgement of an Independent Director and therefore the Board does not deem it appropriate to impose a fixed term limit for Independent Directors at this juncture.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

Tenure of Independent Directors (cont'd)

However, as recommended by the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process.

As at the date of this statement, the tenure of the Independent Non-Executive Directors of the Company are as follows:

	1 to 3 years	4 to 7 years
Puan Latifah Binti Abdul Latiff		√
Dato' Zainuddin Bin Yahya		√
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	√	

Currently, none of the Independent Directors had served the Company for more than nine (9) years.

New Candidate for Board Appointment

The Board has adopted Directors' Fit and Proper Policy in year 2022, as a guide to Nomination Committee and the Board to ensure each director has the character, experience, integrity, competence and time to effectively discharge his/her role as Director of the Group.

The appointment of new Director is the responsibility of the full Board after considering the recommendation of the NC of the Company. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made and meet the legal and regulatory obligations.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The NC will help assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

Currently, the sources to identify suitably qualified candidates for appointment of directors are on recommendations from existing Board members, senior management or major shareholders. However, the Board and NC would not hesitate to utilise independent sources to identify suitably qualified candidates, where necessary.

In assessing the suitability of candidates, consideration will be given to the core competence, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented in addition to an understanding of the business, the market and industry in which the Group operates and the accounting, finance and legal matters.

Boardroom Diversity

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity. The Group practices the selection of suitable candidates as new Board members based on the candidates' competency, knowledge, skills, experience, character, time commitment and other qualities in meeting the needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates could bring to the Board, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

Boardroom Diversity (cont'd)

Currently, the Board comprises only one (1) woman director. In line with the MCCG of at least 30% representation of women on Board, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of woman director onto the Board in future to bring a more diverse perspective.

The Board also acknowledges the merits of gender diversity at management level for better decision making and competitive advantages. Currently, 59% of the executive and managerial positions of the Group are held by female employees.

Nomination Committee

The Nomination Committee ("NC") comprises three (3) Independent Non-Executive Directors, with its present composition as follows:

Chairman	Dato' Zainuddin Bin Yahya
Members	Dato' Sri Mohd Mokhtar Bin Mohd Shariff Puan Latifah Binti Abdul Latiff

The NC which comprises exclusively Independent Directors has been empowered by the Board and through its Terms of Reference, to bring to the Board as well as Board Committees for the Board's consideration, recommendation on the selection and appointment of new Directors.

The NC will consider and recommend to the Board for the continuation in service of those Directors who are due for re-election/re-appointment. A Directors' Fit and Proper Policy was adopted by the Company to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders,

The Constitution of the Company provides that at its every annual general meeting, one-third of Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election.

The Constitution further provides that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The re-appointment and re-election of Directors at its annual general meeting is subject to the prior assessment by the NC and the recommendations thereafter submitted to the Board for approval for the Director concerned to continue to hold office. Pursuant to Article 86 of the Company's Constitution, Puan Latifah Binti Abdul Latiff is subject to retirement by rotation at the forthcoming 53rd Annual General Meeting ("AGM") and she has expressed her intention not to seek re-election. Hence, she will remain in office until the conclusion of the 53rd AGM of the Company.

The profile of retiring director is set out in the Directors' Profile in the Annual Report 2024.

Meetings and Time Commitment

The Board is mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills. Thus, each Director is expected to commit sufficient time as and when required to carry out their responsibilities, besides attending meetings of the Board and Board Committees.

The Directors are required to update on their other directorships and shareholdings in public listed companies to the Company Secretaries so as to monitor the number of directorships held by the Directors as regulated by MMLR of Bursa Securities where a director must not hold more than five (5) directorships in public listed companies. This is to ensure the directors' commitments in devoting sufficient time to the Company and they are able to focus and discharge their duties effectively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

Meetings and Time Commitment (cont'd)

Currently, all the Directors of the Company do not hold more than five (5) directorships in public listed companies including the Company.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All the Directors had attended more than 50% of the attendance as required by MMLR of Bursa Securities.

The details of meetings attendance for each Director for the FY 2024 are contained in the table below:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee
Mr Leow Thang Fong [(1)]	7/7	-	-	-
Dato' Dr Abdullah Bin Sepien	10/10	-	-	-
Dato' Zainuddin Bin Yahya	10/10	5/5	1/1	1/1
Puan Latifah Binti Abdul Latiff	10/10	5/5	1/1	1/1
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	9/10	4/5	1/1	1/1

Note:
[(1)] Mr. Leow Thang Fong retired at the 52nd AGM held on 27 March 2024.

In between Board Meetings, approval on matters requiring the sanction of the Board is sought by way of circular resolutions where sufficient information is attached to the resolution to facilitate the Board in making informed decisions. All circular resolutions approved by the Board were tabled for affirmation at the subsequent Board meeting.

Directors' Training

The NC oversees the training needs of its Directors and acknowledges the importance of continuous education and training in order to broaden one's perspective and to keep abreast with the current and future developments in the industry and global markets, regulatory updates as well as management strategies to enhance the Board's skills and knowledge in discharging their duties.

During the financial year under review, besides the seminars attended by the Directors, they have continuously kept themselves abreast of the relevant developments in the marketplace through the updates by the Company Secretary. In addition, the External Auditors also briefed the Board on latest regulatory updates and new standard to the Malaysian Financial Reporting Standards. Below are the programmes attended by the Directors:

Director	Seminars/Workshops
Dato' Dr Abdullah Bin Sepien [(1)]	- Nil
Mr. Leow Thang Fong [(2)]	- N/A
Dato' Zainuddin Bin Yahya	- Securities Commission's Audit Oversight Board Conversation with Audit Committee - Bursa PLCs Investor Relations Series 3 : Economic Outlook 2024

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

Directors' Training (cont'd)

Director	Seminars/Workshops
Puan Latifah Binti Abdul Latiff	- Transfer Pricing Workshop - Empowering Change Through Diversity, Equity & Inclusion - Bursa PLCs Investor Relations Series 3 : Economic Outlook 2024 - Corporate Training Related Party Transactions and Recurrent Related Party transactions and Conflict of Interest - Mandatory Accreditation Programme II : Leading for Impact - Introductory Climate Change Awareness Program
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	- Mandatory Accreditation Programme II : Leading for Impact

Notes:
(1) Dato' Dr Abdullah Bin Sepien did not attend any seminars during the FY 2024 due to scheduling conflict.
(2) Mr. Leow Thang Fong retired at the 52nd AGM held on 27 March 2024.

Part III – Remuneration

Remuneration Committee ("RC")

Composition of RC

The Remuneration Committee ("RC") comprises three (3) Independent Non-Executive Directors, with its present composition as follows:

Chairman	Puan Latifah Binti Abdul Latiff
Members	Dato' Zainuddin Bin Yahya Dato' Sri Mohd Mokhtar Bin Mohd Shariff

Policy and Procedures

The Board has formalised and adopted a Remuneration Policy in year 2022 to provide clear and guiding principles for determining the remuneration of the Board and Senior Management such that the remuneration packages offered by the Company can be competitive, adequate and in line with the market practices to attract, retain, motivate and reward talented individuals to drive and pursue the key strategies of the Group. The Remuneration Policy is available on the Company's website @ www.smib.com.my.

The remuneration package of Executive Director ("ED") is structured to reflect his experience, performance and scope of responsibilities. Only the ED is bound by a contract of service, which will be subject to review by the NC every two (2) years. The remuneration of Non-Executive Directors consists of fixed fees and meeting allowance which are subject to the approval of the shareholders at the AGM.

The Directors are paid Directors' fees and benefits for each Board or Board of Committee meetings that they attended. However, the resolutions pertaining to the proposed Directors' fees and benefits in respect of the period from 29 June 2022 until the 53rd Annual General Meeting of the Company were not approved by the shareholders of the Company at the 52nd AGM held on 27 March 2024. The Company has taken into consideration the comments raised by the shareholders at the 52nd AGM.

For information, the under provision of the proposed Directors' fees and benefits was due to the extension of holding of the 52nd AGM (21 months) caused by the change of the Company's financial year end from 31 December to 30 June. As a whole, the Company maintains a very lean number of Board members.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III – Remuneration (cont'd)

Directors' Remuneration

The aggregate Directors' Remuneration paid or payable by the Company and the Group for the financial year ended 30 June 2024 are categorised into the following components:

Company	Fees [2] RM	Salaries and Bonus RM	Other Emoluments RM	Statutory Contribution [1] RM	Total RM
Executive Director					
Mr Leow Thang Fong *(Retired on 27 March 2024)*	3,000	976,806	-	117,097	1,096,903
Non-Executive Directors					
Dato' Dr Abdullah Bin Sepien	8,500	-	161,250	-	169,750
Dato' Zainuddin Bin Yahya	8,500	-	80,625	-	89,125
Puan Latifah Binti Abdul Latiff	6,000	-	56,375	-	62,375
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	6,000	-	56,375	-	62,375
Total	**32,000**	**976,806**	**354,625**	**117,097**	**1,480,528**

Group	Fees [2] RM	Salaries and Bonus RM	Other Emoluments RM	Statutory Contribution [1] RM	Total RM
Executive Director					
Mr Leow Thang Fong *(Retired on 27 March 2024)*	3,000	976,806	-	117,097	1,096,903
Non-Executive Directors					
Dato' Dr Abdullah Bin Sepien	12,500	-	161,250	-	173,750
Dato' Zainuddin Bin Yahya	8,500	-	80,625	-	89,125
Puan Latifah Binti Abdul Latiff	6,000	-	56,375	-	62,375
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	6,000	-	56,375	-	62,375
Total	**36,000**	**976,806**	**354,625**	**117,097**	**1,484,528**

Notes:
(1) Statutory Contribution comprised contribution to Employees' Provident Fund.
(2) Fees comprised directors' fees and meeting allowance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III – Remuneration (cont'd)

The number of Directors' Remuneration/Other Emoluments falls into the following band:

Range of Remuneration/Other Emoluments

	Executive Director	Non-Executive Directors
RM50,001 – RM100,000	-	3
RM150,001 – RM200,000	-	1
RM1,000,001 – RM1,500,000	1	-

Top 5 Senior Management's Remuneration

The remuneration of the top 5 Senior Management (including salary, bonus and allowances) in each successive band of RM50,000 during the financial year ended 30 June 2024, are as follows:

Range of Remuneration	Top 5 Senior Management
RM650,001 – RM700,000	1
RM450,001 – RM500,000	1
RM400,001 – RM450,000	2
RM150,001 – RM200,000	1

The Board has chosen to disclose the remuneration of the top 5 Key Senior Management in bands instead of named basis as the Board considered the information of the remuneration of these staff to be sensitive and proprietary. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the above disclosures.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - Audit Committee ('AC")

The current AC comprises Independent Non-Executive Directors as follows and at least one member fulfills qualifications prescribed by Bursa via paragraph 15.09(1)(c) and paragraph 7.1 of Practice Note 13 of the MMLR of Bursa Securities.

i. Dato' Zainuddin Bin Yahya (Chairman)
ii. Puan Latifah Binti Abdul Latiff
iii. Dato' Sri Mohd Mokhtar Bin Mohd Shariff

The AC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls. The AC had five (5) meetings during the financial year ended 30 June 2024.

The Board strives to provide true and fair financial reporting of the Group's performance in the audited financial statements and quarterly financial reports, in accordance with the applicable approved accounting standards in Malaysia and the requirements of the Companies Act 2016.

The AC exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The AC also represented to the Board with support and clarifications from the external auditors that the financial statements and reports presented are in compliance with applicable approved accounting standards in Malaysia and the requirements of the Companies Act 2016 to give a true and fair view of the Group's financial performance and financial position.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part I - Audit Committee ('AC") (cont'd)

The AC's Terms of Reference sets out its rights, duties, responsibilities and criteria on the composition of AC which includes a former key audit partner of the Group to observe cooling-off period of at least 2 years before being able to be appointed as member of AC.

The AC has established formal and transparent arrangements to maintain an appropriate relationship with the Company's External Auditors. These include policies and procedures to review the suitability and independence of the External Auditors. During the financial year under review, the AC has received written assurance from External Auditors confirming that it is and has been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

During the financial year under review, a separate meeting was held with the External Auditors in the absence of the executive board member and management representatives during which the External Auditors informed that they had received full co-operation from the Management as well as unrestricted access to all information required for purpose of their audit and there were no special audit concerns to be highlighted to the AC.

Part II - Risk Management and Internal Control Framework

Sound Risk Management Framework

The Board is responsible for establishing and maintaining a sound system and framework of risk management and internal control.

The Board is assisted by the Risk Management Committee ("RMC") in identifying and reviewing the framework and process for managing risk within the Group. The Group's risk management and internal control framework covers not only financial controls but also operational, environmental and compliance controls as well as corporate liability as set out under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The role and responsibilities of the RMC are guided by its Terms of Reference.

The Board through the AC, continued to provide independent assessment of the adequacy of risk management process and internal control system. With the support of the AC, RMC and Internal Audit Department, the Board is of the view that the system of internal control and risk management are in place, is sound and sufficient to safeguard the Group's assets and shareholders' interest.

During the financial year under review, there were four (4) RMC Meetings held. A summary of material risks that could affect the Group (including any material exposure to economic, environmental and social sustainability risks) are monitored for changes and are reported to the AC and the Board during the course of the year, along with related controls and action plans.

Internal Audit Function

The Group's internal audit function is carried out by the Internal Audit Department, which the Head of Internal Audit reports directly to the AC on its activities based on the approved internal audit plan. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

All internal audits carried out are guided by the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors, a globally recognised professional body for internal auditors.

The Board is of the view that the system of internal control and risk management in place during the year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments and the interests of customers, regulators, employees and other stakeholders. The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 49 to 51 of this Annual Report.

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

Part I – Engagement with Stakeholders

Investor Relations and Shareholders Communication

The Company recognises the value of transparent and effective communication with the investment community and aims to build long-term relationship with shareholders and investors through appropriate channels for the disclosure of information.

The Board is committed to ensure that the shareholders and other stakeholders are well informed of major developments within the Group. Clear, relevant, comprehensive business, operational and financial information is disseminated to them on a timely basis and is readily accessible by all stakeholders.

The Company communicates with shareholders, other stakeholders and the public through various channels including annual report, press releases, timely announcements and disclosures made to Bursa Securities and on the Company's website at www.smib.com.my.

Part II - Conduct of General Meetings

AGM

The Company's AGM is an important means of communication with shareholders. The Company fully recognises the rights of the shareholders and encourage them to exercise their rights at the AGM. Shareholders will be accorded ample opportunity and time to raise questions and concerns, and the Board and Senior Management will provide appropriate answers and clarifications. The principal forum for dialogue with shareholders which provides opportunity for the shareholders to enquire and seek clarification on the operational and financial performance as well as the latest development of the Company.

In this respect, the notice for the 52nd AGM was circulated separately to the shareholders by giving at least 21 days prior to the AGM which was held on 27 March 2024. This was in line with the requirement under Section 316(2) of the Companies Act 2016 and paragraph 7.15 of MMLR of Bursa Securities which call for a 21-days notice period. The notice period given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report and to make necessary arrangements to participate in the meeting.

The Company's 52nd AGM was conducted physically as the Board believed physical meeting allows better flow of conversation and preserve the sanctity of shareholders rights and also ensure no one is excluded due to technologies barriers.

The notice of AGM was published at one national newspaper to provide for wider dissemination of such notice to encourage shareholders participation. The notice of AGM was also available at the Company's website @ www.smib.com.my.

All resolutions set out in the notice of the 52nd AGM were voted by poll. Coopers Professional Scrutineers Sdn Bhd, the independent scrutineer validated the votes for each resolution. The Company had appointed Bina Management (M) Sdn Bhd as its Poll Administrator for the conduct of the polling.

The poll results were announced to Bursa Securities via Bursa Link on the same day for benefit of all the shareholders. The key matters discussed/ minutes of the AGM was also published on the Company's website, www.smib.com.my as soon as practicable after the conclusion of the AGM.

Directors' Responsibility Statement in respect of the preparation of annual audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements accordingly.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Part II - Conduct of General Meetings (cont'd)

Directors' Responsibility Statement in respect of the preparation of annual audited financial statements (cont'd)

The Directors are also responsible for ensuring that proper accounting records are kept and disclosed with reasonable accuracy at any time on the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have also taken necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group, to prevent and detect fraud as well as other irregularities.

In respect of the financial statements for the financial year ended 30 June 2024, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- ensure that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

This statement has been reviewed and approved by the Board on 26 September 2024.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposals during the financial year ended 30 June 2024.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group involving Directors and substantial shareholders' interest which were still subsisting as at 30 June 2024 or which were entered into since the end of the previous financial period.

