



**AT SYSTEMATIZATION BERHAD**

Registration No. 200401006297 (644800-X)  
(Incorporated in Malaysia)



# 2024 **ANNUAL REPORT**





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Proxy Form



# CORPORATE INFORMATION

## ▶ BOARD OF DIRECTORS

**DATO' NIK ISMAIL  
BIN DATO' NIK YUSOFF**  
*Independent Non-Executive Director (Chairman)*

**CHOONG LEE AUN**  
*Managing Director*

**MAK SIEW WEI**  
*Executive Director*

**DR. CH'NG HUCK KHOON**  
*Non-Independent Non-Executive Director*

**TAN LAY CHEE**  
*Independent Non-Executive Director*

**ONG POH LIN ABDULLAH**  
*Independent Non-Executive Director*

## ▶ AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Lay Chee (Chairman)  
Ong Poh Lin Abdullah (Member)  
Dr. Ch'ng Huck Khoon (Member)

## ▶ NOMINATING COMMITTEE

Tan Lay Chee (Chairman)  
Ong Poh Lin Abdullah (Member)  
Dr. Ch'ng Huck Khoon (Member)

## ▶ REMUNERATION COMMITTEE

Tan Lay Chee (Chairman)  
Ong Poh Lin Abdullah (Member)  
Dr. Ch'ng Huck Khoon (Member)

## ▶ COMPANY SECRETARIES

Wong Yuet Chyn (MAICSA 7047163)  
(SSM Practising Certificate No. 202008002451)  
Adeline Tang Koon Ling (LS 0009611)  
(SSM Practising Certificate No. 202008002271)

## ▶ REGISTERED OFFICE

1-10, Medan Perniagaan Pauh Jaya,  
Jalan Baru, 13700 Perai,  
Pulau Pinang, Malaysia.  
Tel: (604) -390 8009  
Fax: (604) -390 8009  
Email: infosec@wscs.com.my

## ▶ PRINCIPAL BANKER

CIMB Bank Berhad  
Malayan Banking Berhad

## ▶ CORPORATE OFFICE

DF2-07-03, Level 7, Persoft Tower,  
6B, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor, Malaysia.  
Tel: (603)-7887 8330  
Fax: (603)-7887 8331  
Email: info@atsys.com.my  
Website: www.atsys.com.my

## ▶ SHARE REGISTRAR

Workshire Share Registration Sdn Bhd  
A3-3-8, Solaris Dutamas,  
No. 1, Jalan Dutamas 1,  
50480 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia.  
Tel: (603) -6413 3271  
Fax: (603) -6413 3270  
Email: info@wscs.com.my

## ▶ AUDITORS

UHY Chartered Accountants (AF1411)  
Suite 11.05, Level 11,  
The Gardens South Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur.  
Tel: 03-2279 3088  
Fax: 03-2279 3099

## ▶ STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
ACE Market  
Stock Name : AT  
Stock Code : 0072



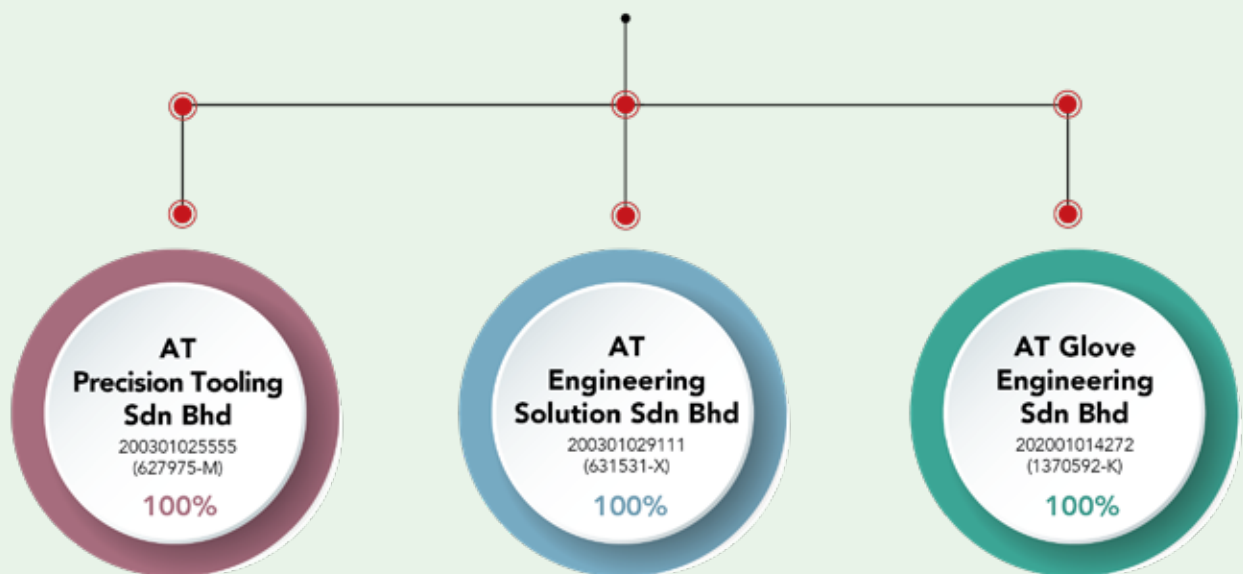
# CORPORATE STRUCTURE

AS AT 31 MARCH 2024



## AT SYSTEMATIZATION BERHAD

Registration No. 200401006297 (644800-X)  
(Incorporated in Malaysia)



- Fabrication of industrial and engineering parts
- Renewable energy operator and producer

- Design and manufacture of industrial automation systems and machinery
- Renewable energy operator and producer
- Fabrication of sheet metal parts

- Manufacture and sale of gloves including medical gloves



- Fabrication of industrial and engineering parts



# FINANCIAL CALENDAR

► **FINANCIAL YEAR** 1 April 2023 >>> 31 March 2024



## ► QUARTERLY RESULTS

**4<sup>th</sup> Quarter Ended  
31 March 2024**

Announced  
31 May 2024

4<sup>th</sup>

1<sup>st</sup>

**1<sup>st</sup> Quarter Ended  
30 June 2023**

Announced  
30 August 2023

**3<sup>rd</sup> Quarter Ended  
31 December 2023**

Announced  
29 February 2024

3<sup>rd</sup>

2<sup>nd</sup>

**2<sup>nd</sup> Quarter Ended  
30 September 2023**

Announced  
30 November 2023



## ► ANNUAL REPORT AND FINANCIAL STATEMENTS

>>> Published 31 July 2024



## ► 20<sup>th</sup> ANNUAL GENERAL MEETING

>>> To be held on 24 September 2024

# GROUP FINANCIAL HIGHLIGHTS

## AS AT 31 MARCH 2024

Financial Year Ended	31.3.2024 (12 months)	31.3.2023 (12 months)	31.3.2022 (12 months) (Restated)	31.3.2021 (12 months)	31.3.2020 (12 months)
<b>Key Operating Results (RM'000)</b>					
Revenue	32,585	60,798	78,133	30,927	19,770
Revenue growth	-46.40%	-22.19%	152.64%	56.43%	-4.09%
Gross (loss)/profit	(3,439)	(7,605)	623	4,769	1,371
Gross profit margin	-10.55%	-12.51%	0.80%	15.42%	6.93%
(Loss)/Profit before interest and tax	(70,972)	(76,275)	(92,294)	(19,691)	(14,586)
Finance costs	(1,421)	(3,671)	(2,044)	(504)	(798)
Share of results in associates	(13,080)	(2,752)	(29,971)	(412)	-
(Loss)/Profit before tax	(85,473)	(82,698)	(124,309)	(20,607)	(15,384)
(Loss)/Profit for the year attributable to owners of the Company	(85,815)	(82,745)	(124,056)	(20,529)	(15,348)
<b>Other Key Data (RM'000)</b>					
Total assets	214,186	354,914	469,612	393,003	72,447
Total liabilities	52,295	97,636	132,397	23,233	23,784
Equity attributable to owners of the Company	161,891	257,278	337,215	369,770	48,662
<b>Share Information</b>					
Basic (loss)/earnings per share (sen)	(0.38)	(0.41)*	(0.76)*	(0.24)*	(0.98)*
Diluted (loss)/earnings per share (sen)	(0.38)	(0.41)*	(0.76)*	(0.24)*	(0.98)*
Net asset per share attributable to owners of the Company	71.57	128.63*	171.31*	262.30*	292.57*
Market capitalisation (RM'000)	35,060	30,003	118,104	401,765	12,475
<b>Financial Ratios</b>					
Gross profit margin (%)	-10.55%	-12.51%	0.80%	15.42%	6.94%
Curent ratio	4.10	3.64	3.55	16.92	3.05
Quick ratio	1.25	1.15	1.52	9.76	1.13
Debt to equity ratio (%)	7.5%	17.6%	23.7%	1.7%	31.0%
Net debt to equity ratio (%)	N/A #	N/A #	N/A #	N/A #	28.2%

# Not applicable as the Group is having cash & equivalents more than external debts as at respective periods.

\* Re-calculated after assuming that the share consolidation had been executed at respective financial years.

## ABBREVIATION

Except where the context otherwise requires, the following definitions shall apply throughout this Annual Report:

Abbreviations	Description
ACE LR	ACE Market Listing Requirements of Bursa Securities
Act	The Companies Act 2016
AGM	Annual General Meeting
ARMC	Audit and Risk Management Committee
ATP	AT Precision Tooling Sdn Bhd
ATES	AT Engineering Solution Sdn Bhd
ATGE	AT Glove Engineering Sdn Bhd
ATS Group or the Group	ATS and its subsidiaries
ATS or the Company	AT Systematization Berhad
Board	Board of Directors
Bursa Securities	Bursa Malaysia Securities Berhad
CCM	Companies Commission of Malaysia
COVID-19	Coronavirus Disease of 2019
DOE	Department of Environment
E&E	Electrical and Electronics
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
FDA	US Food and Drug Administration
FiT Programme	Feed-in Tariff Programme
FY2023	Financial year ended 31 March 2023
FY2024	Financial year ended 31 March 2024
GRI	Global Reporting Initiative
ISO	International Organization for Standardization
MCCG 2021 or the Code	Malaysian Code on Corporate Governance 2021
MFRS	Malaysian Financial Reporting Standard
QC	Quality Control
QMS	Quality Management System
Rieter	Rieter Machine Works Ltd. (also known as Maschinenfabrik Rieter AG)
SC	Securities Commission Malaysia
SDG	Sustainable Development Goals
SEDA Malaysia	Sustainable Energy Development Authority Malaysia
Solar PV Plant	Solar Photovoltaic Plant
TOR	Terms of Reference



# CHAIRMAN'S STATEMENT

*Dear Shareholders,*

On behalf of the Board of Directors of AT Systematization Berhad ("ATS" or the "Company"), I hereby present the Annual Report and Audited Financial Statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2024 ("FY2024").