AUDIT AND NON-AUDIT FEES

Details of audit and non-audit fees incurred for services rendered by the External Auditors during the financial year ended 30 June 2024 are as follows:

	Group RM	Company RM
Audit Fees	147,000	80,000
Non-Audit Fees	5,500	5,000
	152,500	85,000

This non-audit fees charged was for the reviews of Statement on Risk Management and Internal Control and a subsidiary's Housing Development Account.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is cognisant of the responsibility to ensure the adequacy and effectiveness of the Group's System of Risk Management and Internal Control. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal controls and risk management. The Board is pleased to provide the following Statement on Risk Management and Internal Control, which outlines the nature and scope of risk management and internal controls of the Group during the financial year under review pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

RESPONSIBILITY

The Group's corporate objectives are to sustain existing operations and turnaround to profitability by optimal utilisation of its available resources whilst meeting the needs of customers, employees and business partners, to identify and secure assets for long-term growth.

The Board affirms its overall responsibility for the Group to maintain adequate risk management and system of internal control for the business of the Group in achieving the Group's corporate objective. To achieve this, the Board has in place a sound framework of the ongoing risk management process for identifying, evaluating, managing and monitoring significant risks affecting the achievement of its business objectives throughout the period. The process is regularly reviewed by the Board.

The Board recognises that there are inherent limitations in all systems of risk management and internal control as they are designed to manage the Group's risk within the acceptable risk appetite, rather than to eliminate completely the risks of failure to achieve Group's business objectives. Accordingly, it can only provide a reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board has embedded risk management an on-going exercise to effectively manage and mitigate significant risks faced or likely to be faced by the Group. The Board delegated its role on risk management to a Risk Management Committee ("RMC") comprising Chief Executive Officer ("CEO"), 1 Independent Director and senior management from all of the Group's business units. The RMC is chaired and led by the CEO to achieve such objective. The Group's risk management objectives are:

- Promote risk awareness culture in the management of all levels of operations;
- Safeguard assets and interests of all stakeholders;
- Ensure sustainability of operations and continuity of supply of products and services; and
- Ensure compliance with relevant guidelines and all applicable laws.

The RMC conducts quarterly review of the Group's business risks and identifies all potential areas that could impinge on the achievement of business objectives and failure to take advantage of opportunities when they arise. The Group's risk appetite is a trade-off between the cost of managing the risks and the benefits or rewards as a result of taking such risks. The Group seeks to manage its risk to an acceptable level aimed at ensuring minimum interruption to the operations of the Group.

The senior managers from all departments are responsible for implementing measures to manage and mitigate risks identified. The Group is currently using a 3 x 3 risk matrix (likelihood of risk occurring versus the consequences of the risk happening) to analyse risks. The information gathered during the risk management process is documented in the Risk Register, which shall be used for managing the personnel and project risks to ensure consistency of assessment and reporting in the Group. The RMC monitors risks on an ongoing basis to ensure proper actions have been taken and assess whether there are changes in the conditions associated with the risks identified.

KEY ELEMENTS OF INTERNAL CONTROL

Fundamental internal control entrenched in the Group's operations are as follows:

- The Group has an organisational structure which clearly defines the lines of responsibility and delegation of authority. Accordingly, management at various administrative and operational levels will function in accordance with the policies and procedures established by the Board for the Group as a whole;
- The objectives, authorities and responsibilities defined under the above structure are clearly documented in the Group's policies and procedures manual;
- The code of business conduct and ethics set out the standards of conduct and behavior expected from all employees in its business dealings;
- The whistle-blowing Policy and Anti-Bribery and Anti-Corruption Policy are published in the Group's www.smib.com.my is the Board's commitment to integrity and ethical behavior. The policy sets out the procedures for employees and the general public to disclose improper conduct within the Group without fear and favor;
- Regular internal audits are carried out to review the adequacy and effectiveness of the internal control system based on a detailed annual audit plan approved by the Audit Committee. The Internal Audit Department recommends on areas for improvement and conducts follow-up reviews to determine the extent to which its recommendation has been implemented;
- A comprehensive business plan which sets out the Group's medium-term strategy is updated annually and forms the basis from which detailed budgets are built upon. Budgets prepared by the operating units are approved both at operating unit level and by the Board. Actual performance is monitored against budget monthly to identify significant variances and corrective measures are taken, where necessary to address issues and improve performance;
- Meetings are held at management and operational levels to disseminate information, monitor the progress of various business units, and to deliberate and decide upon operational matters. These include regular management meetings and heads of department meetings which are recorded into minutes and held based on needs. The Board is represented by the CEO who chairs the management meetings, whose members are the senior management and heads of department. The meetings help to remove barriers of bureaucracy and assist in ensuring more direct and effective implementation of all major and important decision;
- The roles and responsibilities of employee are clearly defined in formal job descriptions; and
- The Group's assets and operations are insured and secured against unforeseen events that could result in significant financial implications.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Company's 2024 Annual Report. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants.

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

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board is satisfied that, during the financial year under review and up to the date of this Statement on Risk Management and Internal Control, the systems of risk management and internal control being instituted throughout the Group are in all material aspects, adequate and effective and have received the same assurance from the CEO and Group Accountant. Notwithstanding this, reviews of all risk management and control procedures will be an ongoing exercise carried out to ensure the continuing effectiveness of the policies and procedures under changing economic and regulatory environment in order to achieve the Group's corporate objectives.

This Statement on Risk Management and Internal Control has been reviewed and approved by the Board on 26 September 2024.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

Principal Activities

The principal activities of the Company are those of property and investment holding, trading, property development and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 8.

Financial Results

	Group RM	Company RM
Loss for the financial year	4,152,123	1,103,498

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

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period. The Directors do not recommend the payment of any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Directors

The Directors in office since the beginning of the current financial year until the date of this report are:

Dato' Dr Abdullah Bin Sepien *
Latifah Binti Abdul Latiff
Dato' Zainuddin Bin Yahya
Dato' Sri Mohd Mokhtar Bin Mohd Shariff
Leow Thang Fong (retired on 27 March 2024)

** Director of the Company and its subsidiaries*

Directors (cont'd)

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Mah Sau Cheong
Chong Heng Kiong
Ham Sai Kit
Yau Sek Fun
Leow Thang Fong

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' Interests in Shares

None of the other Director in office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

Directors' Remuneration

The details of the Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 are as follows:

	Group RM	Company RM
Directors of the Company		
- Salaries and bonus	976,806	976,806
- Defined contribution plans	117,097	117,097
- Fees	36,000	32,000
- Others	354,625	354,625
	1,484,528	1,480,528
Directors of subsidiaries		
- Salaries and bonus	1,225,473	-
- Defined contribution plans	68,183	-
	1,293,656	-
	2,778,184	1,480,528

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM1,000,000 and RM4,784 respectively. No indemnity was given to or insurance effected for auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and 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 Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent liability 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 Group and of the Company to meet their obligations as and when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiaries

The details of the subsidiaries are disclosed in Note 8 to the financial statements.

Subsequent Event After the End of the Reporting Period

The subsequent event after the end of the reporting period is disclosed in Note 29 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration for the financial year ended 30 June 2024 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	147,000	80,000
- Non-statutory audit	5,500	5,000
	152,500	85,000

Auditors

The Auditors, Messrs. UHY Malaysia (formerly known as UHY), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 September 2024.

DATO' DR ABDULLAH BIN SEPIEN

DATO' ZAINUDDIN BIN YAHYA

KUALA LUMPUR

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 September 2024.

DATO' DR ABDULLAH BIN SEPIEN

DATO' ZAINUDDIN BIN YAHYA

KUALA LUMPUR

STATUTORY DECLARATION

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

I, Yau Sek Fun, being the officer primarily responsible for the financial management of South Malaysia Industries Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 26 September 2024)

YAU SEK FUN
MIA 7802

Before me,

GUNASUNDARY A/P SUPPAIAH
NO. W923
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

To the members of South Malaysia Industries Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South Malaysia Industries Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 61 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters	How we addressed the key audit matters
(a) Fair value of investment properties	
As at 30 June 2024, the Group's and the Company's investment properties amounting to RM96,965,057 and RM36,181,057 respectively, representing approximately 76% and 32% of the Group's and the Company's total non-current assets as at 30 June 2024. The Group's and the Company's investment properties comprise various categories of properties, which include office premises and commercial building. The Group and the Company engaged independent external valuer to determine the fair value of the investment properties at the reporting date. We have identified the valuation of investment properties as at 30 June 2024 as a key audit matter because of the significance of the amount and the valuation models used by the valuer included significant assumptions which are judgmental.	We reviewed the valuation reports for the investment properties and assessed the appropriateness of the valuation model, property related data, including estimates used by the professional valuer. We assessed and challenged the reasonableness of the assumptions used in the valuation and judgements made. We considered the qualification and competence of the independent external valuer and assessed the scope of work of the external valuer to determine whether the valuation was appropriate to be applied for financial reporting purposes. We reviewed and assessed the appropriateness and adequacy of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other 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.

UHY Malaysia
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2025 J
Chartered Accountant

KUALA LUMPUR
26 September 2024

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	4,974,819	6,088,890	364,354	571,687
Right-of-use assets	5	3,377,926	3,715,596	-	-
Investment properties	6	96,965,057	90,579,296	36,181,057	33,190,139
Inventories	7	5,133,202	5,392,222	-	-
Investment in subsidiaries	8	-	-	38,104,004	38,104,004
Other investments	9	16,763,957	19,977,637	38,053,957	45,667,637
		127,214,961	125,753,641	112,703,372	117,533,467
Current Assets					
Inventories	7	12,277,814	12,084,052	-	-
Trade and other receivables	10	7,657,497	5,951,781	882,459	146,696
Tax recoverable		314,060	286,661	-	-
Other investments	9	132,246	3,586,384	-	-
Deposits, bank and cash balances	11	8,097,194	12,414,762	586,970	286,455
		28,478,811	34,323,640	1,469,429	433,151
Total Assets		155,693,772	160,077,281	114,172,801	117,966,618
EQUITY AND LIABILITIES					
Equity					
Share capital	12	244,239,167	244,239,167	244,239,167	244,239,167
Reserves	13	1,829,954	207,147	661,648	(961,159)
Accumulated losses		(115,691,460)	(110,800,066)	(137,694,750)	(135,851,981)
Total Equity		130,377,661	133,646,248	107,206,065	107,426,027
Non-Current Liabilities					
Loans and borrowings	14	6,860,749	8,078,324	1,145,900	3,331,100
Deferred tax liabilities	15	2,800,441	1,619,182	417,062	97,362
		9,661,190	9,697,506	1,562,962	3,428,462
Current Liabilities					
Trade and other payables	16	9,118,069	9,828,002	1,218,574	1,274,533
Loans and borrowings	14	6,521,200	6,905,402	4,185,200	5,837,596
Tax payable		15,652	123	-	-
		15,654,921	16,733,527	5,403,774	7,112,129
Total Liabilities		25,316,111	26,431,033	6,966,736	10,540,591
Total Equity and Liabilities		155,693,772	160,077,281	114,172,801	117,966,618

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2024

	Note	Group 1.7.2023 to 30.6.2024 RM	Group 1.1.2022 to 30.6.2023 RM	Company 1.7.2023 to 30.6.2024 RM	Company 1.1.2022 to 30.6.2023 RM
Revenue	17	34,448,361	67,053,240	4,073,525	5,094,373
Cost of sales					
- property development costs		(3,391,204)	(7,593,696)	-	-
- others		(27,720,620)	(50,249,328)	(1,142,325)	(1,669,285)
Gross profit		3,336,537	9,210,216	2,931,200	3,425,088
Other income		6,949,288	2,457,382	3,009,836	448,823
Administrative expenses		(11,570,671)	(16,864,370)	(4,852,442)	(6,691,406)
Selling and distribution costs		(553,481)	(1,401,667)	-	(9,909)
Other operating expenses		(116,639)	(416,954)	(529)	(20,004,863)
Net loss on impairment of financial instruments		(29,832)	(46,054)	(1,436,530)	(1,896,805)
Loss from operations		(1,984,798)	(7,061,447)	(348,465)	(24,729,072)
Finance costs	18	(959,303)	(1,608,391)	(435,333)	(839,193)
Loss before tax	19	(2,944,101)	(8,669,838)	(783,798)	(25,568,265)
Taxation	20	(1,208,022)	(723,375)	(319,700)	-
Loss for the financial year/period		(4,152,123)	(9,393,213)	(1,103,498)	(25,568,265)
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss					
- Net change in fair value of equity investments designated at fair value through other comprehensive income		883,536	(2,599,614)	883,536	(2,599,614)
Other comprehensive income/(loss) for the financial year/period		883,536	(2,599,614)	883,536	(2,599,614)
Total comprehensive loss for the financial year/period		(3,268,587)	(11,992,827)	(219,962)	(28,167,879)
Loss for the financial year/period attributable to:					
Owners of the parent		(4,152,123)	(9,393,213)	(1,103,498)	(25,568,265)
Total comprehensive loss for the financial year/period attributable to:					
Owners of the parent		(3,268,587)	(11,992,827)	(219,962)	(28,167,879)
Loss per share	21				
Basic loss per share (sen)		(1.98)	(4.47)		
Diluted loss per share (sen)		(1.98)	(4.47)		

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

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 30 June 2024

	Attributable to Owners of the Parent				
	Share Capital	Revaluation Reserves	Fair Value Reserves	Accumulated Losses	Total Equity
Group	RM	RM	RM	RM	RM
At 1 July 2023	244,239,167	1,168,306	(961,159)	(110,800,066)	133,646,248
Loss for the financial year	-	-	-	(4,152,123)	(4,152,123)
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	-	883,536	-	883,536
Total comprehensive income/ (loss) for the financial year	-	-	883,536	(4,152,123)	(3,268,587)
Transfer of loss on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	-	739,271	(739,271)	-
At 30 June 2024	244,239,167	1,168,306	661,648	(115,691,460)	130,377,661
At 1 January 2022	244,239,167	1,168,306	986,475	(100,754,873)	145,639,075
Loss for the financial period	-	-	-	(9,393,213)	(9,393,213)
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	-	(2,599,614)	-	(2,599,614)
Total comprehensive loss for the financial period	-	-	(2,599,614)	(9,393,213)	(11,992,827)
Transfer of loss on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	-	651,980	(651,980)	-
At 30 June 2023	244,239,167	1,168,306	(961,159)	(110,800,066)	133,646,248

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Share Capital RM	Fair Value Reserves RM	Accumulated Losses RM	Total Equity RM
At 1 July 2023	244,239,167	(961,159)	(135,851,981)	107,426,027
Loss for the financial year	-	-	(1,103,498)	(1,103,498)
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	883,536	-	883,536
Total comprehensive income/(loss) for the financial year	-	883,536	(1,103,498)	(219,962)
Transfer of loss on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	739,271	(739,271)	-
At 30 June 2024	244,239,167	661,648	(137,694,750)	107,206,065
At 1 January 2022	244,239,167	986,475	(109,631,736)	135,593,906
Loss for the financial period	-	-	(25,568,265)	(25,568,265)
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	(2,599,614)	-	(2,599,614)
Total comprehensive loss for the financial period	-	(2,599,614)	(25,568,265)	(28,167,879)
Transfer of loss on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	651,980	(651,980)	-
At 30 June 2023	244,239,167	(961,159)	(135,851,981)	107,426,027

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

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 30 June 2024

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Operating Activities				
Loss before tax	(2,944,101)	(8,669,838)	(783,798)	(25,568,265)
Adjustments for:				
Bad debt written off	-	3,332	-	3,332
Depreciation of:				
- Property, plant and equipment	1,370,650	2,609,005	209,002	319,628
- Right-of-use assets	662,807	921,270	-	-
Finance costs	959,303	1,608,391	435,333	839,193
Inventories:				
- Written down to net realiasable value	349,096	441,421	-	-
- Written off	252,642	755,023	-	-
Net impairment losses recognised on:				
- Amount due from subsidiaries	-	-	1,436,530	1,846,805
- Investment in subsidiaries	-	-	-	20,000,000
- Receivables	29,832	46,054	-	50,000
Property, plant and equipment written off	787	192,159	530	64
Provision of liquidated ascertained damages	63,622	-	-	-
Write-back of liquidated ascertained damages	(14,978)	-	-	-
Dividend income from:				
- Subsidiaries	-	-	(1,000,000)	(642,250)
- Others	(13,593)	(187,676)	(10,000)	(15,000)
(Gain)/Loss on disposal of:				
- Financial assets	(19,063)	(26,562)	-	-
- Investment properties	-	(25,360)	-	(25,360)
- Property, plant and equipment	(1,936)	1,467	-	1,467
(Gain)/Loss on fair value of:				
- Financial assets	(9,576)	4,245	-	-
- Investment properties	(6,385,761)	102,326	(2,990,918)	-
Interest income	(161,429)	(563,952)	(8,918)	(398,200)
Net unrealised loss on foreign exchange	-	3,275	-	-
	(2,917,597)	5,884,418	(1,928,441)	21,979,679
Operating loss before working capital changes	(5,861,698)	(2,785,420)	(2,712,239)	(3,588,586)
Changes in working capital:				
Inventories	(536,480)	1,533,933	-	-
Trade and other receivables	(1,749,767)	8,127,030	(132,443)	3,152,650
Trade and other payables	(749,679)	(520,700)	426,024	(444,204)
	(3,035,926)	9,140,263	293,581	2,708,446
Cash (used in)/generated from operations	(8,897,624)	6,354,843	(2,418,658)	(880,140)
Interest paid	(968,201)	(1,521,083)	(435,333)	(839,193)
Tax refunded	100,677	3,691	-	-
Tax paid	(139,310)	(537,524)	-	-
Net cash (used in)/from operating activities	(9,904,458)	4,299,927	(2,853,991)	(1,719,333)