## Overview

In 2023, the Malaysia's economic grew by 3.7% (2022: 8.7%) despite facing challenges from weak global demand, disruptions in commodity production and a higher cost of living. The growth was primarily driven by resilient domestic demand and recovery in tourism activities, offsetting the declines in exports. Private sector investments, especially in information technology and electrical and electronics ("E&E"), fueled overall investment activity. In the first quarter of 2024, the economy accelerated further to 4.20% (fourth quarter of 2023 ("4Q 2023"): 2.90%), driven by robust private spending and a rebound in exports amid stronger global demand. The manufacturing sector was lifted by a rebound across both the E&E and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector.

## Financial Highlights

On a full year basis FY2024, the Group revenue registered at RM32.59 million, down by 46% as compared to RM60.80 million in the preceding FY2023. The primary reason for the decline in revenue was the decrease in number of orders from contract manufacturers and textile machines maker in its fabrication and automation segment, coupled with lower orders from sale of medical gloves, attributed to both lower average selling prices and reduced demand from customers.

The Group continues to experience various challenges, including the inflation and supply chain pressures driving up costs in the industry, the normalisation of glove demand and the impact of losses from the associated companies. These factors, coupled with impairment losses on the Group's glove assets, have significantly impacted the Group's financial performance, resulting in a net loss for FY2024. Capitalising the fund-raising exercises in previous financial years, the Group continues to maintain a reasonably healthy balance sheet. As of March 31, 2024, the Group's net gearing further reduce from 0.18 times to 0.08 times.

## CHAIRMAN'S STATEMENT

(cont'd)

### Financial Highlights (Cont'd)

During the financial year, the Group has on 12 January 2024 completed its share consolidation exercise involving consolidation of every 30 existing ordinary shares into 1 consolidated share. Arising from this, the Company's ordinary shares of 6,786,103,899 have been consolidated into 226,192,659 Consolidated Shares and the Company's Warrants C of 469,053,650 have been consolidated into 15,634,256 Consolidated Warrants C upon completion of the share consolidation exercise.

### Outlook

In 2024, Malaysia's economy is forecasted to grow between 4% to 5%, driven by robust domestic demand and a recovery in external markets. Investment activity will be bolstered by ongoing multi-year projects and government initiatives, though risks persist from weaker global growth and geopolitical tensions. Inflation is expected to remain moderate, reflecting stable demand and controlled costs. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

### Annual General Meeting

The Group shall continue to maintain an online channel participation for this year's Annual General Meeting ("AGM") which has been scheduled on Tuesday, 24 September 2024 at 2:00 p.m. The aim is to achieve a wider reach to shareholders, promote shareholders' participation and foster better interaction and engagement as well as reduce carbon footprint and enhance cost efficiency. All shareholders are welcome to participate in our AGM in which the notice is enclosed in this annual report for your reference and guidance.

### Appreciations

In closing, I would like to extend my heartfelt gratitude to our shareholders for their unwavering support and trust over the years. My gratitude to fellow board members for their strategic guidance, our management team for their exemplary leadership, and our employees for their dedication and hard work. Together, we have navigated through challenges and emerged stronger. As we move forward, we remain committed to delivering sustainable growth and creating long-term value for our shareholders.

Yours sincerely,  
Dato' Nik Ismail bin Dato' Nik Yusoff  
Chairman  
25 July 2024

# MANAGEMENT DISCUSSION AND ANALYSIS



## Business and Operations

AT Systematization Berhad ("ATS" or the "Group") is an investment holding company mainly engaged in the provision of management services to its subsidiary companies. The Group's subsidiary companies are principally involved in the fabrication of industrial and engineering parts and sheet metal, as well as the design and manufacturing of industrial automation systems and machinery, collectively reported under the Fabrication and Automation segment. The Group owns and operates several manufacturing plants which are strategically located within the area of Bayan Lepas Industrial Park, Penang, serving customers from various sub-sectors including hard disk drive manufacturing, contract manufacturers, textile, medical and other manufacturing industries.

The Group also has a footprint in the renewable energy sector, following the successful bid for renewable energy quota allocations from the Sustainable Energy Development Authority ("SEDA") Malaysia and award of licenses to construct a solar photovoltaic ("PV") plant under the Feed-in-Tariff ("FiT") system, at the Group's manufacturing plants in Penang. We established our maiden solar PV plant with capacity of 425kW in December 2015 and our second solar PV plant with capacity of 300kW in December 2016. We have also optimised our production facility layout for a more efficient production process and let out the excess area to earn recurring rental income. Both the solar renewable energy and property letting businesses are reported under the Renewable Energy and Property segment.

The Group ventured into the glove business in 2020, focusing on the manufacture and sale of medical gloves as reported under the Gloves segment. The Group's maiden glove manufacturing facility in Chemor, Perak commenced operations in January 2021. Phase 1 comprising six (6) glove dipping production lines and Phase 2 comprising four (4) glove dipping lines have all been completed as of end-March 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

### Objectives and Strategies

Our Group strives to be a leading strategic partner for precision engineering solutions and integrated designer and manufacturer of industrial automation systems to customers worldwide. It is the Group's objective to build mutually beneficial business relationships with all its shareholders and stakeholders, with a strong focus on sustainability. In meeting the expectations of our shareholders and stakeholders, we are guided by the following principles:-

- To maintain sustainable growth in revenue and profits while minimizing environmental impact and maximizing value for shareholders;
- To adopt a continuous improvement approach towards quality and reliability of our products and services, ensuring that they meet and exceed our customer expectations while minimizing resource consumption and waste generation;
- To cultivate a highly skilled and committed workforce, fostering a culture of sustainability and manufacturing excellence. We trust, empower, and reward our employees, providing them with opportunities for growth and development while promoting responsible resource management and sustainable practices;
- To promote responsibility and respect when dealing with our business partners. We actively seek partnerships with suppliers and vendors who share our commitment to sustainability, ethical practices, and social responsibility.

The Group believes that sustainable growth is essential for business expansion and delivering sustainable returns to shareholders. To achieve this, the Group focuses on constant innovation and development of new revenue streams by expanding its product range and solutions for customers. In recent years, the Group has successfully entered the medical and healthcare industry, particularly in the field of medical gloves. This strategic penetration allows the Group to contribute to healthcare advancements while ensuring sustainable growth and maximizing shareholder value. The Group acknowledges the significance of delivering products and solutions that meet the evolving needs of the medical and healthcare sectors, and is dedicated to providing innovative and sustainable solutions to customers in these industries.

In addition to our focus on growth, we are dedicated to maintaining high standards of quality and customer satisfaction. The Group has obtained ISO 9001 and ISO 13485 certifications, which demonstrate our commitment to complying with industry standards for quality management systems and medical devices. We continuously strive to exceed customer expectations by providing faster responses, better support, and enhanced services to our valued customers.

Through these focus areas, we are confident in our capacity to build mutually beneficial business relationships with all our shareholders and stakeholders.

### 1. Review of Financial Results and Positions

#### I. Our Financial Performance for FY2024 ended 31 March 2024

The Group annual revenue for the financial year ended 31 March 2024 ("FY2024") reported at RM32.59 million which was 46% lower than RM60.80 million recorded in financial year ended 31 March 2023 ("FY2023"). The decrease in revenue was mainly due to lower orders from fabrication and automation segment which was down by RM20.09 million, as well as lower orders from sales of medical gloves, which were down by RM8.13 million during the period under review as a result of lower average selling price and lower demand from customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The Group's loss before tax came to RM85.47 million during the year compared to the loss before tax of RM82.70 million a year earlier. Meanwhile, loss after tax stood at RM85.81 million in FY2024 against loss after tax of RM82.75 million reported in FY2023. The losses were mainly attributed from mark-to-market loss on quoted investments, impairment loss on assets in glove business, share of losses from investment in associates, offset with one-off gain on deemed disposal of associate of RM10.01 million.

### II. Performance by Segment

The Group's segmental information is organised based on its main operating segments, which are as follows:

- a) Fabrication and automation – Fabrication of industrial and engineering parts and sheet metal; design and manufacturing of industrial automation systems and machinery
- b) Renewable energy and property – Renewable energy operator; property letting
- c) Gloves – Manufacturing and sale of medical grade nitrile gloves
- d) Others – Investment holding and provision of management services to subsidiaries, neither of which are of a sufficient size to be reported separately

	12 Months Ended 31 March 2024 (RM '000)	12 Months Ended 31 March 2023 (RM '000)	Changes (RM '000)	Variance (%)
<b>Segment Revenue</b>				
Fabrication and Automation	30,237	50,325	(20,088)	(40)
Renewable Energy and Property	720	712	8	1
Gloves	1,628	9,761	(8,133)	(83)
Others	-	-	-	-
<b>Total</b>	<b>32,585</b>	<b>60,798</b>	<b>(28,213)</b>	<b>(46)</b>

<b>Profit/(Loss) before tax</b>				
Fabrication and Automation	(7,619)	(8,445)	826	10
Renewable Energy and Property	611	689	(78)	(11)
Gloves	(39,417)	(56,305)	16,888	30
Others	(39,048)	(18,637)	(20,411)	(110)
<b>Total</b>	<b>(85,473)</b>	<b>(82,698)</b>	<b>(2,775)</b>	<b>(3)</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

### Fabrication and Automation

The fabrication and automation segment posted lower revenue by RM20.09 million mainly due to lower number of orders from both contract manufacturers and textile machines maker, coupled with declining orders for vending machine business.

#### *Excess inventory in the Textile Market*

During the year under review, the Group produces aluminum profiles for Rieter's Card and Ringspin sector amounting to RM17.83 million (FY2023: RM27.4 million), corresponding to a production quantity of approximately 614 sets (FY2023: 882 sets) Ringspin crates and 8,274 pcs (FY2023: 2,851) card C80 profiles. The Group is currently developing 7 card profiles and 4 flat rod profiles. At the same time, the Group is discussing with Rieter on producing 31 new card profiles. Overall, there has been a drop in demand in the textile market. This situation has resulted in excess inventory at Rieter, leading to a postponement of demand fulfilment to FY2025.

#### *Soft Demand for Contract Manufacturers and Hard Disk Drive Manufacturers*

The Group continued to face soft demand from both contract manufacturers and hard disk drive manufacturers. This trend persisted from the previous year. The primary contributing factor behind this soft demand is the ongoing global chip shortage that began affecting the industry last year. This shortage has constrained production capabilities and disrupted supply chains, leading to reduce orders from manufacturers reliant on semiconductor components.

#### *Declining Performance in Fabrication for Vending Machines*

FY2024 presented unforeseen challenges for our business in the sheet metal fabrication to design and manufacture snack and beverage vending machines, marked by a notable decline in performance compared to previous years. The fabrication for vending machine segment, which had shown promising growth in FY2023, faced a downturn primarily influenced by shifting market dynamics and economic uncertainties by corporate end customers. Factors such as competitive pressures and external economic conditions have collectively contributed to the decline in demand for our vending solutions. As a result of these challenges, there was no vending machine delivered in FY2024, a significant decline from 220 units delivered in FY2023. This decline in unit deliveries directly impacted our revenue streams for the financial year.

Loss before tax in the fabrication and automation segment decreased by RM0.83 million mainly due to lower mark-to-market loss on quoted investments of RM1.81 million (compared to RM3.54 million in FY2023). There were no impairment losses recorded on property, plant, and equipment and right-of-use assets.

### Renewable Energy and Property

In the renewable energy and property segment, sales of solar energy to Tenaga Nasional Berhad increased slightly to RM0.72 million in FY2024 from RM0.71 million in FY2023. The segment achieved a profit before tax of RM0.61 million for the year, showing a slight decrease from RM0.69 million recorded in FY2023.

In FY2024, the Group achieved another milestone with the leasing of an established 20,000-sq-ft area to a leading global supplier of equipment and services to the semiconductor industry.





## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The tenant has utilised the designated area to setup a high-speed digital instrument design center, the first of its kind in Southeast Asia and will focus on advancing their technological initiatives in next generation high-speed digital and analog instrumentation as well as to support its business expansion in its semiconductor test technology.

This initiative not only optimises the utilisation of our established facility but also fosters synergies in innovation and knowledge exchange within the industry. The Group's facility was picked due to the strategic proximity to tenant's business ecosystem, a well-developed infrastructure, skilled workforce and supportive business environment.

### Gloves

The Group's glove segment experienced a decrease in revenue primarily attributed to reduced orders for medical gloves, resulting in a decline of RM8.13 million during the year. This decline attributed to lower average selling prices and decreased demand from customers.

The segment reported a loss before tax of RM39.42 million in FY2024, compared to a loss before tax of RM56.31 million in FY2023. This primarily be attributed to a lower gross loss incurred and lower production costs and fixed overhead, coupled with lower inventory write-downs of RM Nil (compared to RM19.3 million in FY2023) and RM2.06 million gain on waiver from settlement with a previous gas supplier.

However, these positive factors were partially offset by higher impairment loss on property, plant, and equipment of RM34.89 million (compared to RM15.07 million in FY2023).

### Business Decision in Response to Market Conditions

Amid challenging market conditions marked by oversupply and intensified competition, the Group made a strategic decision in FY2024 to cease its glove production operations. This decision was driven by a proactive assessment of market dynamics, which indicated unsustainable operating margins and the potential for further financial loss in this segment. The Group has since refocused efforts on optimising its production facilities through rental arrangements. Leveraging advanced manufacturing capabilities and infrastructure, these facilities offer a promising avenue for generating alternative revenue streams while mitigating operational risks associated with glove production.

### Others

The Group's other segment experienced a loss before tax of RM39.05 million in FY2024, compared to a loss before tax of RM18.64 million in FY2023. This change was primarily driven by several factors, including a higher mark-to-market loss on quoted investments of RM35.05 million (FY2023: RM Nil), a higher share of losses in associates amounting to RM13.08 million (compared to a share of losses in associates of RM2.75 million in FY2023). However, these negative factors were offset by one-off gain on deemed disposal of associate of RM10.01 million, net reversal of impairment loss on investment in associates of RM1.72 million (compared to net impairment loss on investment in associates of RM6.89 million in FY2023), coupled with lower finance cost of RM 0.74 million (FY2023: RM2.86 million).

### I. Liquidity and Capital Resources

As at 31 March 2024, the Group's cash and cash equivalents stood at RM19.15 million compared to RM26.40 million in the past corresponding year. This was due to the net effects of the following:

- e) Net cash used of RM8.71 million from operating activities primarily attributable to higher repayments by the Group to its trade and other payables, offset with lower collection from receivables as compared to the corresponding period;

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

- f) Net cash used in investing activities of RM0.98 million mainly due to net effects from:
  - Proceeds from disposal of quoted investments of RM2.86 million and interest income received of RM0.75 million;
  - Acquisition of RM4.21 million quoted investments;
  - Acquisition of additional specialised machinery for fabrication of RM0.60 million;
- g) Net cash from financing activities of RM1.75 million mainly due to net repayment of the Group's term loans of RM32.41 million, net repayment of lease liabilities of RM3.09 million and interest expenses of RM1.42 million, offset with upliftment of fixed deposits pledged of RM 32.22 million, proceeds raised from private placement of RM5.46 million and exercise of share options of RM1.67 million.

### II. Financial Position and Gearing

The Group's total assets stood at RM214.19 million on 31 March 2024, decreased by 40% from RM354.91 million recorded on 31 March 2023. This was mainly due to the impairment of the Group's investment in associates, as well as property, plant and equipment.

Total liabilities of the Group reduced to RM52.30 million in FY2024 from RM97.64 million a year ago. The decrease can be attributed to the Group's strategic allocation of funds towards the repayment of its borrowings.

As of March 31, 2024, the Group's debt-to-equity ratio, which measures its gearing position, stood at 7.5%, showing a decrease from 17.6% reported on March 31, 2023. This decline was primarily driven by a decrease in term loans and revolving credit. In FY2024, these loans amounted to RM5.72 million, compared to RM38.13 million in the previous year.

### III. Anticipated and Known Risks

#### 1. Business risks

The Group may be subject to risks inherent in the industries in which the Group operates. These include shortages of raw materials, constraints in labour supply, increase in labour costs, changes in law and tax legislation affecting the industry, increase in costs of new machinery, changes in business and credit conditions, equipment failure and factory accidents.

The Group seeks to mitigate these risks through prudent management policies, maintaining good business relationships with customers and suppliers, diligent cost controls, expansion of customer base and business by increasing the range of products and services offered as well as the range of markets or industries served, stringent quality controls, close production and capacity supervision as well as careful planning, effective human resources management and regular equipment maintenance and renewal.

#### 2. Business risks related to glove industry

Pursuant to the diversification into glove business, the Group may be subject to business risks inherent in the glove industry in which the Group has not been involved in the past. These include, amongst others, adverse changes in supply and demand conditions, competition from existing players and entry of new players, introduction of new legal and environmental framework, changes in certification/licencing jurisdiction, adverse development in global and regional trade policy and downturns in regional and/or national economies, changes in law and tax regulations, increase in labour cost as well as and changes in business and credit conditions.

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The demand for gloves is dependent on various factors such as the growth in the healthcare services, increase in global industrial production activities and the incidence of the COVID-19 pandemic, where the need for personal protective equipment to curb the spread of infections has stoked the demand for gloves. The development of an effective vaccine and/or alternative forms of treatment is expected to reduce the number of COVID-19 cases, which may in turn affect the demand for gloves.

Notwithstanding the above, the Group seeks to mitigate these risks through several measures including keeping abreast with the latest development in the glove industry and general economic conditions; conduct thorough planning, budgetary control and product development; maintain global glove quality standards and adopt new technologies to increase productivity and maintain cost competitiveness; ensure compliance with rules, regulations, and policies, and adopt prudent financial management and monitor budgets. There can be no assurance that any changes to the abovementioned factors, which are beyond the control of the Group, will not adversely affect the Group's glove business segment.

### 3. Dependency on selected industries and key customers

The Group designs and manufactures precision components and fabricates precision tools, moulds, dies, jigs and fixtures for use in precision engineering applications primarily for the contract manufacturers, hard-disk drive manufacturer and medical industry. In an effort to proactively address the concentration risk arising from the dependency on particular key industries, the Group continues to strive towards increasing our customer base by expanding the scope of solutions and range of products we can offer. One of the Group's efforts towards achieving this has been to enter into a strategic partnership with Rieter Group, the world's leading supplier of systems for short-staple fibre spinning. The successful partnership has led to notable favorable outcomes, driving the rise in fabrication job orders from the textile sector. Over the past few years, the textile industry has accounted for a significant portion of the Group's revenue, with FY2024 contributing 54.7%, FY2023 contributing 45.1%, and FY2022 contributing 16.5%. In recent years, the Group has also successfully diversified into the glove manufacturing business. The Group's glove manufacturing operations commenced towards the end of 2020 and has accounted for a major portion of the Group's revenue, with FY2021 contributing 26.2%, FY2022 accounted for over half of the Group's revenue (53.6%), FY2023 contributing 16.1% and FY2024 contributing 5.0%.

Notwithstanding the above, any adverse development in the above-mentioned industries, or any adverse development in our relationship with the key customer or the business performance of the key customer, may adversely affect the Group's revenue and earnings.

### 4. Dependency on experienced management and key personnel

The Group's continued success depends, to a significant extent, on the abilities and continuing efforts of the key management and key technical personnel. The loss of any key management and/or key technical personnel could adversely affect the Group's continued ability to manage operations effectively and competitively. The Group's future success will also depend upon the ability to attract and retain skilled personnel.