	Group 1.7.2023 to 30.6.2024 RM	Group 1.1.2022 to 30.6.2023 RM	Company 1.7.2023 to 30.6.2024 RM	Company 1.1.2022 to 30.6.2023 RM
Investing Activities				
Addition of investment properties	-	(102,326)	-	-
Increase in deposits with licensed bank with maturity more than 3 months	(356)	(245)	-	-
Interest received	175,648	2,818,552	8,918	398,200
Net dividend received	13,593	187,676	1,010,000	657,250
Proceeds from disposal of:				
- Asset held for sale	-	4,007,750	-	4,007,750
- Financial assets	10,957,109	12,183,561	8,497,216	1,848,560
- Investment properties	-	241,000	-	241,000
- Property, plant and equipment	6,000	15,000	-	15,000
Purchase of financial assets	(3,377,116)	(10,497,684)	-	-
Purchase of property, plant and equipment	(261,430)	(1,698,846)	(2,199)	(179)
Purchase of right-of-use assets [Note 5(c)]	(15,775)	(59,110)	-	-
Net changes in amount due from subsidiaries	-	-	(2,039,850)	(1,873,738)
Net cash from investing activities	7,497,673	7,095,328	7,474,085	5,293,843
Financing Activities				
Decrease/(Increase) in deposits and bank balances pledged with licensed banks	1,004,411	(27,956)	(7,724)	(5,006)
Drawdown of loans and borrowings	3,975,614	5,380,725	-	-
Payment of lease liabilities	(167,863)	(175,867)	-	-
Repayment of loans and borrowings	(5,066,494)	(11,043,613)	(3,185,200)	(3,873,800)
Net changes in amount due to subsidiaries	-	-	(481,983)	(447,453)
Net cash used in financing activities	(254,332)	(5,866,711)	(3,674,907)	(4,326,259)
Net (decrease)/increase in cash and cash equivalents	(2,661,117)	5,528,544	945,187	(751,749)
Cash and cash equivalents at the beginning of the financial year/period	10,203,008	4,674,464	(645,104)	106,645
Cash and cash equivalents at the end of the financial year/period (Note 11)	7,541,891	10,203,008	300,083	(645,104)

Note to statements of cash flows:

Cash flows for leases as a lessee

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Included in operating activities:				
Interest paid in relation to lease liabilities (Note 18)	17,027	24,083	-	-
Payment relating to short-term leases (Note 19)	12,200	21,700	-	-
Included in financing activities:				
Payment of lease liabilities	167,863	175,867	-	-
Total cash outflows for leases	197,090	221,650	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2024

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at 15th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur. With effect from 18 September 2024, the Company's principal place of business has been reallocated to 13A Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur.

The registered office of the Company is located at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim.

The principal activities of the Company are those of property and investment holding, trading, property development and provision of management services. The principal activities of the subsidiaries are disclosed in Note 8.

2. Basis of Preparation

2.1 Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above new standards and amendments to standards has no significant impact on the financial statements of the Group and of the Company except as disclosed below:

<u>Amendments to MFRS 101 *Disclosure of Accounting Policies*</u>

The Group and the Company adopted Amendments to MFRS 101 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group and of the Company.

2. Basis of Preparation (cont'd)

2.1 Statement of compliance (cont'd)

Adoption of new and amended standards (cont'd)

The adoption of the above new standards and amendments to standards has no significant impact on the financial statements of the Group and of the Company except as disclosed below: (cont'd)

<u>Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*</u>

The Group and the Company have adopted Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

The Group and the Company previously accounted for deferred tax on leases applying the "integrally linked" approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group and the Company have recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets instead to recognise deferred tax asset or liability on leases on a net basis which previously permitted under paragraph 74 of MFRS 112 *Income Taxes*. The key impact for the Group and the Company relate to disclosure of the deferred tax assets and liabilities recognised as disclosed Note 15.

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

<u>Effective for financial periods beginning on or after 1 January 2024:</u>

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

<u>Effective for financial periods beginning on or after 1 January 2025:</u>

Amendments to MFRS 121	Lack of Exchangeability

<u>Effective for financial periods beginning on or after 1 January 2026:</u>

Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11:
- Amendments to MFRS 1
- Amendments to MFRS 7
- Amendments to MFRS 9
- Amendments to MFRS 10
- Amendments to MFRS 107

<u>Effective for financial periods beginning on or after 1 January 2027:</u>

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

2. Basis of Preparation (cont'd)

2.1 Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company: (cont'd)

Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the abovementioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

2.2 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

2. Basis of Preparation (cont'd)

2.3 Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

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

(i) Depreciation and useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and ROU assets may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

(ii) Fair value of investment properties

The Group and the Company carry its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group and the Company engaged independent valuation specialist to assess fair value for investment properties. Valuation was based on the comparison approach where the comparison approach entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences. The key assumptions used to determine the fair value of the investment properties are disclosed in Note 6.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 15.

(iv) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated costs to sell. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7.

(v) Revenue from property development activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

2. Basis of Preparation (cont'd)

2.3 Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Revenue from property development activities (cont'd)

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of liabilities of the Group arising from property development activities are disclosed in Note 16(c).

(vi) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss is disclosed in Note 10.

(vii) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(viii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2024, the Group has tax recoverable of RM314,060 (2023: RM286,661) and tax payable of RM15,652 (2023: RM123) respectively.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

(iii) Changes in ownership interests in subsidiaries without change of control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any noncontrolling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or at fair value through other comprehensive income depending on the level of influence retained.

3. Material Accounting Policies (cont'd)

3.2 Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3.3 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	2%
Office furniture and equipment	8% - 20%
Renovations	15% - 50%
Plant and machinery	6% - 50%
Computer hardware and software	10% - 25%
Tools and implements	10% - 15%
Motor vehicles	10% - 20%

3. Material Accounting Policies (cont'd)

3.3 Property, plant and equipment (cont'd)

(ii) Depreciation (cont'd)

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3.4 Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and to the Company by the end of the lease term or the cost of the ROU asset reflects that the Group and the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

When the lease liability is remeasured as described in the above paragraph, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low value assets are those assets valued at less than RM20,000 each when purchased new.

3. Material Accounting Policies (cont'd)

3.4 Leases (cont'd)

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.5 Investment properties

Investment properties, including ROU assets held by lessee, are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are valued by independent professional qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

3.6 Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

3. Material Accounting Policies (cont'd)

3.6 Financial assets (cont'd)

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequently to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group's and the Company's financial assets at amortised cost comprise trade and other receivables and deposits, bank and cash balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at FVTPL. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

3. Material Accounting Policies (cont'd)

3.6 Financial assets (cont'd)

Financial asset categories and subsequent measurement (cont'd)

The Group and the Company classify their financial assets as follows: (cont'd)

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI") (cont'd)

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's and the Company's financial assets at FVTOCI comprise other investments.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investments.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment.

Regular way purchase or sale of financial assets

Regular way purchase or sale is purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3. Material Accounting Policies (cont'd)

3.7 Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities at amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains or losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables and loans and borrowings.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.8 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised, when appropriate, the cumulative amount of the income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers.*

3. Material Accounting Policies (cont'd)

3.9 Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10 Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(iv) Other inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw materials comprises cost of purchase and other costs incurred in bringing it to their present location and conditions are determined on a first-in-first-out basis. Cost of work-in-progress and finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

3.11 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

3. Material Accounting Policies (cont'd)

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.13 Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

3. Material Accounting Policies (cont'd)

3.13 Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience to the debtors and the economic environment.

3.14 Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3.15 Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3.16 Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognises revenue from the following major sources:

(a) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

3. Material Accounting Policies (cont'd)

3.16 Revenue and other income (cont'd)

(i) Revenue from contracts with customers (cont'd)

The Group and the Company recognises revenue from the following major sources: (cont'd)

(a) Revenue from property development (cont'd)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(c) Rendering of services

Revenue from rendering of services and management fee are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group and the Company, and the Group and the Company has a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(iv) Interest Income

Interest income is recognised on accruals basis using the effective interest method.

3.17 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3. Material Accounting Policies (cont'd)

3.18 Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year/period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial period/year.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. For investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment makes strategic decisions based on operating segments' results. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

3.20 Contingencies

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

3. Material Accounting Policies (cont'd)

3.21 Fair value measurement

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

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

Group	Freehold land RM	Freehold building RM	Office furniture and equipment RM	Renovations RM	Plant and machinery RM	Computer hardware and software RM	Tools and implements RM	Motor vehicles RM	Total RM
2024									
Cost									
At 1 July 2023	790,000	130,000	1,430,278	3,088,174	32,619,843	753,205	597,404	2,778,120	42,187,024
Additions	-	-	50,360	-	167,893	43,177	-	-	261,430
Written off	-	-	(74,943)	-	-	(54,458)	-	-	(129,401)
Disposals	-	-	-	-	(16,253)	-	-	-	(16,253)
At 30 June 2024	790,000	130,000	1,405,695	3,088,174	32,771,483	741,924	597,404	2,778,120	42,302,800
Accumulated depreciation									
At 1 July 2023	-	16,900	1,271,618	2,686,721	28,278,957	702,036	562,718	2,579,184	36,098,134
Charge for the financial year	-	2,600	58,483	144,002	1,046,608	27,539	11,562	79,856	1,370,650
Written off	-	-	(74,156)	-	-	(54,458)	-	-	(128,614)
Disposals	-	-	-	-	(12,189)	-	-	-	(12,189)
At 30 June 2024	-	19,500	1,255,945	2,830,723	29,313,376	675,117	574,280	2,659,040	37,327,981
Carrying amount									
At 30 June 2024	790,000	110,500	149,750	257,451	3,458,107	66,807	23,124	119,080	4,974,819

4. Property, Plant and Equipment (cont'd)

Group	Freehold land RM	Freehold building RM	Office furniture and equipment RM	Renovations RM	Plant and machinery RM	Computer hardware and software RM	Tools and implements RM	Motor vehicles RM	Total RM
2023									
Cost									
At 1 January 2022	790,000	130,000	1,483,668	3,088,174	33,410,160	759,685	597,404	3,045,153	43,304,244
Additions	-	-	25,647	-	1,627,366	45,833	-	-	1,698,846
Written off	-	-	(79,037)	-	(2,417,683)	(52,313)	-	-	(2,549,033)
Disposals	-	-	-	-	-	-	-	(267,033)	(267,033)
At 30 June 2023	790,000	130,000	1,430,278	3,088,174	32,619,843	753,205	597,404	2,778,120	42,187,024
Accumulated depreciation									
At 1 January 2022	-	13,000	1,258,920	2,470,718	28,429,402	713,531	545,375	2,665,623	36,096,569
Charge for the financial period	-	3,900	90,884	216,003	2,075,945	40,803	17,343	164,127	2,609,005
Written off	-	-	(78,186)	-	(2,226,390)	(52,298)	-	-	(2,356,874)
Disposals	-	-	-	-	-	-	-	(250,566)	(250,566)
At 30 June 2023	-	16,900	1,271,618	2,686,721	28,278,957	702,036	562,718	2,579,184	36,098,134
Carrying amount									
At 30 June 2023	790,000	113,100	158,660	401,453	4,340,886	51,169	34,686	198,936	6,088,890

4. Property, Plant and Equipment (cont'd)

Company	Office furniture and equipment RM	Renovations RM	Plant and machinery RM	Computer hardware and software RM	Motor vehicles RM	Total RM
2024						
Cost						
At 1 July 2023	647,328	2,254,839	10,500	151,645	603,480	3,667,792
Additions	2,199	-	-	-	-	2,199
Written off	(14,830)	-	-	(45,928)	-	(60,758)
At 30 June 2024	634,697	2,254,839	10,500	105,717	603,480	3,609,233
Accumulated depreciation						
At 1 July 2023	555,516	1,903,721	9,750	147,351	479,767	3,096,105
Charge for the financial year	30,680	120,771	180	3,058	54,313	209,002
Written off	(14,300)	-	-	(45,928)	-	(60,228)
At 30 June 2024	571,896	2,024,492	9,930	104,481	534,080	3,244,879
Carrying amount						
At 30 June 2024	62,801	230,347	570	1,236	69,400	364,354

4. Property, Plant and Equipment (cont'd)

Company	Office furniture and equipment RM	Renovations RM	Plant and machinery RM	Computer hardware and software RM	Motor vehicles RM	Total RM
2023						
Cost						
At 1 January 2022	681,935	2,254,839	10,500	151,645	870,513	3,969,432
Additions	179	-	-	-	-	179
Written off	(34,786)	-	-	-	-	(34,786)
Disposal	-	-	-	-	(267,033)	(267,033)
At 30 June 2023	647,328	2,254,839	10,500	151,645	603,480	3,667,792
Accumulated depreciation						
At 1 January 2022	543,868	1,722,565	9,480	141,885	643,967	3,061,765
Charge for the financial period	46,370	181,156	270	5,466	86,366	319,628
Written off	(34,722)	-	-	-	-	(34,722)
Disposal	-	-	-	-	(250,566)	(250,566)
At 30 June 2023	555,516	1,903,721	9,750	147,351	479,767	3,096,105
Carrying amount						
At 30 June 2023	91,812	351,118	750	4,294	123,713	571,687

4. Property, Plant and Equipment (cont'd)

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 14(a)(i) are as follows:

	Group	
	2024 RM	2023 RM
Freehold land and building	900,500	903,100
Plant and machinery	3,441,016	4,200,679
Office furniture and equipment, computer hardware and software	111,058	60,219
Tools and implements	23,124	34,686
Motor vehicles	49,680	75,223
	4,525,378	5,273,907

5. Right-of-use Assets

Group	Leasehold land and building RM	Building RM	Plant and machinery RM	Total RM
2024				
Cost				
At 1 July 2023	8,823,974	373,678	194,550	9,392,202
Additions	15,775	309,362	-	325,137
Expiration of lease contract	-	(322,208)	-	(322,208)
At 30 June 2024	8,839,749	360,832	194,550	9,395,131
Accumulated depreciation				
At 1 July 2023	5,441,264	222,372	12,970	5,676,606
Charge for the financial year	496,882	127,015	38,910	662,807
Expiration of lease contract	-	(322,208)	-	(322,208)
At 30 June 2024	5,938,146	27,179	51,880	6,017,205
Carrying amount				
At 30 June 2024	2,901,603	333,653	142,670	3,377,926

5. Right-of-use Assets (cont'd)

Group	Leasehold land and building RM	Building RM	Plant and machinery RM	Total RM
2023				
Cost				
At 1 January 2022	8,764,864	322,208	-	9,087,072
Additions	59,110	51,470	194,550	305,130
At 30 June 2023	8,823,974	373,678	194,550	9,392,202
Accumulated depreciation				
At 1 January 2022	4,700,100	55,236	-	4,755,336
Charge for the financial period	741,164	167,136	12,970	921,270
At 30 June 2023	5,441,264	222,372	12,970	5,676,606
Carrying amount				
At 30 June 2023	3,382,710	151,306	181,580	3,715,596

(a) Leasehold land and building of a subsidiary were revalued by the Directors based on an independent professional valuation revised by the government valuer in year 1983 on an open market value basis.

As allowed by the transitional provisions of the MASB Approved Accounting Standard IAS 16 (Revised): *Property, Plant and Equipment*, this asset continue to be stated at its 1983 valuation less accumulated depreciation and impairment loss. Following the adoption of MFRS 16 on 1 January 2019, the Group has reclassified the carrying amount of leasehold land and building to right-of-use assets.

Had the leasehold land and building been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued asset that would have been included in the financial statements at the end of the reporting period was RM447 (2023: RM517).

The remaining lease term of the leasehold land and building of the Group is 6 years (2023: 7 years).

(b) Asset pledged as securities to licensed banks

The carrying amount of the leasehold land and building of the Group amounted to RM2,901,603 (2023: RM3,382,710) are pledged as securities for bank borrowings as disclosed in Note 14(a)(ii).