As such, the Group has made continuous efforts to develop a dynamic management team and groom younger management personnel to ensure continuity of the quality and dynamism in the management team. Efforts have been made by the Group to promote opportunities and develop programmes in all key functions of the Group's operations. The Group also continuously reviews the remuneration packages to ensure competitiveness and takes appropriate measures and implements programmes for talent acquisition as well as to retain existing staff. Such programmes implemented are incentives-

## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

based with the aim of rewarding staff for their ability to improve efficiency and effectiveness. However, there is no assurance that the above measures will be successful in attracting and retaining key management personnel or ensuring a smooth transition should changes occur.

### 5. Inconsistent production of solar energy

The amount of solar energy that can be produced by the Group's solar PV plants is dependent on the availability of sunlight, which in turn is dependent on various factors such as weather conditions that can be unpredictable throughout the year. Prolonged cloudy or rainy days may lead to fewer hours of sunlight being received. There is no assurance that the changes in the amount of sunlight received due to erratic weather conditions will not materially affect the production of electricity by the Group's solar PV plants, or that the solar PV plants will be able to generate a consistent amount of electricity all year round.

## IV. Share Price Performance

The share price of ATS closed at RM0.155 on 31 March 2024, giving the Group a total market capitalisation of RM35.06 million. During the year, the Group completed its share consolidation exercise on the basis of 30 pre-consolidation ordinary shares for 1 post-consolidation shares.

## V. Dividend Policy

The present focus of the Group is to create and enhance shareholders' value in the long run. We aim to reinvest our earnings to fund the Group's business growth. As such, the Group does not adopt any dividend policy for the short term but will consider distributing excess profits once we have stable earnings, after taking into consideration working capital requirements and planned capital expenditure in the future.

## VI. Prospects

The manufacturing sector is projected to grow by 4.2% in 2024 driven by better performance in both export and domestic-oriented industries. Export-oriented industries are expected to benefit from the recovery of external demand, particularly in the Electrical and Electronics segment, driven primarily by memory products, aligning with the resurgence in demand for technologically advanced products. Looking ahead to 2024, inflation is expected to remain moderate, though risks to this outlook are contingent upon changes in domestic policies regarding subsidies and price controls, as well as fluctuations in global commodity prices and financial market dynamics. Malaysian manufacturers are also wary of potential risks such as rising energy costs and fluctuations in the value of the Ringgit currency.

The Group recorded annual revenue of RM30.24 million for FY2024 in its fabrication segment, representing a 40% decrease compared to FY2023's amount revenue of RM50.33 million. In view of this, the Group will maintain a cautious approach to its manufacturing operations, prioritising operational efficiency to reduce costs.

Since venturing into glove-making business in 2020, the Group has set up 10 production lines in its glove manufacturing plant at Chemor, Perak. The Group has also obtained relevant qualifications and certifications including CE marking certification, US FDA 510(k) certification and Halal certificate to be able to compete in the glove market. Given the normalisation of glove demand, the dropping average selling price of gloves, and the increasing cost structure of manufacturing, the glove business outlook remains difficult in the near future. As a result, the Group has ceased its glove-making operation and is now looking into several options for the future of its glove business.

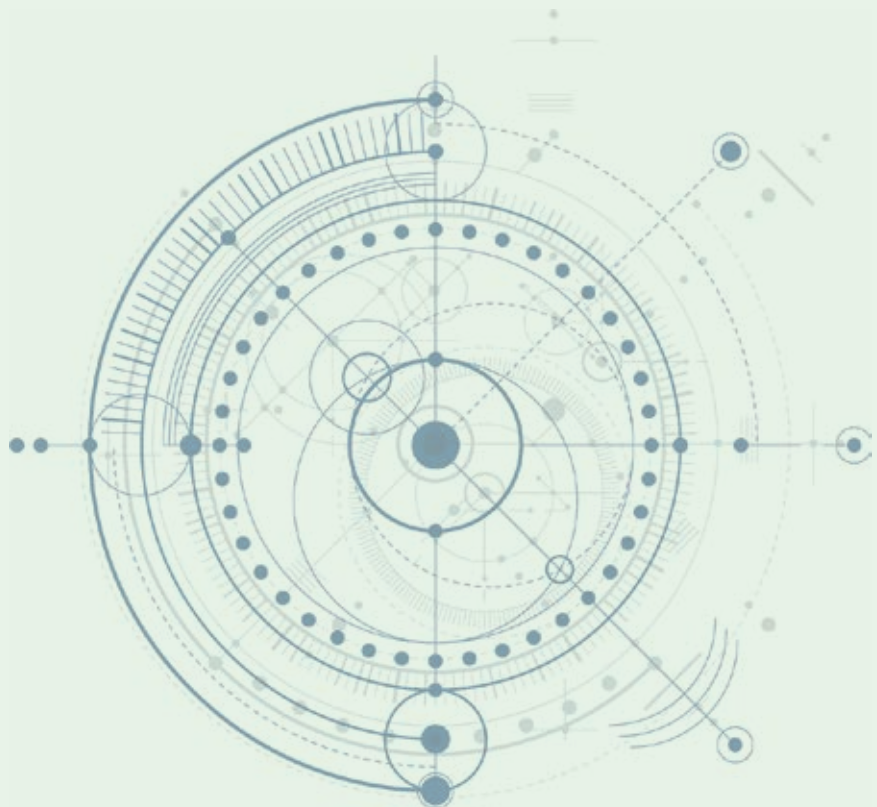
## MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The Group remains committed to our core business of fabrication of industrial and engineering parts. While FY2024 presented significant challenges, we remain cautiously optimistic about the growth prospects of this segment in FY2025 and is committed to ensuring sustainable business growth in the upcoming years. Our strategic realignment efforts are to strengthen our resilience, enhance operational agility and capitalise on future market opportunities as economic conditions stabilise.

Yours sincerely,

**Choong Lee Aun**  
Managing Director  
25 July 2024



## PROFILE OF DIRECTORS

### DATO' NIK ISMAIL BIN DATO' NIK YUSOFF

*Independent Non-Executive Director (Chairman)*

*Malaysian      Aged 77      Male*

Dato' Nik Ismail bin Dato' Nik Yusoff was appointed as an Independent Non-Executive Director and Chairman on 24 April 2015. He has ceased as a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee w.e.f. 31 May 2023.

Dato' Nik Ismail joined the Police Force in 1965 and served the Police Force until his retirement on 2 September 2001 as Deputy Commissioner of Police. During his 36 years in service, he had served the Police Force well, with full commitment and professionalism. He had served in various positions in the Police Force, including Chief Police Officer in the states of Terengganu (1997), Kedah (1997 - 1999), and Selangor (1999 - 2001). He was also the Deputy Director Special Branch in Bukit Aman in 1995 to 1997.

After his retirement, Dato' Nik Ismail was appointed as director of several public listed companies and private limited companies. He currently sits on the Board as Independent Non-Executive Chairman of Green Ocean Corporation Berhad and PNE PCB Berhad. He is also an Independent Non-Executive Director of Pasukhas Group Berhad.

Dato' Nik Ismail does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.

### CHOONG LEE AUN

*Managing Director*

*Malaysian      Aged 57      Male*

Mr. Choong Lee Aun, was appointed to the Board on 4 December 2017. He is also a member of Risk Management Group, Investment Committee and Employees' Share Option Scheme Committee.

Mr. Choong has more than 25 years of experience ranging from various general management and sales leadership roles. He is well versed with the corporate operations and processes, as well as the familiarity of complex business environment globally.

He was previously a Head of Marketing and Global Brand ambassador of RS Components, the world's leading high service level distributor of electrical, electronic and industrial supplies based in Shanghai. Prior to that, he was the Vice President of Arrow China, a worldwide leading distributor of products, services and solutions to the electronics component market across Asia Pacific region.

Mr. Choong does not hold any directorship in any other public companies and listed companies.

Mr. Choong does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.



## PROFILE OF DIRECTORS

(cont'd)

### MAK SIEW WEI

*Executive Director*

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*Malaysian      Aged 49      Male*  
 .....

Mr. Mak Siew Wei was appointed to the Board on 1 March 2013. He is also the Chairman of the Risk Management Group, Investment Committee and Employees' Share Option Scheme Committee.

Mr. Mak pursued his education in the United States and graduated with a Bachelor Degree in Management Information System and subsequently worked for Marvic International (NY) Ltd in New York as a Business Development Manager for 3 years.

Mr. Mak currently sits on the Board of Pasukhas Group Berhad, Advance Information Marketing Berhad, AE Multi Holdings Berhad and Trive Property Group Berhad as an Executive Director.

Mr. Mak does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.

### DR. CH'NG HUCK KHOON

*Non-Independent Non-Executive Director*

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*Malaysian      Aged 54      Male*  
 .....

Dr. Ch'ng Huck Khoon was appointed to the Board on 28 June 2012. He has been re-designate to member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee w.e.f. 31 May 2023.

Dr. Ch'ng pursued his PhD studies in Finance at the Universiti Sains Malaysia and also holds a Master of Business Administration (Finance) from University of Stirling, United Kingdom. He is an Associate Member of the Institute of Chartered Secretaries and Administrators and a Certified Financial Planner.

Dr. Ch'ng was an Assistant Professor at Universiti Tunku Abdul Rahman and Wawasan Open University.

Dr. Ch'ng does not hold any directorship in any other public companies and listed companies.

Dr. Ch'ng does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.

## PROFILE OF DIRECTORS

(cont'd)

### TAN LAY CHEE

*Independent Non-Executive Director*

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*Malaysian      Aged 45      Male*  
 .....

Mr. Tan Lay Chee was appointed to the Board on 31 March 2020. He has been re-designate to Chairman of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee w.e.f. 31 May 2023.

He had received his early education at Systematic College. He became a member to the Association of Chartered Certified Accountants (ACCA, UK) since year 2005 and a member to the Malaysian Institute of Accountants (MIA) in year 2009. He has been admitted as fellowship member in ACCA in year 2010.

Mr. Tan had started his career by attaching himself to a Chartered Accountant firm, BDO Binder for approximately 5 years. He then spent another 4 years with Goodway Integrated Industries Bhd, a retreading tyres company listed on the Main Board of Bursa Securities. In 2009, he joined Hap Seng Consolidated Berhad, a company listed on the Bursa Securities as Finance Manager, in charge in the Quarry, Building and Trading Materials division. Thereafter, he joined SapuraKencana Petroleum Berhad (now known as Sapura Energy Berhad) in year 2013, an oil and gas company listed on the Bursa Securities as Finance Manager. Presently, he is working in a professional firm specialising in accounting, audit, tax and company secretary services.

Mr. Tan does not hold any directorship in any other public companies and listed companies.

He does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.

### ONG POH LIN ABDULLAH

*Independent Non-Executive Director*

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*Malaysian      Aged 37      Female*  
 .....

Madam Ong Poh Lin Abdullah was appointed to the Board on 31 May 2023. She is also a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.

Madam Ong Poh Lin Abdullah graduated from Universiti Tunku Abdul Rahman in 2011 with a Bachelor Degree of Engineering (Hons) Biomedical.

She started her career working in Universiti Tunku Abdul Rahman as research assistant in 2011. Subsequently, she joined IBG Manufacturing Sdn Bhd as Laboratory Consultant in 2014 and left in 2016. Currently, she is a Senior Admin Manager in Seakyin Holdings (M) Sdn Bhd, who responsible in managing and administrating the processing of invoices, organising and updating internal records accurately and timely as well as training and monitoring new teammates.

Madam Ong currently sits on the Board of Advance Information Marketing Berhad, AE Multi Holdings Berhad, Saudee Group Berhad and D'nonce Technology Bhd as an Independent and Non-Executive Director.

Madam Ong does not have any family relationship with any director and/or major shareholder of ATS, or any conflict of interest in any business arrangement involving the Company.

#### Other Information on Directors:

- I. The directorships in other public companies and listed companies. In Malaysia are disclosed in their respective profiles.
- II. None of the Directors of the Company has been convicted of any offences within the past 5 years other than traffic offences, if any.

## PROFILE OF KEY SENIOR MANAGEMENT

Mr. Choong Lee Aun and Mr. Mak Siew Wei are also the key senior management of the Group. In addition, the profile of other key senior management during the FYE 2024 are as follows:-

### TAN BENG SONG

*General Manager – AT Precision Tooling Sdn Bhd*

*Malaysian      Aged 51      Male*

Mr. Tan Beng Song serves as General Manager of AT Precision Tooling Sdn Bhd ("ATP") since January 2016 and is responsible in overseeing the ATP operation. He is also the management representative of ATP under ISO 13485 and ISO 9001 Quality Management System.

Mr. Tan started his career as a Cad/Cam Engineer in a Taiwanese mold making company for 3 years since 1994. Subsequently, he joined a local listed company as a Toolroom Supervisor to manage a plastic mold making facility for 3 years in Senai, Johor. In year 2000, he started his managerial journey as an Engineering Manager in a plastic injection molding company for 6 years to manage new product introduction project and toolroom operations. In years 2006, he joined a Singapore listed company as a Factory Manager for 6 years in semiconductor industries. Thereafter, he joined a local listed company as Senior Operations Manager to manage overall company operations in aerospace and semiconductor components fabrication in year 2012 for 3 years.

Mr. Tan has over 28 years of experiences in metal fabrication for various industries, including plastic injection molding & mold making, semiconductor consumer products fabrication and medical & aerospace precision parts fabrication.

Save as disclosed, none of the key senior management:-

- I. Has any family relationship with any director or/and major shareholder of the Company;
- II. Has any conflict of interest in any business arrangement involving the Company;
- III. Has any conviction for offences within the past five (5) years, and public sanction or penalty imposed by the relevant regulatory bodies during FY2024; and
- IV. Hold directorship in any other public companies and listed companies.



# SUSTAINABILITY STATEMENT



## INTRODUCTION

AT Systematization Berhad and its subsidiaries ("the Group") believes in conducting business responsibly and in an ethical manner by ensuring that sustainability is integrated across our business and that the Group continues to contribute to the sustainable development of our environment and community. The Group is pleased to present our Sustainability Statement for the financial year ended 31 March 2024 ("FY2024") which reflects the sustainability efforts undertaken by the Group in FY2024.

The Board recognises the need for the Group's strategies to promote sustainability and regularly reviews the strategic direction of the Group in order to integrate sustainability development into the Group's business strategy and to adopt corporate governance best practices in delivering performance and long-term growth for its stakeholders. The Group is committed to implementing initiatives that ensure the integration of sustainability and Environmental, Social and Governance ("ESG") considerations into our business strategy and practices.

## SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability activities of our business operations in Malaysia, namely fabrication and automation segment, gloves manufacturing segment, renewable energy and property segments over which we have direct managerial control. We excluded our associated companies from our reporting scope.

## REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed and prepared in accordance with Bursa Malaysia's Listing Requirements with reference to Bursa Malaysia's Sustainability Reporting Guide (2<sup>nd</sup> Edition).

## SUSTAINABILITY STATEMENT

(cont'd)

### SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure is integrated into our corporate governance framework. As part of the Group's commitment to integrating sustainability throughout our organization, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements. The Board of Directors is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees and senior management. The senior management team work together to ensure that sustainability management is effectively handled by addressing its associated impacts, risks, and opportunities in an integrated manner that optimizes value creation.






### STAKEHOLDER ENGAGEMENT

As part of the Group's sustainability strategy, we continue to actively engage with our various stakeholders to determine matters of concern to them, to understand their expectations and requirements. The Group believes that engaging with stakeholders can bring continuous improvement and boost the chances of success of the Group in the long term. The engagement approach to key stakeholders is summarised as below:-

STAKEHOLDER GROUPS	ENGAGEMENT CHANNELS	AREAS OF INTEREST
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Training programmes</li> <li>• Management meetings</li> <li>• Informal periodic departmental meetings</li> <li>• Company dinners and events such as birthday celebration</li> <li>• Whistle-blowing channel</li> <li>• Annual performance review</li> <li>• Telephone and e-mail</li> </ul>	<ul style="list-style-type: none"> <li>• Work life balance</li> <li>• Safe and conducive workplace</li> <li>• Compensation, welfare, and employee care</li> <li>• Career enhancements</li> <li>• Fair human resource policies and practices</li> <li>• Job security</li> <li>• Development through training</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Proposals/Quotations/Agreements</li> <li>• Brochures</li> <li>• Customer feedback form and survey</li> <li>• Advertisement</li> <li>• Site visits</li> <li>• Website, social media</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Service delivery</li> <li>• Product's quality assurance</li> <li>• Payment terms and timeliness</li> <li>• Business continuity</li> </ul>

## SUSTAINABILITY STATEMENT

(cont'd)

STAKEHOLDER GROUPS	ENGAGEMENT CHANNELS	AREAS OF INTEREST
<b>Suppliers/Vendors</b> 	<ul style="list-style-type: none"> <li>• Pricing review - Proposals/Quotations/Agreements</li> <li>• Supplier/Vendor registration</li> <li>• Business meetings</li> <li>• Site visits</li> <li>• Supplier assessment review and performance</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Competitive price and terms of payments</li> <li>• Vendor selection process</li> <li>• Clear procurement policies and practices</li> <li>• Sustainable supply chain management</li> <li>• Health &amp; safety policies</li> <li>• Maintaining good relationship</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Annual General Meeting or Extraordinary General Meeting</li> <li>• Annual Report or Circular</li> <li>• Press releases</li> <li>• Company's website</li> <li>• Announcements on Bursa Malaysia website</li> </ul>	<ul style="list-style-type: none"> <li>• Company's financial performance</li> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Internal control and risk management</li> <li>• Business Strategy</li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>• Community welfare and engagement</li> <li>• Responsible corporate citizen - giving back to the community</li> <li>• Employment opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Product sponsorships through CSR activities</li> <li>• Local recruiting and hiring</li> <li>• Internship programme</li> </ul>
<b>Regulatory Authorities</b> 	<ul style="list-style-type: none"> <li>• Consultation sessions and conference meetings</li> <li>• Training programmes and dialogue</li> <li>• Audit and verification</li> <li>• Updating and renewal of permits &amp; license</li> <li>• ISO and relevant certificate compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Approvals of permits and certifications</li> </ul>
<b>Financiers</b> 	<ul style="list-style-type: none"> <li>• Meetings and continuous correspondences</li> <li>• Annual reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Business direction and key corporate developments</li> <li>• Business strategy &amp; economic performance</li> </ul>



## SUSTAINABILITY STATEMENT

(cont'd)

### SUSTAINABILITY MATTERS

The Group has identified and assessed sustainability matters which encompass a range of key areas that are crucial for our business operations and have significant implications for stakeholders. These matters are assessed based on their likelihood and potential impact, taking into consideration the economic, environmental, social and governance risks and opportunities, as well as their financial implications. These are discussed below.

#### Economic Sustainability

##### Economic and Business Performance

Our Board of Directors, together with the management team identify the opportunities that are relevant to the long-term success of the Group. Various efforts are continuously being undertaken to improve the efficiency and profitability of the Group. Through its businesses, the Group creates employment opportunities for Malaysians.

The Group constantly endeavours to extend market presence and expand our customer base by constantly improving the quality, reliability and efficiency of our products and services. At the same time, we also prioritise business ethics and good governance to build trust and maintain the confidence of our customers.

Economic performance and growth is one of the primary factors that contributes to the business sustainability of the Group. It is crucial that the Group continues to be prepared and resilient against potential disruptions to our business strategies or operations. The Group is committed to achieving sustainable economic growth to enhance our shareholders' returns and deliver fair rewards to our employees.

The Group's economic performance is measured to ensure the economic sustainability of the Group, which is elaborated in the Management Discussion and Analysis section, as set out on Page 9 to Page 17 of this Annual Report.