(c) Purchase of right-of-use assets

The aggregate additional costs for the right-of-use assets of the Group during the financial year/period acquired under lease financing and cash payments are as follows:

	Group 2024 RM	Group 2023 RM
Aggregate costs	325,137	305,130
Less: Lease financing	(309,362)	(246,020)
Cash payments	15,775	59,110

6. Investment Properties

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
At fair value				
Freehold property				
At beginning of financial year/period	30,000,000	30,000,000	30,000,000	30,000,000
Changes in fair value recognised in profit or loss	3,000,000	-	3,000,000	-
At end of financial year/period	33,000,000	30,000,000	33,000,000	30,000,000
Leasehold properties				
At beginning of financial year/period	60,579,296	60,794,936	3,190,139	3,405,779
Additions	-	102,326	-	-
Disposal	-	(215,640)	-	(215,640)
Changes in fair value recognised in profit or loss	3,385,761	(102,326)	(9,082)	-
At end of financial year/period	63,965,057	60,579,296	3,181,057	3,190,139
Carrying amount				
At end of financial year/period	96,965,057	90,579,296	36,181,057	33,190,139

(a) The Group and the Company measure fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's and the Company's investment properties:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group/Company				
Freehold property				
2024	-	33,000,000	-	33,000,000
2023	-	-	30,000,000	30,000,000
Group				
Leasehold properties				
2024	-	63,965,057	-	63,965,057
2023	-	56,191,000	4,388,296	60,579,296
Company				
Leasehold properties				
2024	-	3,181,057	-	3,181,057
2023	-	-	3,190,139	3,190,139

6. Investment Properties (cont'd)

(b) The freehold investment property of the Group and of the Company with carrying amount of RM33,000,000 (2023: RM30,000,000) was revalued by an independent firm of professional valuers on 30 June 2024. The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and category of the investment properties being valued. During the financial year, the fair value is within level 2 of the fair value hierarchy. The fair value was determined based on the comparison approach that entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

In the previous financial period, the fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair value is within level 3 of the fair value hierarchy. Valuation was based on the investment approach that entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

Fair value reconciliation of freehold investment property measured at level 3 are as follows:

	Group/Company	
	2024 RM	2023 RM
At beginning of financial year/period	30,000,000	30,000,000
Transfer to level 2	(30,000,000)	-
At end of financial year/period	-	30,000,000

The freehold investment property was transferred from level 3 to level 2 due to change of valuation technique from income approach to comparison approach.

The freehold investment property is pledged to a licensed bank for credit facility granted to the Company as disclosed in Note 14(a)(iii).

(c) In the previous financial period, the fair value of certain leasehold investment properties of the Group and of the Company with carrying amount of RM4,388,296 and RM3,190,139 was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair value are within level 3 of the fair value hierarchy.

The leasehold investment properties of the Group and of the Company with carrying amount of RM63,695,057 and RM3,181,057 (2023: RM56,191,000 and RMNil) respectively was revalued by an independent firm of professional valuers on 30 June 2024. The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and category of the investment properties being valued. The fair value is within level 2 of the fair value hierarchy. The fair value was determined based on the comparison approach that entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

The remaining lease term range from 57 to 71 years (2023: 58 to 72 years).

Fair value reconciliation of leasehold investment properties measured at level 3 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year/period	4,388,296	3,723,936	3,190,139	3,190,139
Disposal	-	(215,640)	-	-
Transfer from level 2	-	880,000	-	-
Transfer to level 2	(4,388,296)	-	(3,190,139)	-
At end of financial year/period	-	4,388,296	-	3,190,139

6. Investment Properties (cont'd)

(c) The leasehold investment properties were transferred from level 3 to level 2 as the Group and the Company engaged an independent professional valuer to perform the valuation on the investment properties using the comparison approach.

Leasehold properties of the Group with carrying amount of RM36,626,000 (2023: RM34,717,000) is pledged to a licensed bank for credit facility granted to the Company as disclosed in Note 14(a)(iii).

(d) During the financial year, the increase in fair value of the investment properties of the Group and of the Company amounting to RM6,385,761 and RM2,990,918 have been recognised in the profit or loss as part of "Other income".

In the previous financial period, the decrease in fair value of the Group and of the Company of RM102,326 and RMNil respectively have been recognised in the profit or loss as part of "Other operating expenses".

(e) The following income and expenses are recognised in profit or loss in respect of investment properties:

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Rental and car park income	7,606,949	10,719,652	1,815,925	2,565,723
Direct operating expenses	(3,963,496)	(5,750,414)	(1,142,325)	(1,669,287)
	3,643,453	4,969,238	673,600	896,436

7. Inventories

		Group	
	Note	2024 RM	2023 RM
Non-current			
Land held for property development	(a)	5,133,202	5,392,222
Current			
Property development costs	(b)	6,733,012	3,658,925
Completed properties	(c)	1,202,513	1,202,513
Other inventories	(d)	4,342,289	7,222,614
		12,277,814	12,084,052

7. Inventories (cont'd)

(a) Land held for property development

	Note	Group 2024 RM	Group 2023 RM
Non-current			
Leasehold land, at cost			
At beginning of financial year/period		3,083,705	4,416,197
Transfer to property development costs	7(b)	(141,182)	(1,332,492)
At end of financial year/period		2,942,523	3,083,705
Property development costs			
At beginning of financial year/period		2,308,517	2,329,290
Additions		79,897	826,805
Transfer to property development costs	7(b)	(197,735)	(847,578)
At end of financial year/period		2,190,679	2,308,517
Total land held for property development			
At end of financial year/period		5,133,202	5,392,222

(b) Property development costs

	Note	Group 2024 RM	Group 2023 RM
Current			
Leasehold land, at cost			
At beginning of financial year/period		3,153,176	4,082,168
Transfer from land held for property development	7(a)	141,182	1,332,492
Reversal of completed projects		(1,820,684)	(2,261,484)
At end of financial year/period		1,473,674	3,153,176
Property development costs			
At beginning of financial year/period		5,494,941	6,293,846
Additions		6,126,374	5,678,513
Transfer from land held for property development	7(a)	197,735	847,578
Reversal of completed projects		(6,559,712)	(7,324,996)
At end of financial year/period		5,259,338	5,494,941
Less: Cumulative costs recognised in profit or loss			
At beginning of financial year/period		4,989,192	6,981,976
Recognised during the financial year/period		3,391,204	7,593,696
		8,380,396	14,575,672
Reversal of completed projects		(8,380,396)	(9,586,480)
At end of financial year/period		-	4,989,192
Total property development costs			
At end of financial year/period		6,733,012	3,658,925

7. Inventories (cont'd)

(c) Completed properties

	Group 2024 RM	Group 2023 RM
At beginning of financial year/period	1,202,513	2,572,499
Recognised during the financial year/period	-	(1,369,986)
At end of financial year/period	1,202,513	1,202,513

(d) Other inventories

	Note	Group 2024 RM	Group 2023 RM
At cost			
Raw materials		723,631	946,091
Work-in-progress		602,191	705,471
Finished goods		301,732	193,078
		1,627,554	1,844,640
At net realisable value			
Raw materials		505	1,931,177
Work-in-progress		476,344	661,640
Finished goods		2,237,886	2,785,157
		4,342,289	7,222,614
Carrying amount of inventories pledged as security for banking facilities	14(a)(vi)	4,342,289	7,222,614
Recognised in profit or loss			
Inventories recognised as cost of sales		17,667,831	33,396,262
Inventories written down to net realisable value		349,096	441,421
Inventories written off		252,642	755,023

8. Investment in Subsidiaries

	Company 2024 RM	Company 2023 RM
In Malaysia		
Unquoted shares, at cost	134,633,405	134,633,405
Less: Accumulated impairment losses	(96,529,401)	(96,529,401)
	38,104,004	38,104,004

8. Investment in Subsidiaries (cont'd)

Movements in the allowance for impairment losses of investment in subsidiaries are as follows:

	Company	
	2024 RM	2023 RM
At beginning of financial year/period	96,529,401	76,529,401
Impairment losses recognised	-	20,000,000
At end of financial year/period	96,529,401	96,529,401

In the previous financial period, the impairment losses amounting to RM20,000,000 was recognised in respect of the excess in the carrying amount of the investment in a subsidiary over its estimated recoverable amount. The impairment losses were recognised in other operating expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of company	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Direct holding:			
Anastoria Sdn. Bhd.	100	100	Property development
Kam Kok Development Sdn. Bhd.	100	100	Property development
Perantara Properties Sdn. Bhd.	100	100	Property development
SMI Cityhome Sdn. Bhd.	100	100	Property development
SMI Wire Sdn. Bhd.	100	100	Manufacturing and trading of assorted wires
SMI Multi Zone Sdn. Bhd.	100	100	Car park management and operations
SMI Project Management Sdn. Bhd.	100	100	Dormant
Indirect holding:			
Held by Anastoria Sdn. Bhd.			
Limpah Murni Sdn. Bhd.	100	100	Dormant

9. Other Investments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
At FVTOCI				
Quoted in Malaysia				
- Shares	1,233,760	4,447,440	1,233,760	4,447,440
Unquoted outside Malaysia				
- Shares	15,530,197	15,530,197	15,530,197	15,530,197
	16,763,957	19,977,637	16,763,957	19,977,637
At FVTPL				
Unquoted in Malaysia				
- Instruments	-	-	21,290,000	25,690,000
	16,763,957	19,977,637	38,053,957	45,667,637
Current				
At FVTPL				
Quoted in Malaysia				
- Unit trust	132,246	3,586,384	-	-
Carrying amount of other investments pledged as security for banking facilities [Note 14(a)(vi)]	132,246	1,301,407	-	-

The Company has an investment in unquoted securities outside Malaysia, representing 14.7% equity interest in a company, whose activities among others include a mixed development project in Queenstown, New Zealand.

10. Trade and Other Receivables

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Current					
Trade receivables	(a)	6,819,097	5,431,494	-	-
Less: Accumulated impairment losses		(235,671)	(205,839)	-	-
		6,583,426	5,225,655	-	-
Other receivables	(b)	861,353	1,886,247	828,444	1,834,841
Less: Accumulated impairment losses		(738,093)	(1,831,439)	(738,093)	(1,831,439)
		123,260	54,808	90,351	3,402
Deposits		294,094	310,835	62,982	69,272
Prepayments		656,717	360,483	98,873	47,089
		1,074,071	726,126	252,206	119,763
Amount due from subsidiaries	(c)	-	-	6,637,526	4,597,676
Less: Accumulated impairment losses		-	-	(6,007,273)	(4,570,743)
		-	-	630,253	26,933
Total trade and other receivables		7,657,497	5,951,781	882,459	146,696
Carrying amount of trade and other receivables pledged as security for banking facilities	14(a)(vi)	4,928,666	4,557,733	-	-

(a) Trade receivables

Trade receivables are unsecured, non-interest bearing and are on 7 to 90 days (2023: 7 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables of the Group are amount of RM995,793 (2023: RM780,310) retained by stakeholders which are due upon the expiry of retention period as stipulated in the sale and purchase agreements signed with property purchasers.

10. Trade and Other Receivables (cont'd)

(a) Trade receivables (cont'd)

Movements in the allowance for impairment losses of trade receivables are as follows:

Group	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
At 1 July 2023	85,620	120,219	205,839
Impairment losses recognised	22,567	7,265	29,832
At 30 June 2024	108,187	127,484	235,671
At 1 January 2022	233,360	32,137	265,497
Impairment losses (reversed)/recognised	(147,740)	143,794	(3,946)
Amount written off	-	(55,712)	(55,712)
At 30 June 2023	85,620	120,219	205,839

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The ageing analysis of trade receivables at the end of the reporting period are as follows:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2024			
Not past due	4,022,023	(16,592)	4,005,431
Past due			
Less than 30 days	942,665	(17,631)	925,034
31 to 60 days	492,115	(13,806)	478,309
61 to 90 days	398,453	(14,904)	383,549
More than 90 days	836,357	(45,254)	791,103
	2,669,590	(91,595)	2,577,995
Credit impaired			
Individually impaired	127,484	(127,484)	-
	6,819,097	(235,671)	6,583,426
2023			
Not past due	2,826,818	(13,654)	2,813,164
Past due			
Less than 30 days	865,314	(13,171)	852,143
31 to 60 days	542,782	(12,393)	530,389
61 to 90 days	517,248	(15,746)	501,502
More than 90 days	559,113	(30,656)	528,457
	2,484,457	(71,966)	2,412,491
Credit impaired			
Individually impaired	120,219	(120,219)	-
	5,431,494	(205,839)	5,225,655

10. Trade and Other Receivables (cont'd)

(a) Trade receivables (cont'd)

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 30 June 2024, gross trade receivables of the Group amounting to RM2,669,590 (2023: RM2,484,457) were past due but not individually impaired. These relate to a number of customers for whom there is no recent history of default but slower repayment records.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM127,484 (2023: RM120,219) related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt's recovery process.

(b) Other receivables

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year/period	1,831,439	1,781,439	1,831,439	1,781,439
Impairment losses recognised	-	50,000	-	50,000
Amount written off	(1,093,346)	-	(1,093,346)	-
At end of financial year/period	738,093	1,831,439	738,093	1,831,439

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

(c) Amount due from subsidiaries

This represents unsecured, non-interest bearing advances and repayable on demand.

Movements in the allowance for impairment losses of amount due from subsidiaries are as follows:

	Company	
	2024 RM	2023 RM
At beginning of financial year/period	4,570,743	2,723,938
Impairment losses recognised	1,436,530	1,846,805
At end of financial year/period	6,007,273	4,570,743

11. Deposits, Bank and Cash Balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with licensed banks	700,445	1,701,395	283,937	276,203
Cash and bank balances	7,396,749	10,713,367	303,033	10,252
Total cash and bank balances	8,097,194	12,414,762	586,970	286,455
Bank overdrafts	-	(652,396)	-	(652,396)
	8,097,194	11,762,366	586,970	(365,941)
Less: Fixed deposits pledged to licensed banks	(537,736)	(1,542,137)	(283,937)	(276,203)
Less: Cash and bank balances pledged	(2,950)	(2,960)	(2,950)	(2,960)
Less: Fixed deposits not for short-term funding requirements	(14,617)	(14,261)	-	-
Cash and cash equivalents	7,541,891	10,203,008	300,083	(645,104)

Included in the cash and bank balances of the Group are cash held under Housing Development Accounts amounting to RM5,460,913 (2023: RM9,099,549) pursuant to Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

The fixed deposits with licensed banks of the Group and of the Company have an average maturity period of 296 and 365 days (2023: 337 and 365 days) respectively.

The fixed deposits with licensed banks and bank balances of the Group and of the Company amounting to RM540,686 (2023: RM1,545,097) and RM286,887 (2023: RM279,163) respectively are placed as collateral for bank borrowings granted to the Company and its subsidiaries as disclosed in Note 14(a)(iv).

The weighted average effective interest rates per annum are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Fixed deposits with licensed banks	2.68	2.79	2.80	2.80

12. Share Capital

	Group/Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid ordinary shares				
At beginning and end of financial year/period	209,940,112	209,940,112	244,239,167	244,239,167

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

13. Reserves

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revaluation reserves	(a)	1,168,306	1,168,306	-	-
Fair value reserves	(b)	661,648	(961,159)	661,648	(961,159)
		1,829,954	207,147	661,648	(961,159)

The nature of reserves of the Group and of the Company are as follows:

(a) Revaluation reserves

The revaluation reserves represent increases in the fair value of land and buildings, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) Fair value reserves

Fair value reserves represent the cumulative net change in the fair value of investment in securities measured at FVTOCI until they are derecognised or impaired.

14. Loans and Borrowings

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Secured					
Term loans	(a)	6,923,177	10,989,671	3,331,100	5,516,300
Bank overdraft	(a)	-	652,396	-	652,396
Revolving credit	(a)	5,200,000	3,000,000	2,000,000	3,000,000
Trust receipt	(a)	775,614	-	-	-
Lease liabilities	(b)	483,158	341,659	-	-
		13,381,949	14,983,726	5,331,100	9,168,696
Non-current					
Secured:					
- Term loans	(a)	3,968,937	7,896,893	1,145,900	3,331,100
- Revolving credit	(a)	2,559,000	-	-	-
- Lease liabilities	(b)	332,812	181,431	-	-
		6,860,749	8,078,324	1,145,900	3,331,100
Current					
Secured:					
- Term loans	(a)	2,954,240	3,092,778	2,185,200	2,185,200
- Bank overdraft	(a)	-	652,396	-	652,396
- Revolving credit	(a)	2,641,000	3,000,000	2,000,000	3,000,000
- Trust receipt	(a)	775,614	-	-	-
- Lease liabilities	(b)	150,346	160,228	-	-
		6,521,200	6,905,402	4,185,200	5,837,596
		13,381,949	14,983,726	5,331,100	9,168,696

14. Loans and Borrowings (cont'd)

(a) Loans and borrowings

Loans and borrowings of the Group and of the Company are secured by the followings:

(i) legal charges over certain property, plant and equipment as disclosed in Note 4;
(ii) legal charges over certain right-of-use assets as disclosed in Note 5(b);
(iii) legal charges over certain investment properties as disclosed in Notes 6(b) and 6(c);
(iv) certain deposits and bank balances as disclosed in Note 11;
(v) certain rental proceeds;
(vi) a debenture over the entire assets of a subsidiary; and
(vii) corporate guarantee by the Company.

Maturity profile of the term loans are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	2,954,240	3,092,778	2,185,200	2,185,200
Later than one year but not later than two years	1,779,822	3,169,675	947,200	2,185,200
Later than two years but not later than five years	2,189,115	3,779,190	198,700	1,145,900
Later than five years	-	948,028	-	-
	6,923,177	10,989,671	3,331,100	5,516,300

The weighted average effective interest rates per annum are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Term loans	6.91	6.75	5.77	5.53
Bank overdraft	7.75	8.05	7.70	7.70
Revolving credit	5.78	5.78	5.93	5.78
Trust receipt	7.95	-	-	-

14. Loans and Borrowings (cont'd)

(b) Lease liabilities

	Group	
	2024	2023
	RM	RM
At beginning of financial year/period	341,659	271,506
Addition	309,362	246,020
Accretion of interest	17,027	24,083
Payments	(184,890)	(199,950)
At end of financial year/period	483,158	341,659
Presented as:		
Non-current	332,812	181,431
Current	150,346	160,228
	483,158	341,659

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	
	2024	2023
	RM	RM
Within one year	179,280	175,200
Later than one year but not later than two years	177,730	63,000
Later than two years but not later than five years	180,590	135,450
	537,600	373,650
Less: Future finance charges	(54,442)	(31,991)
Present value of lease liabilities	483,158	341,659

The Group leases land and building, building and plant and machinery. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average effective interest rate per annum of the Group is 6.97% (2023: 5.84%).

15. Deferred Tax Liabilities

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
At beginning of financial year/ period		1,619,182	1,335,021	97,362	97,362
Recognised in profit or loss	20	1,181,259	284,161	319,700	-
At end of financial year/period		2,800,441	1,619,182	417,062	97,362

15. Deferred Tax Liabilities (cont'd)

The components and movements of deferred tax liabilities and assets of the Group and of the Company are as follows:

Deferred tax liabilities of the Group

Group	Accelerated capital allowances RM	Property development costs RM	Fair value adjustment on investment properties RM	Right-of-use assets RM	Total RM
At 1 July 2023	12,759,274	3,383	477,867	79,890	13,320,414
Recognised in profit or loss	1,138,533	-	1,066,204	34,443	2,239,180
Under/(Over) provision in prior period	4,954	-	(112,600)	-	(107,646)
At 30 June 2024 (before offsetting)	13,902,761	3,383	1,431,471	114,333	15,451,948
Less: Offsetting					(12,651,507)
At 30 June 2024 (after offsetting)					2,800,441
At 1 January 2022	10,318,526	3,383	502,426	64,100	10,888,435
Recognised in profit or loss	2,409,882	-	(24,559)	15,790	2,401,113
Under provision in prior year	30,866	-	-	-	30,866
At 30 June 2023 (before offsetting)	12,759,274	3,383	477,867	79,890	13,320,414
Less: Offsetting					(11,701,232)
At 30 June 2023 (after offsetting)					1,619,182

15. Deferred Tax Liabilities (cont'd)

The components and movements of deferred tax liabilities and assets of the Group and of the Company are as follows: (cont'd)

Deferred tax assets of the Group

Group	Unutilised capital allowances RM	Lease liabilities RM	Others RM	Total RM
At 1 July 2023	(11,522,419)	(81,986)	(96,827)	(11,701,232)
Recognised in profit or loss	(908,367)	(33,957)	(8,787)	(951,111)
Under/(Over) provision in prior period	(5,197)	-	6,033	836
At 30 June 2024 (before offsetting)	(12,435,983)	(115,943)	(99,581)	(12,651,507)
Less: Offsetting				12,651,507
At 30 June 2024 (after offsetting)				-
At 1 January 2022	(9,357,036)	(65,200)	(131,179)	(9,553,415)
Recognised in profit or loss	(2,133,412)	(16,786)	34,352	(2,115,846)
Under provision in prior year	(31,971)	-	-	(31,971)
At 30 June 2023 (before offsetting)	(11,522,419)	(81,986)	(96,827)	(11,701,232)
Less: Offsetting				11,701,232
At 30 June 2023 (after offsetting)				-

Deferred tax liabilities of the Company

Company	Accelerated capital allowances RM	Fair value adjustment on investment properties RM	Total RM
At 1 July 2023	51,180	97,362	148,542
Recognised in profit or loss	(17,736)	309,100	291,364
Under provision in prior period	185	10,600	10,785
At 30 June 2024 (before offsetting)	33,629	417,062	450,691
Less: Offsetting			(33,629)
At 30 June 2024 (after offsetting)			417,062
At 1 January 2022	76,586	97,362	173,948
Recognised in profit or loss	(24,322)	-	(24,322)
Over provision in prior year	(1,084)	-	(1,084)
At 30 June 2023 (before offsetting)	51,180	97,362	148,542
Less: Offsetting			(51,180)
At 30 June 2023 (after offsetting)			97,362

15. Deferred Tax Liabilities (cont'd)

The components and movements of deferred tax liabilities and assets of the Group and of the Company are as follows: (cont'd)

Deferred tax assets of the Company

Company	Unutilised capital allowances RM	Others RM	Total RM
At 1 July 2023	(34,677)	(16,503)	(51,180)
Recognised in profit or loss	23,827	(6,091)	17,736
Under provision in prior period	(185)	-	(185)
At 30 June 2024 (before offsetting)	(11,035)	(22,594)	(33,629)
Less: Offsetting			33,629
At 30 June 2024 (after offsetting)			-
At 1 January 2022	(65,970)	(10,616)	(76,586)
Recognised in profit or loss	30,209	(5,887)	24,322
Over provision in prior year	1,084	-	1,084
At 30 June 2023 (before offsetting)	(34,677)	(16,503)	(51,180)
Less: Offsetting			51,180
At 30 June 2023 (after offsetting)			-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other temporary differences	6,550	8,638	-	-
Unutilised capital allowances	5,553,650	4,286,773	1,532,519	1,417,456
Unutilised reinvestment allowances	3,997,900	3,997,900	-	-
Unused tax losses	50,754,317	43,516,512	29,438,900	27,832,584
	60,312,417	51,809,823	30,971,419	29,250,040

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

Pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (ie: from year of assessment 2019 to 2028) under the current tax legislation.

15. Deferred Tax Liabilities (cont'd)

The unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
2028	26,306,413	26,306,413	19,899,048	19,899,048
2029	2,678,393	2,678,393	2,124,312	2,124,312
2030	2,979,213	2,979,213	1,884,238	1,884,238
2031	4,429,295	4,435,648	1,733,535	1,733,535
2032	3,742,255	3,742,655	1,095,726	1,095,726
2033	3,366,353	3,374,190	1,095,725	1,095,725
2034	7,252,395	-	1,606,316	-
	50,754,317	43,516,512	29,438,900	27,832,584

16. Trade and Other Payables

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Trade and bill payables	(a)	1,550,975	1,829,087	26,810	42,683
Trade accruals		3,994,501	3,921,899	78,220	53,398
		5,545,476	5,750,986	105,030	96,081
Other payables	(b)	894,942	980,493	37,324	32,380
Accruals		1,906,057	1,653,545	591,117	174,907
Contract liabilities	(c)	-	587,803	-	-
Deposits received		771,594	855,175	357,521	361,600
		3,572,593	4,077,016	985,962	568,887
Amount due to subsidiaries	(d)	-	-	127,582	609,565
		9,118,069	9,828,002	1,218,574	1,274,533

(a) Trade and bill payables

The normal trade credit term granted to the Group and to the Company range from 14 to 90 days (2023: 14 to 90 days) and 14 to 60 days (2023: 14 to 60 days) respectively, depending on the terms of the contracts.

(b) Other payables

Included in the Group's other payables are provision for liquidated ascertained damages amounting to RM98,298 (2023: RM145,531) in respect of property development projects undertaken by the Group. The provision is recognised for expected liquidated damages claims based on the terms of the applicable sale and purchase agreements.

16. Trade and Other Payables (cont'd)

(b) Other payables (cont'd)

The movements of the provision for liquidated ascertained damages of the Group are as follows:

	Group	
	2024 RM	2023 RM
At beginning of financial year/period	145,531	210,044
Addition	63,622	-
Amount write-back	(14,978)	-
Payment made	(95,877)	(64,513)
At end of financial year/period	98,298	145,531

(c) Contract liabilities

	Group	
	2024 RM	2023 RM
At beginning of financial year/period	(587,803)	650,590
Property development revenue recognised during the financial year/period	4,950,887	11,113,865
Less: Billings during the financial year/period	(4,363,084)	(12,352,258)
At end of financial year/period	-	(587,803)

The contract liabilities balances represent the timing differences in revenue recognition and milestone billings. The milestone billings for property development contract are governed by the relevant regulations.

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 30 to 60 days.

Contract value yet to be recognised as revenue

The revenue of the Group expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date is RMNil (2023: RM3,963,721). The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 to 24 months.

(d) Amount due to subsidiaries

This represents unsecured, non-interest bearing and repayable on demand.

17. Revenue

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Revenue from contracts with customers				
Sale of development properties	4,950,887	14,120,185	-	-
Car park income	6,114,978	8,632,518	-	-
Sale of goods	21,905,375	42,251,654	-	-
Management fee	-	-	1,257,600	1,886,400
	32,971,240	65,004,357	1,257,600	1,886,400
Revenue from other sources				
Dividend income from subsidiaries	-	-	1,000,000	642,250
Rental income from investment properties	1,477,121	2,048,883	1,815,925	2,565,723
	1,477,121	2,048,883	2,815,925	3,207,973
	34,448,361	67,053,240	4,073,525	5,094,373
Timing of revenue recognition				
At a point in time	28,020,353	53,890,492	1,257,600	1,886,400
Over time	4,950,887	11,113,865	-	-
Total revenue from contracts with customers	32,971,240	65,004,357	1,257,600	1,886,400

Disaggregation of the Group's revenue from contracts with customers:

Group	Property development RM	Property & investment holding RM	Manufacturing and trading RM	Total RM
1.7.2023 to 30.6.2024				
Revenue from contracts with customers				
Sale of development properties	4,950,887	-	-	4,950,887
Car park income	-	6,114,978	-	6,114,978
Sale of goods	-	-	21,905,375	21,905,375
	4,950,887	6,114,978	21,905,375	32,971,240
Timing of revenue recognition				
At a point in time	-	6,114,978	21,905,375	28,020,353
Over time	4,950,887	-	-	4,950,887
Total revenue from contracts with customers	4,950,887	6,114,978	21,905,375	32,971,240
Geographical market				
Malaysia	4,950,887	6,114,978	21,905,375	32,971,240

17. Revenue (cont'd)

Disaggregation of the Group's revenue from contracts with customers: (cont'd)

Group	Property development RM	Property & investment holding RM	Manufacturing and trading RM	Total RM
1.1.2022 to 30.6.2023				
Revenue from contracts with customers				
Sale of development properties	14,120,185	-	-	14,120,185
Car park income	-	8,632,518	-	8,632,518
Sale of goods	-	-	42,251,654	42,251,654
	14,120,185	8,632,518	42,251,654	65,004,357
Timing of revenue recognition				
At a point in time	3,006,320	8,632,518	42,251,654	53,890,492
Over time	11,113,865	-	-	11,113,865
Total revenue from contracts with customers	14,120,185	8,632,518	42,251,654	65,004,357
Geographical market				
Malaysia	14,120,185	8,632,518	42,251,654	65,004,357

18. Finance Costs

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Interest expenses on:				
Term loans	631,973	1,146,235	258,060	514,858
Bankers' acceptance	-	61,047	-	-
Bank overdrafts	60,563	96,455	48,990	71,022
Revolving credit	200,080	252,856	127,918	252,856
Lease liabilities	17,027	24,083	-	-
Trust receipt	44,716	9,450	-	-
Others	4,944	18,265	365	457
	959,303	1,608,391	435,333	839,193

19. Loss before Tax

Loss before tax is arrived at after charging/(crediting):

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Auditors' remuneration				
- Statutory audit	147,000	179,500	80,000	95,000
- Non-statutory audit	5,500	5,500	5,000	5,000
Bad debt written off	-	3,332	-	3,332
Depreciation of:				
- Property, plant and equipment	1,370,650	2,609,005	209,002	319,628
- Right-of-use assets	662,807	921,270	-	-
Inventories written down to net realisable value	349,096	441,421	-	-
Inventories written off	252,642	755,023	-	-
Lease expenses relating to short-term leases	12,200	21,700	-	-
(Gain)/Loss on fair value of:				
- Financial assets	(9,576)	4,245	-	-
- Investment properties	(6,385,761)	102,326	(2,990,918)	-
Net loss/(gain) on foreign exchange				
- Realised	1,519	(14,253)	-	-
- Unrealised	-	3,275	-	-
Net impairment losses recognised on:				
- Amount due from subsidiaries	-	-	1,436,530	1,846,805
- Investment in subsidiaries	-	-	-	20,000,000
- Receivables	29,832	46,054	-	50,000
Non-executive Directors' remuneration				
- Fees	33,000	549,419	29,000	477,419
- Others	354,625	-	354,625	-
Property, plant and equipment written off	787	192,159	530	64
Deposit forfeited income	(5,869)	(10,177)	-	(5,464)
Dividend income	(13,593)	(187,676)	(10,000)	(15,000)
(Gain)/Loss on disposal of:				
- Financial assets	(19,063)	(26,562)	-	-
- Investment property	-	(25,360)	-	(25,360)
- Property, plant and equipment	(1,936)	1,467	-	1,467
Interest income	(161,429)	(563,952)	(8,918)	(398,200)
Rental income	(191,226)	(345,700)	-	-
Liquidated ascertained damages				
- Write-back	(14,978)	-	-	-
- Addition	63,622	-	-	-
Staff costs				
- Fees	3,000	124,000	3,000	4,000
- Wages, salaries and bonus	9,280,755	13,728,788	2,662,281	4,109,827
- Defined contribution plans	828,862	1,375,114	312,697	485,988
- Other employee benefits	452,544	642,566	103,242	138,723

19. Loss before Tax (cont'd)

Included in staff costs of the Group and of the Company is the aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year/period as below:

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Executive Directors of the Company				
- Fees	3,000	4,000	3,000	4,000
- Salaries and bonus	976,806	2,179,000	976,806	2,179,000
- Defined contribution plans	117,097	261,000	117,097	261,000
	1,096,903	2,444,000	1,096,903	2,444,000
Executive Directors of the subsidiaries				
- Fees	-	120,000	-	-
- Salaries and bonus	1,225,473	1,722,092	-	-
- Defined contribution plans	68,183	198,498	-	-
	1,293,656	2,040,590	-	-
	2,390,559	4,484,590	1,096,903	2,444,000

20. Taxation

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Tax expenses recognised in profit or loss:				
Malaysian income tax:				
- Current tax provision	29,518	371,660	-	-
- (Over)/Under provision in prior period/year	(2,755)	67,554	-	-
	26,763	439,214	-	-
Deferred tax (Note 15):				
- Relating to origination and reversal of temporary differences	1,288,069	285,266	309,100	-
- (Over)/Under provision in prior period/year	(106,810)	(1,105)	10,600	-
	1,181,259	284,161	319,700	-
	1,208,022	723,375	319,700	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year/period.

20. Taxation (cont'd)

A reconciliation of income tax expenses applicable to loss before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Loss before tax	(2,944,101)	(8,669,838)	(783,798)	(25,568,265)
At Malaysian statutory tax rate of 24% (2023: 24%)	(706,584)	(2,080,761)	(188,112)	(6,136,384)
Income not subject to tax	(730,564)	(323,626)	(664,493)	(187,131)
Expenses not deductible for tax purposes	762,112	918,027	748,574	5,722,577
Expenses allowed for double tax deduction	(48,000)	-	-	-
Deferred tax assets not recognised	2,044,125	2,143,286	413,131	600,938
Utilisation of brought forward tax losses	(3,502)	-	-	-
(Over)/Under provision of income tax in prior period/year	(2,755)	67,554	-	-
(Over)/Under provision of deferred tax in prior period/year	(106,810)	(1,105)	10,600	-
Tax expenses for the financial year/period	1,208,022	723,375	319,700	-

The Group and the Company have the following estimated unutilised capital allowances, unutilised reinvestment allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised capital allowances	57,370,246	52,318,506	1,578,498	1,562,714
Unutilised reinvestment allowances	3,997,900	3,997,900	-	-
Unused tax losses	50,754,317	43,516,512	29,438,900	27,832,584
	112,122,463	99,832,918	31,017,398	29,395,298

21. Loss per Share

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year/period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year/period as follows:

	Group	
	1.7.2023 to 30.6.2024	1.1.2022 to 30.6.2023
Loss for the financial year/period attributable to owners of the parent (RM)	(4,152,123)	(9,393,213)
Weighted average number of ordinary shares in issue (Unit)	209,940,112	209,940,112
Basic loss per share (sen)	(1.98)	(4.47)

(b) Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year/period and before the authorisation of these financial statements.

22. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, both cash and non-cash changes:

	Term loans [Note 14(a)] RM	Bankers' acceptance [Note 14(a)] RM	Revolving credit [Note 14(a)] RM	Trust receipt [Note 14(a)] RM	Lease liabilities [Note 14(b)] RM	Amount due to subsidiaries [Note 16(d)] RM	Total RM
Group							
At 1 July 2023	10,989,671	-	3,000,000	-	341,659	-	14,331,330
Financing cash flows*	(4,066,494)	-	2,200,000	775,614	(167,863)	-	(1,258,743)
New lease [Note 5(c)]	-	-	-	-	309,362	-	309,362
At 30 June 2024	6,923,177	-	5,200,000	775,614	483,158	-	13,381,949
At 1 January 2022	9,646,720	5,401,050	3,700,000	904,789	271,506	-	19,924,065
Financing cash flows*	1,342,951	(5,401,050)	(700,000)	(904,789)	(175,867)	-	(5,838,755)
New lease [Note 5(c)]	-	-	-	-	246,020	-	246,020
At 30 June 2023	10,989,671	-	3,000,000	-	341,659	-	14,331,330
Company							
At 1 July 2023	5,516,300	-	3,000,000	-	-	609,565	9,125,865
Financing cash flows*	(2,185,200)	-	(1,000,000)	-	-	(481,983)	(3,667,183)
At 30 June 2024	3,331,100	-	2,000,000	-	-	127,582	5,458,682
At 1 January 2022	8,690,100	-	3,700,000	-	-	1,057,018	13,447,118
Financing cash flows*	(3,173,800)	-	(700,000)	-	-	(447,453)	(4,321,253)
At 30 June 2023	5,516,300	-	3,000,000	-	-	609,565	9,125,865

* The financing cash flows from term loans, bankers' acceptance, revolving credit and trust receipt make up the net amount of proceeds from/repayments of borrowings, payment of lease liabilities and net amount of advances from/repayment to subsidiaries in the statements of cash flows.

23. Segment Information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different expertise and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following describes the operations in each of the Group's reportable segments:

Property development	Develop and sale of residential and commercial properties
Property & investment holding	Investment in properties, carpark operation and holding company
Manufacturing and trading	Manufacture of assorted wires and trading

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial period.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

Segment assets

Segments assets measured based on all assets of a segment, are included in the internal managements reports that are reviewed by the Group's Chief Executive Officer for the measurement of the return of assets and financial position of each segment.

Segment liabilities

Segments liabilities measured based on all liabilities of a segment, are included in the internal managements reports that are reviewed by the Group's Chief Executive Officer for the measurement of the return of financial position of each segment.

Geographical information

No geographical segment is prepared as the Group operates only in Malaysia.

23. Segment Information (cont'd)

	Property development RM	Property & investment holding RM	Manufacturing and trading RM	Elimination RM	Total RM
1.7.2023 to 30.6.2024					
Revenue					
External revenue	4,950,887	7,592,099	21,905,375	-	34,448,361
Inter-segment revenue	-	2,596,404	-	(2,596,404)	-
	4,950,887	10,188,503	21,905,375	(2,596,404)	34,448,361
Results					
(Loss)/Profit from operations	(2,268,657)	4,470,936	(2,315,050)	-	(112,771)
Interest income	122,534	10,622	28,273	-	161,429
Finance costs	(3,688)	(518,653)	(436,962)	-	(959,303)
Depreciation and amortisation	(14,232)	(436,774)	(1,582,450)	-	(2,033,456)
(Loss)/Profit before tax	(2,164,043)	3,526,131	(4,306,189)	-	(2,944,101)
Taxation	14,849	(1,236,263)	13,392	-	(1,208,022)
(Loss)/Profit attributable to owners of the Parent	(2,149,194)	2,289,868	(4,292,797)	-	(4,152,123)
Assets and liabilities					
Segment assets	24,368,817	114,133,958	17,190,997	-	155,693,772
Segment liabilities	6,091,854	13,093,435	6,130,822	-	25,316,111
Capital expenditure*	1,500	30,148	554,919	-	586,567
Other material non-cash items					
Inventories written down to net realisable value	-	-	349,096	-	349,096
Inventories written off	-	-	252,642	-	252,642
Net impairment recognised on receivables	-	-	29,832	-	29,832
Provision of liquidated ascertained damages	63,622	-	-	-	63,622
Gain on fair value of investment properties	(411,843)	(5,973,918)	-	-	(6,385,761)
Write-back of liquidated ascertained damages	(14,978)	-	-	-	(14,978)

23. Segment Information (cont'd)

	Property development RM	Property & investment holding RM	Manufacturing and trading RM	Elimination RM	Total RM
1.1.2022 to 30.6.2023					
Revenue					
External revenue	14,120,185	10,681,401	42,251,654	-	67,053,240
Inter-segment revenue	-	3,045,490	-	(3,045,490)	-
	14,120,185	13,726,891	42,251,654	(3,045,490)	67,053,240
Results					
Loss from operations	(1,338,937)	(2,166,389)	(589,798)	-	(4,095,124)
Interest income	111,228	398,712	54,012	-	563,952
Finance costs	(7,577)	(842,795)	(758,019)	-	(1,608,391)
Depreciation and amortisation	(33,310)	(790,256)	(2,706,709)	-	(3,530,275)
Loss before tax	(1,268,596)	(3,400,728)	(4,000,514)	-	(8,669,838)
Taxation	(464,328)	(278,079)	19,032	-	(723,375)
Loss attributable to owners of the Parent	(1,732,924)	(3,678,807)	(3,981,482)	-	(9,393,213)
Assets and liabilities					
Segment assets	25,270,071	112,041,939	22,765,271	-	160,077,281
Segment liabilities	6,780,063	12,238,671	7,412,299	-	26,431,033
Capital expenditure*	1,120	281,036	1,721,820	-	2,003,976
Other material non-cash items					
Inventories written down to net realisable value	-	-	441,421	-	441,421
Inventories written off	-	-	755,023	-	755,023
Property, plant and equipment written off	14	135	192,010	-	192,159
Net impairment recognised/ (reversed) on receivables	-	50,000	(3,946)	-	46,054
Loss on fair value of investment properties	-	102,326	-	-	102,326

* Capital expenditure consist of addition of property, plant and equipment and right-of-use assets.

24. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

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

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Group		
Transactions with a substantial shareholder of the Company		
- Rental income received/receivable	1,149,039	1,553,420
- Lease expense paid/payable	18,600	1,550
- Rental expense paid/payable	-	1,300
- Advisory fee paid/payable	120,000	180,000
- Management fee paid/payable	1,425,663	1,879,310
Company		
Transactions with subsidiaries		
- Dividend income received/receivable	1,000,000	642,250
- Rental income received/receivable	338,804	516,840
- Management fee received/receivable	1,257,600	1,886,400
Transaction with a substantial shareholder of the Company		
- Rental income received/receivable	1,149,039	1,553,420

24. Related Party Disclosures (cont'd)

(c) Compensation of key management personnel

Remuneration of Directors are as follows:

	Group		Company	
	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM	1.7.2023 to 30.6.2024 RM	1.1.2022 to 30.6.2023 RM
Fees	36,000	673,419	32,000	481,419
Salaries and bonus	2,202,279	3,901,092	976,806	2,179,000
Defined contribution plans	185,280	459,498	117,097	261,000
Others	354,625	-	354,625	-
	2,778,184	5,034,009	1,480,528	2,921,419

Compensation of key management personnel comprised all the Directors of the Group and of the Company.

25. Financial Guarantees

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unsecured				
Bankers' guarantee given to third parties	2,682	512,482	-	25,000
Corporate guarantee for banking facilities granted to subsidiaries	-	-	7,052,994	5,773,371
Secured				
Bankers' guarantee given to third parties	757,045	313,871	25,000	-
	759,727	826,353	7,077,994	5,798,371

The Group and the Company provide financial guarantees to banks for banking facilities and supply of goods and services granted to certain subsidiaries and monitors on an on-going basis of their financial performance.

Financial guarantees have not been recognised since the fair value on initial recognition was deemed not material.

26. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Financial assets at FVTOCI RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024					
Financial Assets					
Other investments	16,763,957	132,246	-	-	16,896,203
Trade and other receivables	-	-	7,000,780	-	7,000,780
Deposits, bank and cash balances	-	-	8,097,194	-	8,097,194
	16,763,957	132,246	15,097,974	-	31,994,177
Financial Liabilities					
Trade and other payables	-	-	-	9,118,069	9,118,069
Loans and borrowings	-	-	-	13,381,949	13,381,949
	-	-	-	22,500,018	22,500,018
2023					
Financial Assets					
Other investments	19,977,637	3,586,384	-	-	23,564,021
Trade and other receivables	-	-	5,591,298	-	5,591,298
Deposits, bank and cash balances	-	-	12,414,762	-	12,414,762
	19,977,637	3,586,384	18,006,060	-	41,570,081
Financial Liabilities					
Trade and other payables	-	-	-	9,240,199	9,240,199
Loans and borrowings	-	-	-	14,983,726	14,983,726
	-	-	-	24,223,925	24,223,925

26. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

Company	Financial assets at FVTOCI RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024					
Financial Assets					
Other investments	16,763,957	21,290,000	-	-	38,053,957
Trade and other receivables	-	-	783,586	-	783,586
Deposits, bank and cash balances	-	-	586,970	-	586,970
	16,763,957	21,290,000	1,370,556	-	39,424,513
Financial Liabilities					
Trade and other payables	-	-	-	1,218,574	1,218,574
Loans and borrowings	-	-	-	5,331,100	5,331,100
	-	-	-	6,549,674	6,549,674
2023					
Financial Assets					
Other investments	19,977,637	25,690,000	-	-	45,667,637
Trade and other receivables	-	-	99,607	-	99,607
Deposits, bank and cash balances	-	-	286,455	-	286,455
	19,977,637	25,690,000	386,062	-	46,053,699
Financial Liabilities					
Trade and other payables	-	-	-	1,274,533	1,274,533
Loans and borrowings	-	-	-	9,168,696	9,168,696
	-	-	-	10,443,229	10,443,229

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables and deposits with banks. The Company's exposure to credit risk arises principally from amount due from subsidiaries, deposits with banks and financial guarantees given to licensed banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior period.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

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

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk.

Credit risk concentration profile

At 30 June 2024, the Group had approximately 10 (2023: 13) customers that owed to the Group more than RM100,000 each and accounted for approximately 62% (2023: 59%) of the Group's trade receivables.

The Company has no other significant concentration of credit risk except for amount due from subsidiaries where risks of default have been assessed to be low.

Financial guarantees

The Company provides unsecured financial guarantees to licensed banks for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The Company's maximum exposure to credit risk is RM7,052,994 (2023: RM5,773,371), representing the outstanding credit facilities of the subsidiaries at the end of the reporting period. There was no indication that any subsidiary would default on repayment at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2024						
Non-derivative financial liabilities						
Trade and other payables	9,118,069	-	-	-	9,118,069	9,118,069
Loans and borrowings	7,065,858	2,977,871	4,043,224	-	14,086,953	13,381,949
Financial guarantees*	759,727	-	-	-	759,727	-
	16,943,654	2,977,871	4,043,224	-	23,964,749	22,500,018
2023						
Non-derivative financial liabilities						
Trade and other payables	9,240,199	-	-	-	9,240,199	9,240,199
Loans and borrowings	7,571,022	3,684,762	4,484,110	982,837	16,722,731	14,983,726
Financial guarantees*	826,353	-	-	-	826,353	-
	17,637,574	3,684,762	4,484,110	982,837	26,789,283	24,223,925

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (cont'd)

Company	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2024					
Non-derivative financial liabilities					
Trade and other payables	1,218,574	-	-	1,218,574	1,218,574
Loans and borrowings	4,319,631	975,935	203,129	5,498,695	5,331,100
Financial guarantees*	7,077,994	-	-	7,077,994	-
	12,616,199	975,935	203,129	13,795,263	6,549,674
2023					
Non-derivative financial liabilities					
Trade and other payables	1,274,533	-	-	1,274,533	1,274,533
Loans and borrowings	6,087,812	2,314,040	1,177,684	9,579,536	9,168,696
Financial guarantees*	5,798,371	-	-	5,798,371	-
	13,160,716	2,314,040	1,177,684	16,652,440	10,443,229

* *Based on the maximum amount that can be called for under the financial guarantee contracts.*

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the United States Dollar (USD) and Singapore Dollar (SGD).

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the management.

The carrying amounts and the exposure profiles of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Group's functional currency	The Group's currency exposure profile USD	SGD	Total
2024			
Monetary assets			
Trade receivables			
RM	-	174,350	174,350
Deposits, bank and cash balances			
RM	1,236	-	1,236
Total	1,236	174,350	175,586
2023			
Monetary assets			
Trade receivables			
RM	-	137,741	137,741
Deposits, bank and cash balances			
RM	999	-	999
Total	999	137,741	138,740
Monetary liability			
Other payables			
RM	486,867	-	486,867

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would (increase)/decrease the loss before tax and increase/(decrease) equity by the amount shown below. This analysis assumes that all other variables remain unchanged.

Group	(Increase)/Decrease in loss before tax		Increase/(Decrease) in equity	
	USD	SGD	USD	SGD
Functional currency				
1.7.2023 to 30.6.2024				
RM	124	17,435	124	17,435
1.1.2022 to 30.6.2023				
RM	(48,587)	13,774	(48,587)	13,774

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

26. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

Interest rate risk (cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate intruments				
Financial assets	700,445	1,701,395	283,937	276,203
Financial liabilities	(483,158)	(341,659)	-	-
Floating rate instrument				
Financial liabilities	(12,898,791)	(14,642,067)	(5,331,100)	(9,168,696)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (increased)/decreased the Group's and the Company's loss before tax and (decrease)/increase the Group's and the Company's equity by RM129,000 and RM53,000 (1.1.2022 to 30.6.2023: RM146,000 and RM92,000) respectively, arising mainly as a results of higher/lower interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Equity price risk

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

The Group is exposed to equity price risk arising from its investment in quoted instruments. These quoted instruments are listed on Bursa Malaysia Securities Berhad and are classified as financial assets at FVTOCI and financial assets at FVTPL.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group.

At the end of the reporting period, if the FTSE Bursa Malaysia Securities Berhad KLCI had been 5% higher/lower, with all other variables held constant, the Group's and the Company's reserve would have been RM62,000 (2023: RM222,000) higher/lower, as a result of an increase/decrease in the fair value of these investments.

The Group is also exposed to commodity price risk arising from transaction on the world commodity markets of iron ore and iron scrap. The raw materials of the Group's product are mainly derived from iron ore and iron scrap.

At the end of reporting period, if the commodity price of iron ore and iron scrap had been 5% higher/lower, with all other variable held constant, the Group's loss net of tax would have been RM13,000 (1.1.2022 to 30.6.2023: RM41,000) higher/lower, as a result of an increase/decrease in the cost of sales.

26. Financial Instruments (cont'd)

(c) Fair value of financial assets and financial liabilities

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial year and previous financial period.

Methodologies of fair values

The methodologies used in arriving at the fair value of the financial assets and financial liabilities of the Group and of the Company are as follows:

- Receivables and payables, cash and cash equivalents and short-term loans and borrowings

  The carrying amounts are considered to approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

- Other financial assets

  Marketable securities quoted in an active market are carried at market value. Securities that are not quoted in an active market, for which there is no observable market data and fair value cannot be reliably measured, are carried at acquisition cost.

Categories of financial instruments that are carried at fair value

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statements of financial position.

	Fair value of financial instrument carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
Group	RM	RM	RM	RM
Financial assets				
2024				
Other investments				
- Quoted shares	1,233,760	-	-	1,233,760
- Quoted unit trusts	132,246	-	-	132,246
	1,366,006	-	-	1,366,006
2023				
Other investments				
- Quoted shares	4,447,440	-	-	4,447,440
- Quoted unit trusts	3,586,384	-	-	3,586,384
	8,033,824	-	-	8,033,824

26. Financial Instruments (cont'd)

(c) Fair value of financial assets and financial liabilities (cont'd)

<u>Categories of financial instruments that are carried at fair value</u> **(cont'd)**

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair value and carrying amount shown in the statements of financial position. (cont'd)

Company	Fair value of financial instrument carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
Financial assets				
2024				
Other investments				
- Quoted shares	1,233,760	-	-	1,233,760
	1,233,760	-	-	1,233,760
2023				
Other investments				
- Quoted shares	4,447,440	-	-	4,447,440
	4,447,440	-	-	4,447,440

The fair value above has been determined using the following basis:

- the fair value of quoted shares and quoted unit trusts were determined by reference to the market price in an active market and/or provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year/period.

27. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The Group's and the Company's gearing ratio are measured using total external borrowings over shareholders' equity.

27. Capital Management (cont'd)

The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Term loans	6,923,177	10,989,671	3,331,100	5,516,300
Revolving credit	5,200,000	3,000,000	2,000,000	3,000,000
Trust receipt	775,614	-	-	-
Lease liabilities	483,158	341,659	-	-
	13,381,949	14,331,330	5,331,100	8,516,300
Less: Cash and cash equivalents	(7,541,891)	(10,203,008)	(300,083)	645,104
Net debts	5,840,058	4,128,322	5,031,017	9,161,404
Total equity	130,377,661	133,646,248	107,206,065	107,426,027
Gearing ratio (times)	0.04	0.03	0.05	0.09

There were no changes in the Group's approach to capital management during the financial year/period.

28. Material Litigation During the Financial Year and After the End of the Reporting Period

There were no material events subsequent to the current financial year ended 30 June 2024 up to the date of this report other than as announced by the Company in relation to:

A. (1) a notice of intention dated 18 April 2023 received from Honsin Apparel Sdn. Bhd. ("Honsin") and HiQ Media (Malaysia) Sdn. Bhd. ("HiQ Media") to move resolutions requiring special notice pursuant to Sections 206(3) and 322 of the Companies Act 2016; (2) a request for record of depositors dated 26 April 2023 and 17 May 2023; and (3) the Originating Summons No. WA-24NCC-269-05/2023;
B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023;
C. Writ No. WA-22NCC-879-12/2023;
D. Kuala Lumpur High Court Application No. WA-25-103-03/2024;
E. Originating Summon No: JA-24NCC-12-03/2024;
F. Writ No. JA-22NCVC-28-03/2024;
G. Writ No. JA-22NCC-48-07/2024; and
H. Originating Summons No: WA-24NCC-302-07/2024.

A. <u>Originating Summons No. WA-24NCC-269-05/2023 ("OS")</u>

During the case management held on 18 May 2023, the legal counsel for the Company, Messrs Gideon Tan Razali Zaini informed the Court that the 3rd to 7th defendants named in the OS (which are all the Directors of the Company) should not be named as parties to the OS and as such, the 3rd to 7th defendants reserve their rights and will apply to strike out the claim against them. Upon hearing the submissions from both parties, the Court gave the following directions:

(a) the defendants to file affidavit in reply to OS by 30 May 2023;
(b) the parties to file any interlocutory applications by 30 May 2023;
(c) the parties to file and exchange written submissions for the OS by 20 June 2023; and
(d) the hearing for the OS is fixed on 17 August 2023.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

A. Originating Summons No. WA-24NCC-269-05/2023 ("OS") (cont'd)

The Company had on 30 May 2023 filed a striking out application to the OS filed against the 3rd to 7th defendants, however, such application was dismissed by the Court on 17 August 2023. The Court had also in the same hearing allowed Honsin and HiQ Media (collectively, "Plaintiffs") to amend the OS. As at 17 August 2023, the Court has yet to make any finding of facts in relation to the OS and the main hearing to determine the rights of the Plaintiffs to the record of depositors of the Company has been fixed on 11 September 2023.

The Court had during the hearing on 11 September 2023 reserved its decision and stated that its decision will only be delivered on 2 October 2023.

The Court in its decision which was given on 2 October 2023, allowed the Plaintiffs' Amended Originating Summons (Enclosure 39), and ordered the following:

(i) a declaration that the Plaintiffs are entitled to the Record of Depositors of the Company ("ROD") as at 26 April 2023 and the ROD as at 17 May 2023 for the purposes of convening the proposed Extraordinary General Meeting ("EGM");
(ii) an EGM of the Company may be convened pursuant to Section 314 of the Companies Act 2016 ("the Court Convened Meeting") within 50 days from the date of such order for the purpose of considering and if thought fit passing the resolutions set forth in the Plaintiff's notice dated 18 April 2023;
(iii) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at the next market day after the date of such order, within 3 market days immediately thereafter, in hardcopy only as furnished by Bursa Malaysia Depository Sdn. Bhd. ("BMDSB");
(iv) the notice of the Court Convened Meeting may be issued by the Plaintiffs within 3 working days from the receipt of the ROD as required under (iii) above;
(v) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at a date not less than 3 market days before the Court Convened Meeting or any adjournment thereof at a time not less than 48 hours before the Court Convened Meeting or any adjournment in hardcopy only as furnished by BMDSB.

The Court also ordered that RM30,000 to be paid by the Company to the Plaintiffs as costs.

The legal counsel for the defendants have orally applied to Court for a stay of the order and the Court has granted an interim stay of the order until 16 October 2023 and the Court has fixed for the hearing of the stay of the order on 16 October 2023.

No orders were made by the Court against the Directors of the Company.

On 17 October 2023, the Court dismissed the Company's appeal for the stay of execution and ordered the Company to pay RM5,000 as costs to be awarded to the Plaintiffs.

The Company had on 17 October 2023 filed a notice of motion to the Court of Appeal applying for a stay of execution of the order dated 2 October 2023 given by the High Court in relation to the OS.

The Company had on 30 October 2023 received from the Plaintiffs a notice of appeal filed with the Court of Appeal, to appeal on part of the High Court order given in relation to the OS where certain prayers of the Plaintiffs have been dismissed by the High Court.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023

Upon hearing the submission from the parties on 27 October 2023, the Court of Appeal granted the Company a stay of execution of such High Court order dated 2 October 2023 pending a full appeal to be heard with Civil Appeal No. W-02 (NCC)(A)-1617-10/2023. The case management was fixed on 2 January 2024.

During the case management held on 2 January 2024, since the High Court has yet to provide its grounds of decision, the Court of Appeal has fixed another date on 6 March 2024 for parties to update on the status of filing of the court papers.

The Court of Appeal has fixed another further case management date on 5 June 2024 for parties to update the Court, particularly on the High Court Judge's ground of decision.

During the case management held on 5 June 2024, the Court of Appeal has fixed a further case management on 5 November 2024 to enable parties to update on the status of filing supplementary records of appeal as the High Court Judge in Originating Summons No. WA-24NCC-269-05/2023 has yet to provide his grounds of judgment.

C. Writ No. WA-22NCC-879-12/2023

On 5 December 2023, the Company received from the solicitors of the Plaintiffs another Writ (Writ No. WA-22NCC-879-12/2023) and Statement of Claim filed with the High Court of Malaya in Kuala Lumpur.

The Plaintiffs have sought amongst others the following declarations:

(a) That the rights of the Plaintiffs have been violated and that amongst others the directors of the Company have failed to exercise their powers for the proper purpose and in good faith in requesting an extension of time to hold the 52nd Annual General Meeting of the Company ("52nd AGM");
(b) That the application for an extension of time to hold the 52nd AGM was done with a common intention between the defendants to further strengthen their control over the board of directors of the Company;
(c) That the extension of time given to the Company to hold the 52nd AGM is invalid, null and void and has no effect.

The Board of the Company however was of the view that the above suit was frivolous and vexatious as the allegations made against the defendants contain errors of facts and there was no cause of action as the issue of holding the 52nd AGM was a management prerogative. As such, the Board of the Company had given instruction to the Company's legal counsel to apply for striking out of the above suit.

The hearing of the striking out application was adjourned to 23 May 2024. The Company's legal counsel had applied for striking out at the hearing on 23 May 2024 and no decision was made on even date as the judge reserved his decision to be delivered on 13 June 2024.

The Company had on 23 December 2023 filed for a striking out application of the following suit seeking the following orders:

(i) That the Plaintiffs' Writ and Statement of Claim against 2nd to 6th and 14th Defendants be struck out;
(ii) Any orders as to costs against Plaintiffs be on a solicitor-client indemnity basis;
(iii) In the event that prayers (i) and/or (ii) above were allowed, such further order that the Plaintiffs' Writ and Statement of Claim filed against the Companies Commission of Malaysia which was named as the 16th Defendant be struck out; and/or
(iv) Such further and/or other reliefs deemed fit and appropriate by the Court.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

C. Writ No. WA-22NCC-879-12/2023 (cont'd)

Before the hearing for striking out application having fixed on 23 May 2024, the Plaintiffs filed an amended Writ and amended Statement of Claim on 10 May 2024.

The Court in its decision which was given on 13 June 2024, ordered the following:

(1) The Plaintiffs' Amended Writ dated 10 May 2024 and Amended Statement of Claim dated 10 May 2024 be struck out;
(2) The Plaintiffs to pay RM15,000 as costs to the Company and its Board of Directors;
(3) The Plaintiffs to pay RM15,000 as costs to Asian Pac Holdings Berhad and its Board of Directors;
(4) The claim against the Companies Commission of Malaysia as the 16th Defendant be struck out.

D. Kuala Lumpur High Court Application No. WA-25-103-03/2024

The Company had on 11 October 2023 written to Securities Commission of Malaysia ("SC") to follow up on the complaint lodged on 23 March 2023 by the Company with SC and the Takeover and Mergers Panel of SC ("Takeover Panel") in respect of a breach of Section 218(2) of the Capital Market Services Act 2007 ("CMSA") and Rule 15 of Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Take-Over Rules") against Honsin and HiQ Media as well as the persons who are acting in concert with them because the Company has cogent evidence that Honsin and HiQ Media and the persons acting in concert with them had failed to make a mandatory general offer to the Company's shareholders pursuant to Section 218(2) of the CMSA, when it is the obligations of Honsin, HiQ Media and the persons acting in concert with them to do so. Further, Rule 15 of the Take-Over Rules also provides that a party required to make a mandatory general offer shall not be appointed to the board of the Company until the offer document is dispatched save and unless consent is granted by the SC. Such complaint was publicly announced via a press release dated 4 April 2023 and published by The Edge Markets. It was also reported by The Edge Markets on 10 April 2023 that the SC has received a complaint from the Company and the SC was looking into the matter. To-date, the SC has not given a written decision of SC and the Takeover Panel on the complaint lodged by the Company.

On 14 March 2024, the Company announced that on 13 March 2024, the Company had filed a judicial review against the Securities Commission Malaysia (SC), seeking for the following orders or reliefs:

(a) A Mandamus order to compel SC to conform with the rules of natural justice in giving due consideration to and conduct of a proper hearing on the Company's complaint dated 23 March 2023 regarding a breach of Section 218(2) of CMSA by Honsin and HiQ Media and other persons or parties acting in concert ("Complaint");
(b) A Mandamus order to compel SC to make a proper and definitive decision on the Complaint in accordance with the proper procedures; and
(c) Upon a proper and definitive decision of the Complaint being made by SC in accordance with proper procedures, such decision be communicated to the Company in writing, setting out the basis and reasons for such a decision; and/or
(d) Further and/or in the alternatives, SC to comply with Section 364 of CMSA should the Company so request.

The leave application has been fixed for hearing on 29 April 2024.

On 30 April 2024, the Company referred to its announcement dated 14 March 2024 pertaining to its judicial review application vide Kuala Lumpur High Court Application No. WA-25-103-03/2024.

The Company announced that the hearing for leave to commence a judicial review against the Securities Commission Malaysia (SC) which was fixed on 29 April 2024 was adjourned as the SC requested to be heard on the ex parte stage.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

D. <u>Kuala Lumpur High Court Application No. WA-25-103-03/2024</u> (cont'd)

The Court directed the SC to file in a submission as to why they should be allowed to be heard on the ex parte stage by 3 May 2024, the Company to file in a reply by 17 May 2024 and for the SC to file in a reply (if any) by 24 May 2024.

The hearing for leave application to commence a judicial review against the SC was heard on 20 June 2024 and the High Court had on 29 July 2024 delivered its decision, refusing the Company's leave application to commence for judicial review against the SC.

The Company had on 19 August 2024 filed a Notice of Appeal with Civil Appeal No. W-01(IM)-545-08/2024. A new case management has been fixed on 18 November 2024. The Company shall file records of appeal enclosing the cause papers which was previously argued at the High Court before the case management on 18 November 2024.

E. <u>Originating Summon No: JA-24NCC-12-03/2024 ("OS")</u>

On 26 March 2024, the Company in its announcement referred to its announcement dated 19 December 2023 on a material litigation wherein Honsin and HiQ Media had sought for amongst others, the following declaration:

(a) That the extension of time given to the Company by the Companies Commission of Malaysia to hold its 52nd AGM is invalid, null and void and has no effect.

Further to the announcement above, the Company announced, on an urgent basis, that the Company has been served on 26 March 2024, with an OS together with a notice of application for an interlocutory injunction by Honsin which has been fixed for hearing on 27 March 2024, on inter alia, the following prayers/orders sought by Honsin:

(b) To adjourn the 52nd AGM which has already been set on 27 March 2024 indefinitely until the disposal of the OS as mentioned above; and

(c) In the alternative, for the 52nd AGM to proceed as usual to deal with the matters as set out therein and on completion of such matters, to adjourn the 52nd AGM indefinitely after that.

On 27 March 2024, the Company announced that the Court hearing which was scheduled on 27 March 2024 at 9am in relation to OS and the notice of application for an interlocutory injunction filed by Honsin to adjourn the 52nd AGM, has been adjourned by the Court and the new hearing date is scheduled on 3 April 2024. As such, no decision with regards to the interlocutory injunction sought by Honsin has been made. The Company encourages all shareholders to attend the 52nd AGM to be held on the same day.

On 1 April 2024, the Company made reference to its earlier announcement dated 26 March 2024, whereby the Company had announced that there is a notice of application for an interlocutory injunction ("NOA"), seeking to adjourn the 52nd AGM which was fixed for hearing at 9am on 27 March 2024, and which the Court has adjourned the hearing to 3 April 2024 per the Company's announcement dated 27 March 2024.

The Company announced that together with the NOA, an OS was also served, seeking the following orders:

(i) the Company to circulate the candidate nomination notice provided by Honsin ("the Plaintiff") on 8 March 2024 to the registered shareholders of the Company in accordance with the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
(ii) the Company to take all necessary steps to propose the resolutions proposed by the Plaintiff in the Plaintiff's letter dated 8 March 2024 at the 52nd AGM scheduled to be held on 27 March 2024 or at any adjournment thereof.

The case management has been fixed on 13 May 2024 at 9am.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

E. <u>Originating Summon No: JA-24NCC-12-03/2024 ("OS")</u> (cont'd)

In any event, during the 52nd AGM which was held on 27 March 2024, the Chairman of the meeting had specifically invited Honsin or any other shareholders to propose any motion on their request for an adjournment of the 52nd AGM. Honsin's corporate representative in the 52nd AGM then proposed to adjourn the 52nd AGM arising out of the OS ("Adjournment").

Thereafter, the Chairman asked Honsin whether they require the vote for the Adjournment to be done by poll, to which Honsin confirmed they require a vote by poll.

This proposed motion was put to vote pursuant to the Constitution of the Company and the shareholders had voted against the Adjournment, which was also announced by the Company on 27 March 2024. As such, the 52nd AGM thereafter concluded and closed on 27 March 2024.

On 1 April 2024, the Company's solicitors has received a letter from the solicitors of Honsin, stating to the Court that they intend to withdraw the NOA.

As such, the Company believes that the matters as set out in both the NOA and the OS as mentioned above are now academic as the 52nd AGM had already concluded and closed on 27 March 2024.

On 3 April 2024, the Company announced that the notice of application for an interlocutory injunction of Honsin to adjourn the 52nd AGM, which was fixed for hearing on 3 April 2024 was withdrawn by Honsin with RM3,000 costs ordered against Honsin to be paid to the Company.

On 5 April 2024, Mr. Mah Sau Cheong filed an intervention application to be added as a party to the OS.

On 19 April 2024, the Company filed a striking out application against the OS on the grounds, inter alia, that it is an exercise of futility on the part of Plaintiffs since the 52nd AGM had been concluded.

During the case management on 13 May 2024, the Court has fixed the next case management to be held on 9 July 2024, to set the hearing date for:

(1) the striking out application filed by the Company against the OS; and
(2) the intervention application by Mr. Mah Sau Cheong.

The Court has further adjourned the hearing to 10 December 2024.