##### Continuous Innovation for Sustainable Manufacturing

The Group constantly innovates and actively integrates new technologies into its operations to maintain competitive advantage and to ensure the Group's success in the market. We practice stringent quality control checks in our business operations as a reflection of our commitment to providing only the best-in-class products and services. The Group has invested in an industrial balancing machine which allows the balancing process to be implemented before setting up the Group's machineries. As a result, tool life has improved, and this contributed to significant reduction in tooling cost. The Group has also invested in a tool presetter machine which helps to reduce machines down time. The application of these advanced equipment has enabled the integration of tool condition monitoring and tool life prediction into the Group's business process. As a result, the Group has seen machine productivity improved, while also being better equipped to maintain the quality and integrity of machined parts, minimise material waste and reduce manufacturing cost.

To further prepare our engineering factory to move forward for Industry 4.0, the Group has invested in digital system to manage multiple revisions of the bill of material, alternate sources and parts and real time inventory tracking. This has established a foundation towards a scalable digital supply chain management system. Our real time shop floor control system with business intelligence analytics on various operational data such as production output, work in progress, yield and quality of production has increased the intensity of operations towards a trend of continuous improvement. The Group has also commenced an upskilling programme to train and equip operation floor personnel with the knowledge and skills to operate these new systems. More on the Group's upskilling efforts can be read in the Talent Training and Development section on Page 30 of this Sustainability Statement.

## SUSTAINABILITY STATEMENT

(cont'd)

The above reflects the Group's commitment to continuously investing in technology and automation towards Industry 4.0, with the aim of propelling business growth and performance to the highest levels. The advent of Industry 4.0 and the Internet of Things have given rise to the development of various technologies such as Artificial Intelligence and cloud computing, which have immense potential to strengthen and boost performance. The Group believes that further integration of such new technologies and automation would eventually produce products and services that are not only superior but are made in a sustainable and ethical manner. Therefore, the Group is committed to adopt and leverage the said innovations where applicable.

### Certification & Accreditation

We continue to strive for excellence in all areas of our business by achieving accreditation and complying with international standards in the industry. Our accreditations achieved with various certification bodies are as follows:-

AT Precision Tooling Sdn Bhd		
		ISO 9001 : 2015 Certified by BSI Certified since May 2015
		ISO 13485 : 2016 Certified by BSI Certified since November 2016
AT Engineering Solution Sdn Bhd		
		ISO 9001 : 2015 Certified by BSI Certified since August 2019
AT Glove Engineering Sdn Bhd		
 ISO 9001 / ISO 13485 CERT NO: 110733	 QS 18042014 CB 15 MDQMS 15102014 CB 01	ISO 9001 : 2015 Certified by KGS Certified since May 2021
 ISO 9001 / ISO 13485 CERT NO: 110733	 QS 18042014 CB 15 MDQMS 15102014 CB 01	ISO 13485 : 2016 Certified by KGS Certified since May 2021

## SUSTAINABILITY STATEMENT

(cont'd)

AT Glove Engineering Sdn Bhd (Cont'd)	
	CE Certificate of Compliance Certified by EuropeCert Certified since January 2021
	Medical Device Registration Certified by Medical Device Authority Malaysia Certified since June 2021
	FDA Certificate of Registration Certified by U.S. Food and Drug Administration Certified since December 2021
	HALAL Certificate of Authentication Certified by Department of Islamic Development Malaysia (JAKIM) Certified since October 2022

### Procurement Practice

The Group is committed to ensure that speed, efficiency and quality are adhered to in the supply chain management process. As we progress in the value chain, we also remain committed to our internal procedures through our vendors working towards improving and strengthening their capabilities as well as pursuing accreditation of the international quality certifications. We conduct regular audits and visits to our vendors and suppliers to ensure that they are progressing well against targets. Concurrently, we maintain our strong adherence to risk management and fraud prevention by ensuring all procurement procedures are governed by best practice compliance and governance policies. All sourcing and procurement processes are conducted in strict adherence to these policies which are designed to detect fraud and/or corruption, and to enable procurement procedures to be carried out in an effective and transparent manner.

As a Malaysian company, the Group fully supports local suppliers who are capable in providing us with the best solutions in terms of quality, delivery and value, and thus enabled us to ship reliable products in a timely manner. The number of Malaysian suppliers engaged this year decreased from 94% in FY2023 to 92% of total suppliers in FY2024. However, the value of orders given to Malaysian suppliers increased from 97% in FY2023 to 99% of total value in FY2024.

## SUSTAINABILITY STATEMENT

(cont'd)

### Environmental Sustainability

#### Waste Management




It is our duty to the present and future generations to minimise our environmental footprint and address the pressing issue of climate change. To this end, we comply with the Environment Quality Act 1974 and the Group's waste management system adheres to the requirements set by the Department of Environment ("DOE"). This system is implemented through various operational procedures to minimise waste generated. We have established designated working committees, namely ATP Environmental, Health & Safety Committee that monitors our compliance with DOE requirements. In adherence to the DOE guidelines, we maintain a monthly reporting system through the Electronic Scheduled Waste Information Systems to track and document the generation and disposal of scheduled waste. An analysis of total waste generated is also conducted quarterly to control excessive waste production. To meet DOE requirements, we also send our effluent samples to external labs for regular testing. All chemicals used and waste materials such as coolants, hydraulic oil, zinc phosphates and other chemical compounds are safely disposed through a licensed waste transporter and contractor. The Group has also replaced thermal oil heaters with hot water boilers powered by the latest and environment- friendly technology, to reduce used oil waste. Further, we practice the reuse, reduce and recycle concept across our business operations.

#### Energy and Water Conservation

The Group undertakes efforts to improve the manufacturing processes and continuously reduce the consumption of energy and water resources within our factory. We employ deliberate measures such as rainwater harvesting and the utilisation of recycled water for general cleaning purposes, including floors and drainage systems, at our production facilities. Our manufacturing facilities have also been installed with transparent roofing and energy saving lights to reduce energy consumption. We have implemented energy efficiency practices including using solar powered energy-saving devices and shutting down air conditioning 30 minutes before offices are closed. We have also installed a flow meter to monitor the usage of water and power inverters in certain machines.

#### Producing Green Energy via Solar Photovoltaic Plants

In line with the growing interest of renewable energy in Malaysia and towards creating a greener portfolio with sustainable capacity, the Group has ventured into the power generation and renewable energy business since year 2015. Currently, the Group is operating on two (2) solar photovoltaic plants, with a capacity of 425kW at Plot 82 and 300kW at Plot 49 in Penang, respectively. These solar photovoltaic plants are built on the rooftops of the Group's manufacturing plants. Harnessing the power of photovoltaic technology, these solar photovoltaic plants are equipped with photovoltaic modules, enabling them to generate clean energy for the national grid on an annual basis. Our contribution to the production of clean energy through these solar photovoltaic plants helps reduce dependence on non-renewable energy sources and supports the transition towards a low-carbon economy. During the year 2024, these plants continue to yield environmental benefits as summarised below:

	 Carbon Dioxide	 Passenger Cars	 Tree Seedlings
<b>PLOT 82</b> Generated 545 MWh per year	<b>476</b> metric tons avoidance per year	<b>104</b> taken off the road for 1 year	<b>8,993</b> grown for 10 year
<b>PLOT 49</b> Generated 404 MWh per year	<b>353</b> metric tons avoidance per year	<b>77</b> taken off the road for 1 year	<b>6,667</b> grown for 10 year

## SUSTAINABILITY STATEMENT

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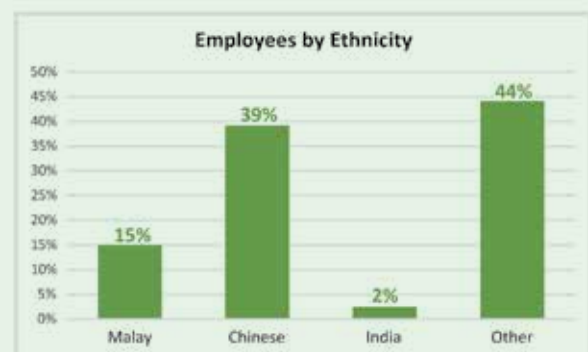
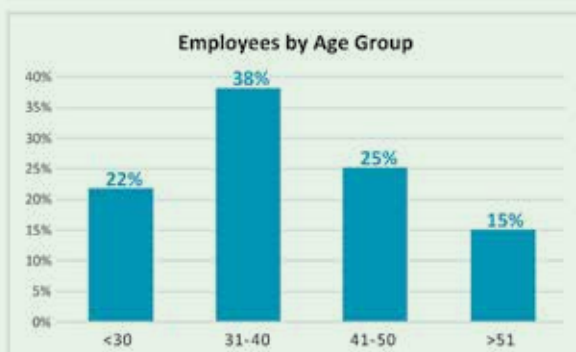
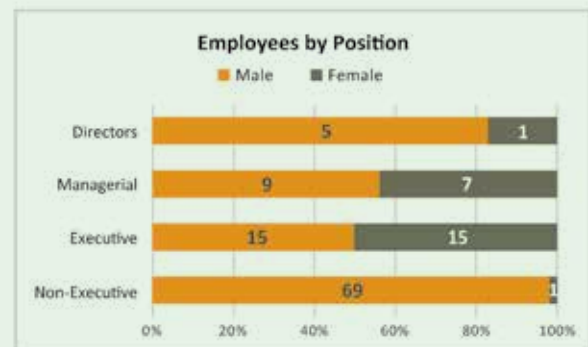
### Social Sustainability

#### Workforce Diversity

We highly appreciate the importance of our employees, recognising them as the foundation of our success. We firmly believe in a non-discriminatory approach during the recruitment process, where considerations such as ethnicity, gender, religion, or age do not influence the selection of potential candidates. Our sole focus is on evaluating candidates based on their competence, experience, and capabilities.

Our Group complies strictly with labour laws and code of employment practices. We are committed to eliminating practices of using child and illegal labour. The Group does not employ any person below the legal age as defined by the Employment Act in Malaysia. All employees are treated fairly and based on our employment agreement which clearly stipulates the terms of employment and compensation.