F. <u>Writ No. JA-22NCVC-28-03/2024</u>

The Company announced that the Company has been served on 20 March 2024, with a writ of summons and notice of application for an interim injunction by Mr. Mah Sau Cheong, seeking for an order, amongst others:

(a) to restrain the Company from tabling at its 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company, the resolutions proposed in the notice of the Honsin dated 8 March 2024 and the notice of Chong Fu Shen dated 7 March 2024 until a full and final disposal of the suit;
(b) to restrain Honsin and/or Chong Fu Shen from proposing the resolutions contained in their notices dated 8 March 2024 and 7 March 2024 respectively at the Company's 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company until a full and final disposal of the suit;
(c) to restrain Datuk Au Yee Boon from causing or procuring any other party or persons including Honsin, HiQ Media, Techbase Solutions Berhad (previously known as Prolexus Berhad), YB Ventures Berhad and its subsidiaries and/or personnel from moving any resolutions to remove and/or add directors to the Company until a full and final disposal of the suit;
(d) to restrain Honsin and/or Chong Fu Shen from proposing any resolutions to remove and/or add directors to the Company pending a full and final disposal of the suit.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

F. <u>Writ No. JA-22NCVC-28-03/2024</u> (cont'd)

On 22 April 2024, Chong Fu Shen filed a defense and counterclaim against Writ No. JA-22NCVC-28-03/2024 seeking for reliefs, amongst others:

(i) declaration that notwithstanding any complaints under Section 218(2) of CMSA read together with the Paragraph 15.01 of the Take-Over Rules, Chong Fu Shen had a legal, statutory and/or constitutional right to have his Nomination Notice dated 7 March 2024 properly circulated and considered at the 52nd AGM subject to any ruling or determination by the SC;

(ii) declaration that the Company's Board's failure and/or refusal to circulate Chong Fu Shen's Nomination Notice dated 7 March 2024 premised on Mah Sau Cheong's unsubstantiated and baseless allegations is a breach of duty on their part as well as an interference with Chong Fu Shen's legal, statutory and/or constitutional rights;

(iii) order that the 52nd AGM be reconvened on a date as may be determined by the Court and upon such terms as may be directed by the Court to consider the proposals made by Chong Fu Shen through his nomination notice dated 7 March 2024 with the further direction that any appointment voted for by the shareholders shall take effect from 27 March 2024; and

(iv) that the Board of the Company post the 52nd AGM comprising of the 3rd to 6th Defendants or any one or more of them, whether through themselves or individually or through their agents, employees, nominees or otherwise howsoever shall be restrained and an injunction be granted to restrain them from exercising any power or authority to manage or administer or otherwise intermeddle in the business and affairs of the Company pending the disposal of this action and, if orders are granted under paragraph (c) herein, until the outcome of such reconvened annual general meeting.

On the same day, Chong Fu Shen also filed an application for injunction against the Company, its directors and Mah Sau Cheong to seek the same relief as paragraph (d) above.

On 21 May 2024, the Company and the other directors being the defendants of the counterclaim as aforementioned had filed a striking out application to strike out such counterclaim. A case management was fixed on 28 May 2024. During the case management, the Court had instructed the parties to file their cause papers and a hearing was fixed on 21 August 2024. The hearing is further adjourned to 17 November 2024.

G. <u>Writ No. JA-22NCC-48-07/2024</u>

The Company announced that the Company has been served by Mr. Mah Sau Cheong ("Plaintiff") through his solicitors on 11 July 2024 with a sealed copy of Writ of Summons No: JA-22NCC-48-07/2024 and Statement of Claim. The aforesaid claim relates to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation). The Plaintiff is seeking, inter alia, the following prayers/orders:

(a) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM24,084,036.00 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.500 per share; or alternatively

(b) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM17,019,385.44 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.060 per share; or alternatively

(c) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024) shares; or alternatively

(d) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the losses suffered by the Plaintiff due to the depressed mandatory general offer price in the event that the Defendants other than the Company were ordered to make a mandatory general offer to all the other remaining shareholders of the Company, including the Plaintiff.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

G. <u>Writ No. JA-22NCC-48-07/2024</u> (cont'd)

On the case management which was fixed on 13 August 2024, the Court has given the following directions:

(i) The Company as the 1st Defendant to file its respective Defence by 25 September 2024; and
(ii) Plaintiff to filed Reply to the Company's Defence by 29 November 2024.

The next case management is fixed on 10 December 2024 for parties to update the Court on the status of filing cause papers and the service of cause papers.

The Company announced that the Company had on 27 August 2024 been served by the Plaintiff through his solicitors a sealed notice of application for an interim injunction vide Johor Bahru High Court vide Suit No. JA-22NCC-48-07/2024. The case management was fixed on 28 August 2024 at 9am.

The Plaintiff seeks for, inter alia, the following reliefs:

(1) An order that Honsin Apparel Sdn. Bhd. (2nd Defendant), HiQ Media (Malaysia) Sdn. Bhd. (3rd Defendant), Datuk Au Yee Boon (16th Defendant), Leong Seng Wui (28th Defendant), Velocity Capital Sdn. Bhd. (29th Defendant) and/or Target 1 Sdn. Bhd. (30th Defendant), whether by through themselves, their directors, officers, employees and/or agents are restrained and an injunction is granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover Offer dated 20 August 2024 to acquire shares in the Company until this suit is disposed of or until further order; and
(2) An order that the Company, whether by themselves, their directors, officers, employees and/or agents be restrained and an injunction be granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until this suit is disposed of or until further order.

The interim injunction by the Plaintiff is, inter alia, to maintain the status quo until full hearing or disposal of Suit No. JA-22NCC-48-07/2024 in relation to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation) by the Defendants other than the Company who are acting in concert conspired to manipulate and fix the price of the Company's shares to facilitate an unconditional mandatory take-over offer at RM0.45 per share whereas the offer price should be between RM1.06 to RM1.50 per share.

During the case management on 28 August 2024, the Court Registrar gave the following directions:

(aa) the hearing for the Plaintiff's interim injunction application is fixed on 27 October 2024;
(bb) the Defendants including the Company to file respective affidavits in reply by 17 September 2024;
(cc) the Plaintiff and the Defendants to file respective 1st Written Submissions by 8 October 2024; and
(dd) the Plaintiff and the Defendants to file respective Written Submissions in Reply by 25 October 2024.

The Company announced that on 4 September 2024, the Company's legal counsels had received a notification from the Court that a hearing on an ad interim injunction in relation to Plaintiff's interim injunction application vide Suit 48 which the Company received on 27 August 2024, was scheduled on 5 September 2024 at 12.15pm. The Court had during the hearing on 5 September 2024 dismissed the Plaintiff's ad interim injunction application. Nevertheless, the Company had during the case management on 28 August 2024 and the hearing on 5 September 2024 agreed to prayer (b) as set out in the Plaintiff's Interim Injunction Application. The aforesaid prayer (b) is reproduced as below:

"An order that the Company, whether by themselves, their directors, officers, employees and/or agents be restrained and an injunction be granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until this suit is disposed of or until further order."

Meanwhile, the hearing for the Plaintiff's interim injunction application remains on 27 October 2024.

28. Material Litigation During the Financial Year and After the End of the Reporting Period (cont'd)

G. Writ No. JA-22NCC-48-07/2024 (cont'd)

Due to the conflicting positions above whereby on one hand, the Court has dismissed the Plaintiff's ad interim injunction application while pending the hearing of the Plaintiff's interim injunction application on 27 October 2024 and on another hand, the Company has already agreed to prayer (b) as set out in the Plaintiff's interim injunction application to not take further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024, the Company had since on 8 September 2024 filed an application to the Court for further directions and/or consequential orders arising from the outcome of the hearing on 5 September 2024 and the Court has fixed the case management on 9 October 2024. The Company will not take further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until directions and/or consequential orders are given by the Court.

H. Originating Summons No: WA-24NCC-302-07/2024

The Company announced that the Company had on 3 July 2024 filed for an application pursuant to Order 24 Rule 7A and/or Order 92 Rule 4 of the Rules of Court 2012 seeking amongst others the following orders:

(a) an order that Kenanga Investment Bank Berhad (the "Respondent") being the stockbroker for Target 1 Sdn. Bhd. and/or Velocity Capital Sdn. Bhd. provide the identities of the sellers and/or documents and full information pertaining to the related transactions set out below:

   (i) The transaction by Velocity Capital Sdn. Bhd. and/or Target 1 Sdn. Bhd. in acquisition of 32,582,000 shares in the Company;
   (ii) The transaction by Velocity Capital Sdn. Bhd.'s acquisition of 2,500,000 in the Company's shares via open market by Target 1 Sdn. Bhd. on 5 June 2024; and/or
   (iii) The transaction by Velocity Capital Sdn. Bhd.'s in acquisition of 29,303,800 shares in the Company via Direct Business Transaction by Target 1 Sdn. Bhd. on 5 June 2024,

(collectively being referred as "the said Transactions")

all as set out in the Notice of Interest of a Substantial Shareholder dated 7 June 2024;

(b) an order that the Respondent delivers to the Company or the Company's Solicitors the identities of the sellers and/or documents and full information within seven (7) days of the order herein.
(c) that the Respondent do forthwith set forth and disclose the identities and/or documents sought in prayers 1 and 2 above in the form of Affidavits filed in Court and served on the Applicant's solicitors within seven (7) days from the date of the Order herein;
(d) that the Company is given the liberty to apply for any other documents that are in the possession, custody or control of the Respondent.

The grounds for the above application by the Company is that the Company believes that there is a possible breach of Section 176 of Capital Markets and Services Act 2007.

Further the Company believes the required identities, documents and or full information sought is important to supplement the Company's Securities Commission Complaint which is yet to resolve and such identities, documents and or full information sought will be fresh evidence to the on-going court proceedings involving the Company.

During the case management which was fixed on 17 July 2024 at 9am, the Company announced that the Court has instructed as follows:

(i) Respondent to file an affidavit in reply by 31 July 2024;
(ii) Applicant to file an affidavit in reply by 21 August 2024;
(iii) Parties to file the 1st submission by 12 September 2024;
(iv) Parties to file the reply submission by 27 September 2024; and
(v) Hearing has been fixed on 12 November 2024.

29. Subsequent Event After the End of the Reporting Period

On 20 August 2024, the Board of Directors had received a notice of unconditional mandatory take-over offer ("Notice") from TA Securities Holdings Berhad on behalf of Target 1 Sdn. Bhd. ("Offeror") to acquire all the remaining ordinary shares in South Malaysia Industries Berhad ("SMI Shares") which are not already held by the Offeror and its persons acting in concert for a cash offer price of RM0.45 per Offer Share ("Offer Price"). The Board had announced the receipt of the Notice on 20 August 2024.

On 27 August 2024, the Company had issued the Notice to the shareholders of the Company.

On 26 September 2024, pursuant to paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, Sierac Corporate Advisers Sdn Bhd has been appointed by the Board as the Independent Adviser ("IA") to provide comments, opinions, information and recommendation to the non-interested Directors of the Company and the holders of the Offer Shares in relation to the Unconditional Mandatory Take-Over from TA Securities Holdings Berhad on behalf of Target 1 Sdn Bhd dated 20 August 2024.

30. Comparative Information

(a) The previous reporting period covered a period of 18 months from 1 January 2022 to 30 June 2023. The current reporting period covers a period of 12 months from 1 July 2023 to 30 June 2024. Consequently, the comparative amount for the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and related notes to the financial statements are not comparable.

(b) Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial period ended 30 June 2023.

	As previously stated RM	Reclassification RM	As restated RM
Statements of cash flows			
Company			
Operating Activities			
Changes in working capital:			
Trade and other receivables	1,278,912	1,873,738	3,152,650
Trade and other payables	(891,657)	447,453	(444,204)
Investing Activities			
Net changes in amount due from subsidiaries	-	(1,873,738)	(1,873,738)
Financing Activities			
Net changes in amount due from subsidiaries	-	(447,453)	(447,453)

31. Date of Authorisation for Issue of Financial Statements

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 September 2024.

ANALYSIS OF EQUITY SHAREHOLDINGS

As at 27 September 2024

Issued Share Capital	:	RM244,239,167.00 comprising 209,940,112 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share (on a poll)

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 – 99	385	6.880	16,162	0.007
100 – 1,000	1,868	33.381	1,536,065	0.732
1,001 – 10,000	2,778	49.643	10,941,064	5.212
10,001 – 100,000	505	9.024	14,081,322	6.707
100,001 to less than 5% of issued shares	57	1.018	64,040,949	30.504
5% and above of issued shares	3	0.054	119,324,550	56.838
Total	**5,596**	**100.000**	**209,940,112**	**100.000**

SUBSTANTIAL SHAREHOLDERS
AS PER REGISTER OF SUBSTANTIAL SHAREHOLDER

	No. of Shares Held			
	Direct	%	Indirect	%
Target 1 Sdn Bhd	64,385,800	30.67	-	-
Honsin Apparel Sdn Bhd	35,390,000	16.86	-	-
BH Builders Sdn Bhd	19,548,750	9.311	-	-
Mah Sau Cheong	16,056,024	7.648	-	-
Asian Pac Holdings Berhad	4,730,900	2.253	19,548,750[1]	9.311

Note:
1. Deemed interest by virtue of its major shareholding in BH Builders Sdn Bhd.

DIRECTORS' INTEREST

	No. of Shares Held			
	Direct	%	Indirect	%
Dato' Dr Abdullah Bin Sepien	-	-	-	-
Dato' Zainuddin Bin Yahya	-	-	-	-
Latifah Binti Abdul Latiff	-	-	-	-
Dato' Sri Mohd Mokhtar Bin Mohd Shariff	-	-	-	-

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS

No.	Name	No. of Shares Held	% of Issued Capital
1.	VELOCITY CAPITAL SDN BHD Pledged Securities Account For Target 1 Sdn Bhd	64,385,800	30.67
2.	HONSIN APPAREL SDN BHD	35,390,000	16.86
3.	BH BUILDERS SDN BHD	19,548,750	9.31
4.	MAH SAU CHEONG	10,055,974	4.79
5.	CONTINENTAL PREMIUM SDN BHD	10,010,000	4.77
6.	PUNCAK DARUL NAIM SDN BHD	7,186,900	3.42
7.	HIQ MEDIA (MALAYSIA) SDN BHD	5,303,000	2.53
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Mah Sau Cheong	5,000,000	2.38
9.	ASIAN PAC HOLDINGS BERHAD	4,730,900	2.25
10.	SEBERANG DISTRIBUTORS SDN BHD	2,928,716	1.40
11.	BANK PERTANIAN MALAYSIA BERHAD	2,045,775	0.97
12.	LEOW THANG FONG	1,791,250	0.85
13.	SERAYA KOTA SDN BHD	1,518,200	0.72
14.	BANDAR SRI TUJUH SDN BHD	1,041,000	0.50
15.	GONG CHIOK SIN	1,033,000	0.49
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Mah Sau Cheong	1,000,000	0.48
17.	CHIN KIAM HSUNG	742,833	0.35
18.	ONG HSIEH YIN	670,000	0.32
19.	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	630,000	0.30
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Mohd Ramli Bin Kushairi	549,000	0.26
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Mustapha Bin Buang	543,000	0.26
22.	PUNCAK DARUL NAIM SDN BHD	450,000	0.21
23.	LEOW PEK FONG @ LIEW PEK FONG	422,000	0.20
24.	CHEE SIEN KIN	390,100	0.19
25.	LAI THIAM POH	358,900	0.17
26.	YEOH TIONG GHEE	295,000	0.14
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Cheng Lin Chin	292,700	0.14
28.	LIONG KAI CHOON	268,500	0.13
29.	NG SUET YEN	250,000	0.12
30.	KEE LOONG SING	220,000	0.10
		179,051,298	85.29

LIST OF PROPERTIES HELD

As at 30 June 2024

	Location	Description	Existing use	Area	Tenure	Age of Building	Book Value (RM'000)	Date of Purchase/ Completed
1.	Lot 1214, Section 57 City of Kuala Lumpur Wilayah Persekutuan	Office Premises	Office	1,434 sq. meter	Freehold	39	33,000	1996
2.	Lot 72771 PN 122147 Mukim Damansara Daerah Petaling Selangor	Ground & Basement Carpark	Car park operations	Approx 55,000 sq. meter	Leasehlod Expiring 2089	24	36,626	2000
3.	Lot 72702 PN 100252 Mukim Damansara Daerah Petaling Selangor	Ground & Basement Carpark	Car park operation	Approx. 37,069 sq. meter	Leasehlod Expiring 2089	14	22,548	2010
4.	Lot 6004 H.S. (D) 6010 District of Johor Bahru Johor Darul Takzim	Factory & Office	Factory & office	1.93 hectares	Leasehold Expiring 2030	53	2,902	1971
5.	Lot 300380 -300405 PN 230979 - 231004 Lot 300406 PN 231007 Lot 300407-300518 PN 231009 -231121 Lot 300519 - 300523 PN 231156 - 231160 Lot 300524 - 300656 PN 231162 - 231294 Lot 300661 - 300718 PN 231299 - 231356 Mukim Tanjung Tualang Daerah Kinta	Commercial / Residential Land	Land held for development	15.1 acres	Leasehold Expiring 2098	N/A	2,946	2011
6.	H.S. (D) 85453 PT No. 13944 Mukim Sungai Terap Perak	Residential Land	Land held for development	10 acres	Leasehold Expiring 2099	N/A	675	2000

NOTE TO SHAREHOLDERS

**Notice of 53rd Annual General Meeting,
Statement Accompanying Notice of Annual General Meeting
and Proxy Form will be circulated separately to the shareholders.**

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SOUTH MALAYSIA INDUSTRIES BERHAD
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