As of 31 March 2024, our Group's workforce comprised a total of 122 employees. The demographic breakdown of our employees is displayed below:



## SUSTAINABILITY STATEMENT

(cont'd)

### Talent Training and Development

The Group believes that human capital development is important to ensure that the Group has the right and relevant skill sets and knowledge essential for the business sustainability and growth. Hence, we invest in the training and development of our employees so that they are able to excel in their positions. This is especially true in our industry where technologies are constantly evolving, and we must change and upskill accordingly to ensure we are at the forefront of all advancements and therefore well equipped to serve our customers. We constantly upgrade our employees' skills, knowledge and experience through training and practical programmes, held both internally and externally. Training on the job is provided to equip our factory workers with the knowledge and skills essential to carrying out their responsibilities. We believe that enhancing an individual employee's competency levels will lead to an increase in productivity and further improve their quality of work and workplace. In turn, this will boost the Group's overall productivity and performance. Beyond profitability however, we also believe that providing employees with opportunities for career expansion and upskilling amid rapid technological advancements is key to their personal growth and wellbeing, and this in turn contributes to societal growth and development.

During the FY2024, our Group's employees have attended a total of 16 training sessions. Below are some highlights of the various training programmes conducted during the FY2024:

#### Internal Training

Date	Topics
May 2023	• General Equipment Training
June 2023	• ISO 9001:2015 Internal Audit Training

#### External Training

Date	Topics
Apr 2023	• First Aid Training Course - Basic First Aid & Cardiopulmonary Resuscitation
Apr 2023	• PKF Special Complimentary 2023 Tax Budget Webinar Series - Part 1: Maximizing Tax Benefits From Budget 2023
June 2023	• MasterCam Software Training 2D
June 2023	• MasterCam Software Training Multi Axis
July 2023	• Seminar Perakuan Bomba dan Organisasi Keselamatan Kebakaran (OKK)
August 2023	• Webinar on SST Facilities and Audit Procedure
September 2023	• Chartered Quality Institute and International Register of Certificated Auditors Certified ISO 9001:2015 Lead Auditor Training Course
September 2023	• ISO 9001:2015 Quality Management System Requirements Training Course
September 2023	• ISO 9001:2015 Quality Management System Internal Auditor Training Course (Bespoke)
October 2023	• Transforming Production from Industry 3.0 to Industry 4.0
November 2023	• Tax Budget 2024
November 2023	• Industry 4.0 in Practice - Technical add on and Internet of Things IR4.0
December 2023	• Budget 2024 : Complete annual tax planning with e-invoicing & Special Voluntary Disclosure Programme 2.0
March 2024	• Project Management Foundation and Practices



## SUSTAINABILITY STATEMENT

(cont'd)

### Occupational Health and Safety

Safety issues are always on top of the agenda at the staff meetings and serve as a key performance indicator in evaluating employees' performance. The Group via the health & safety committee at the subsidiary level oversees the Occupational Health and Safety Management System ("OHSAS") by reviewing the safety and health policy and making recommendations for any revision of such policies. Employees are required to wear personal protection equipment such as safety goggles, gloves, boots and face mask when entering high risk areas inside the factory to prevent the occurrence of any unsafe act or accident. Supervisors are required to monitor work practices performed by employees to ensure safety procedures are followed in accordance with the safety guides and manuals. These protocols ensure the reduction of incidents such as injuries and lost working days recorded. Medical surveillance is performed on employees who are likely to be exposed to occupational health hazards. Fire drills and safety training as well as risk awareness campaigns are conducted regularly to ensure that employees understand on how to respond properly in the event of an emergency.

### Our Halal-Certified Gloves Promote Sustainability and Inclusion

We recognise the significance of producing halal-certified gloves as a sustainability matter. By obtaining halal certification for our glove production, we demonstrate our commitment to meeting the needs of diverse customer groups while respecting their religious beliefs and practices. This initiative aligns with our sustainability goals by fostering inclusivity and social responsibility. We actively engage with suppliers who provide halal-certified raw materials, ensuring the integrity of our glove manufacturing processes. Through employee training and awareness programs, we empower our workforce to handle and produce halal-certified gloves in compliance with strict halal standards. By offering halal-certified gloves, we expand our market reach and cater to the preferences of Muslim consumers, further enhancing our business sustainability.

### Community Engagement

Beyond integrating sustainability into our operations, we value the importance of enhancing connections with local communities to foster goodwill and promote community health and well-being. Our Group remains committed to fulfilling its role as a socially responsible company, aiming to make a positive impact on the community. As part of our commitment to serving and supporting the community, we contribute donations, sponsorships, and assistance to a wide range of charitable organizations, non-profit entities, government agencies, and individuals in need within our community. During the year, the Group has provided sponsorships towards Aidilfitri celebration ceremony organised by Balai Polis Diraja Malaysia, Bayan Lepas.

## SUSTAINABILITY STATEMENT

(cont'd)

### Governance Sustainability

#### Risk Management

The Group has integrated its risk management framework into its management systems, ensuring that responsibilities and accountability for implementing risk management processes and internal control systems are clearly defined. The Risk Management Group oversees the Group's risk management efforts, including sustainability risks, while the internal audit function regularly monitors and reviews the Group's internal control system. An effective risk governance and management framework not only safeguards our business operations, but also reinforces the confidence of our stakeholders.

#### Ethical Business Conduct

We uphold integrity in the way we conduct our business, guided by good governance practices outlined in our corporate governance framework and terms of reference. Our Code of Conduct sets the behavioural standards and provides a communicable and understandable guide for all employees on ethical and compliance issues.

#### Whistleblowing

We ensure that the Group's zero-tolerance stance towards any form of misconduct is strictly adhered to. Our Whistleblowing Policy and procedures encourages our employees as well as contractors, suppliers and customers to raise genuine concerns of any malpractices or misconduct. Our whistleblowing mechanism allows us to deal with such allegations in a confidential manner, providing appropriate protection to the whistleblower against any form of reprisals.

#### Anti-Bribery and Anti-Corruption

We are committed to conducting our business free from any acts of bribery or corruption. All our employees, contractors and suppliers are required to adhere to all anti-bribery and anti-corruption legislations.

### CONCLUSION

As a responsible corporate citizen, the Group remains committed to driving sustainability across our business operations and workforce. We believe a business that is run sustainably and with best practice corporate governance principles will not only be beneficial to the environment and surrounding communities but also be able to deliver strong returns for our shareholders. We will therefore continue to integrate sustainability into all areas of operation while seeking new areas to be developed for long-term value creation.

This Statement was approved by the Board on 25 July 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of AT Systematization Berhad is committed to achieve and maintain high standards of corporate governance within the Group as a fundamental part of its responsibilities in managing the business and affairs of the Group in order to protect and enhance shareholders’ value.

This Statement is to provide shareholders and investors with an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) by the Group and should be read together with the Corporate Governance Report 2024 of AT Systematization Group (“CG Report”) which accompanies this Annual Report and is also available on the Company’s website at [www.atsys.com.my](http://www.atsys.com.my).

The CG Report provides the details on how the Group has applied each Practice as set out in the MCCG during the financial year ended 2024 (“FY2024”). Other than Practice 4.4, 5.9, 5.10 and 8.2, the Board is of the view that the Group has substantially complied with the recommendations of MCCG.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Activities

The business and affairs of the Group are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organization and significant policies of the Group. The Board also sets the Group’s core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations.

### Board Composition

The Board currently consists of six (6) Directors, comprising:

- (a) Three (3) Independent and Non-Executive Directors;
- (b) One (1) Non-Independent Non-Executive Director; and
- (c) Two (2) Executive Directors.

The Board is in compliance of Rule 15.02(1)(a) of the ACE LR, ie. two (2) directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board consists of members from a wide range of discipline and background, providing in-depth and diversity in experience to the Group’s operations. The Board is led by an Independent and Non-Executive Chairman while the executive management is helmed by the Managing Director and Executive Director. All Independent and Non-Executive Directors are free from any business dealings and other relationship with the Group and therefore play a crucial role in corporate accountability with their independent, unbiased views, advice and judgment in the decision-making process. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

With Dato’ Nik Ismail bin Dato’ Nik Yusoff as the Independent Non-Executive Chairman and Mr. Choong Lee Aun as the Managing Director, there is a clear division of responsibilities between these roles to ensure a balance of power and authority. The Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Board is also in compliance with MCCG’s recommendation that the Chairman of a Company shall be an Independent Non-Executive Director, and the positions of the Chairman and the Managing Director are held by two different individuals. Furthermore, the complement of Non-Executive Directors provides an effective Board with a mix of industry-specific knowledge, technical and commercial experience. This balance enables the Board to provide a clear and effective leadership to the Company and to bring informed and independent judgment to various aspects of the Company’s strategies and performance.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

The Independent Non-Executive Directors further strengthen the Board in providing unbiased and independent views, advice and judgement. They also contribute to the formulation of policies and decision-making through their expertise and experience. Appointment of Board members and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

A brief profile of each Director is presented on Page 18 to Page 20 of this Annual Report.

### Board Responsibilities and Duties

The Company is led by an experienced and dynamic Board. It has a balanced board composition with effective independent directors. The Board takes full responsibility and retains full and effective control over the affairs of the Group. The Board's functions and responsibilities are as stipulated in the Board Charter, their primary focus is on overall strategic planning including business plan and annual budget, performing quarterly review of business and financial performance, reviewing risk management and management of sustainability matters, exercising internal controls and enforcing legal and statutory compliance.

### Separation of position of Chairman and Managing Director

The Independent Non-Executive Chairman is responsible for running the Board and ensure all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board discussions. The Managing Director is responsible for the day-to-day management of the Group's business, which includes implementing the policies and decisions of the Board.

### Independence of Chairman from Board Committees

The Independent Non-Executive Chairman maintains independence from the Board Committees and is not a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.

### Company Secretary

The Directors have unrestricted access to the advice and services of the Company Secretaries. The Directors may obtain independent professional advice where necessary at the Company's expense in the furtherance of their duties. The Directors are also regularly updated by the Company Secretaries on latest regulatory updates from Bursa Securities, Securities Commission, Companies Commission of Malaysia ("CCM") and other regulatory bodies relating to Directors' duties and responsibilities in order to assist them in the discharge of their duties as Directors of the Company and ensuring the effective functioning of the Board.

### Access to information and advice

The Directors have full and timely access to information pertaining to the Group's business and affairs to enable them to discharge their duties effectively. Prior to each Board meeting, a full set of Board papers together with the agenda were forwarded to the Board members to allow the Directors to study and evaluate the matters to be discussed and subsequently make effective decisions.

The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with the management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them. In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Board Charter

The Board has established a Board Charter which set out the duties and responsibilities of individual directors, Board Committee and the Board as a whole in accordance with the principles of good corporate governance, relevant legislations and regulations.

The Board Charter outlines the composition and structure of the Board, the appointment of new Directors to the Board, the Board's powers duties and responsibilities including the division of responsibilities between executive and non-executive directors and management, establishment of Board Committees, remuneration of Directors and processes and procedures for convening Board meetings. The Board Charter also underlines the Board's commitment to compliance with laws, regulations and its internal code of ethics. The Board Charter is subject to review as and when required and will be updated from time to time to reflect changes to the Company's policies, procedures and processes as well as changes to legislations and regulations. The Board Charter is available on the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

### Code of Conduct

The Company has set out a Code of Conduct for its Directors, management and employees. The Code of Conduct is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Group in its effort to enhance corporate governance has put in place a whistleblowing policy to provide an avenue for employees and stakeholders to report genuine concerns about malpractices, unethical behavior, misconduct or failure to comply with regulatory requirements without fear of reprisal. Any concerns raised will be investigated and a report and update will be provided to the Audit and Risk Management Committee.

### Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy

The Group has also adopted an Anti-Bribery and Anti-Corruption Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. This policy provides information and guidelines to all Directors and employees of the Group on the standard of behaviour which they must adhere to and how to recognise and deal with bribery and corruption.

The Board shall review the Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy as and when required and the policies are available at the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

### Sustainability Policy

The Sustainability Policy sets out the manner in which the Group conducts business with responsibility and in an ethical way to ensure promote sustainable economic and social development, contributing sustainability to communities and the environment. The Sustainability Policy is available at the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

### Directors' Fit and Proper Policy

The Board had on 23 May 2022 adopted the Directors' Fit and Proper to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group. The Directors' Fit and Proper Policy is available at the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## Board Meetings

There were five (5) Board Meetings held during the FY2024. Meeting agendas included review of quarterly financial results and announcements, plan and direction of the Group. The record of attendance for each Director at those meetings are set out below:-

Name of Directors	Designation	No. of Meetings Attended	Percentage of Attendance (%)
<b>Dato' Nik Ismail bin Dato' Nik Yusoff</b>	Independent Non-Executive Chairman	5/5	100
<b>Choong Lee Aun</b>	Managing Director	5/5	100
<b>Mak Siew Wei</b>	Executive Director	5/5	100
<b>Dr. Ch'ng Huck Khoon</b>	Non Independent Non-Executive Director	5/5	100
<b>Tan Lay Chee</b>	Independent Non-Executive Director	5/5	100
<b>Ong Poh Lin Abdullah</b> <i>(Appointed w.e.f. 31 May 2023)</i>	Independent Non-Executive Director	4/4	100

The Board meetings are fixed in advance at the end of the preceding financial year to enable the Directors to plan ahead and incorporate the year's meetings into their own schedules. Board meetings are held every quarter and additional meeting are held as and when necessary. Senior management are invited to attend board meetings to furnish details or clarifications on matters tabled for the Board's consideration.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via written resolutions, which are attached with sufficient and relevant information required for an informed decision to be made. Where a potential conflict arises in any transactions involving any particular Director's interest, such Director is required to declare his or her interest and abstain from discussion and the decision-making process. In the event any Directors are unable to attend Board meetings physically, the Company's Constitution allow for such meetings to be conducted via telephone, video conference or any other form of electronic communication.

## Continuing Education Programmes

Orientation programme is initiated for the newly appointed Directors to familiarize them with the Group's business and operations. All Directors have attended the Mandatory Accreditation Programme (Part I and Part II) prescribed by Bursa Securities. The Board 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, the Company had organised in-house trainings for the Directors. The Directors are also encouraged to attend various external professional programmes which they individually considered as relevant and useful to further enhance their business acumen and professionalism in discharging their stewardship responsibilities.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

The Company Secretaries keep Directors informed of relevant external training programmes and all of the Directors have undergone training during the financial year. The external conferences/workshops and internally organized programmes attended by the Directors during the FY2024 encompasses the following topics:-

Name of Directors	Topics
<b>Dato' Nik Ismail bin Dato' Nik Yusoff</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• KSY007: Digital Economy and Capital Market Series: Financial Technology (Fintech) and Big Data</li> <li>• Driving Growth and Value Creation through Effective ESG Strategies</li> </ul>
<b>Choong Lee Aun</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Driving Growth and Value Creation through Effective ESG Strategies</li> </ul>
<b>Mak Siew Wei</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• KSY007: Digital Economy and Capital Market Series: Financial Technology (Fintech) and Big Data</li> <li>• Driving Growth and Value Creation through Effective ESG Strategies</li> </ul>
<b>Dr. Ch'ng Huck Khoon</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Introduction to Sustainability Reporting and GRI Standards 2021 Update</li> <li>• Reporting and GRI Standards 2021 Update</li> <li>• Reporting Human Rights with GRI Standards 2021 Update</li> <li>• Integrating the SDGs into Sustainability Reporting</li> <li>• GRI Certified Sustainability Professional</li> </ul>
<b>Tan Lay Chee</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Driving Growth and Value Creation through Effective ESG Strategies</li> </ul>
<b>Ong Poh Lin Abdullah</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• ESG Essentials training - A comprehensive Introduction for Companies</li> <li>• Mandatory Accreditation Programme (MAP)</li> <li>• Driving Growth and Value Creation through Effective ESG Strategies</li> <li>• AML / CFT Typologies and Risk Technical Knowledge</li> <li>• How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Board Committees

The Board has delegated appropriate responsibilities to the Board Committees, namely the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee as well as two (2) Sub-Committees, namely Investment Committee and Employees' Share Options Scheme Committee, in order to enhance business and operation efficiency and efficacy. The respective terms of references have been established for all Board Committees and will be updated from time to time to keep abreast with the best practices in Corporate Governance. The Chairman of the respective Committees will report to the Board on the outcome of the Committee meetings.

### Nominating Committee ("NC")

The NC was established on January 24, 2006 and comprises wholly of Non-Executive Directors, a majority of whom are independent. The NC establishes a formal and transparent procedure for the nomination and appointment of new directors to the Board. The NC reviews the composition of the Board Committees in accordance with the terms of reference of the Board Committees. The NC also reviews annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual director through the annual assessment questionnaire completed by each director. Appointments to the Board are made via a formal, rigorous and transparent process, premised on meritocracy and taking into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction. In determining candidates for appointment to the Board Committees, various factors are considered, including the time commitment of the Board Committee members in discharging their role and responsibilities through attendance at their respective meetings, their performance and contribution to the achievement of the Board Committees' goals and objectives, possession of the attributes, capabilities and qualifications considered necessary or desirable for committee service and demonstration of independence, integrity and impartiality in decision-making.

The NC also assesses the performance of the director(s) who will be seeking re-election at the Annual General Meeting ("AGM") and to recommend them for re-election. The NC met once to carry out the annual review of the Board and its Committees and the assessment of the Board members for the FY2024. The present composition of NC are as follows:-

Chairman : Tan Lay Chee (Independent Non-Executive Director)  
Members : Dr. Ch'ng Huck Khoon (Non-Independent Non-Executive Director)  
: Ong Poh Lin Abdullah (Independent Non-Executive Director)  
(Appointed as member w.e.f. 31 May 2023)  
Dato' Nik Ismail bin Dato' Nik Yusoff (Independent Non-Executive Director)  
(Ceased as member w.e.f. 31 May 2023)

Due to the size of the Board, the Board has not appointed a senior independent director to whom shareholders may voice their concerns. This task will be played by the Board as a whole.

The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements.

The Terms of Reference of the NC is available on the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Criteria used in recruitment and annual assessment

Any proposals for new appointments to the Board are reviewed by the NC and presented to the Board for approval. The Company Secretaries will ensure that all appointments are properly made, and that regulatory obligations are met.

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively and in line with the Rule 15.06 of the ACE LR, a Director of a public listed company must not hold more than five (5) directorships in public listed companies and must be able to commit sufficient time to the Company. The Directors are required to submit an update of their other directorships to the company secretaries from time to time for monitoring of the number of directorships held by the Directors of the Company and to notify CCM accordingly.

### Tenure of Independent Directors

The Board noted the Practice 5.3 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the approval of shareholders to continue as an Independent Director or be re-designated as a Non-Independent Director. If the Board intends to retain an Independent Director beyond 9<sup>th</sup> year of appointment, it should justify and seek shareholders' approval at a general meeting through a two (2)-tier voting process as prescribed under the MCCG.

In view of this, the Board has undertaken an annual assessment to assess the independency of the Independent Directors. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and it will continue to conduct independence assessment annually with the assistance of the Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

Dato' Nik Ismail bin Dato' Nik Yusoff has been the Company's Independent Director for a cumulative term of more than nine (9) years. Following an assessment by the NC and the Board, the Company will be seeking shareholders' approval at the forthcoming AGM for the retention of Dato' Nik Ismail bin Dato' Nik Yusoff as Independent Director through a two-tier voting process. The justifications for his reappointment are as follows:-

- (a) His appointment is made in accordance with the requirements of the ACELR and therefore are able to bring independent and objective judgement to the Board;
- (b) He has no potential conflict of interest, whether business or non-business related with the Company;
- (c) He is able to provide proper check and balance in the proceedings of the Board;
- (d) His vast experience, knowledge and skills in a diverse range of businesses allows him to participate actively and contribute during the deliberations or discussions at the Board meetings; and
- (e) He exercises due care as Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interest of the Company and shareholders.

The Board does not have a policy which limits the tenure of an Independent Director to nine (9) years as it believes that the tenure of service is not a major factor to determine the independence of a Director.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Gender Diversity Policy

As at the date of this Statement, the Board has one (1) female Independent Non-Executive Director, which accounts for 16.67% of the Board members. Although the Group has yet to have a Gender Diversity Policy, the Board is committed to provide fair and equal opportunities and nurturing diversity within the Group with due consideration on skills, industry experience, background, age, race, gender and other qualities in determining the optimum composition of the Board. The Board is also mindful of the recommendation of the MCCG to have at least 30% women decision-makers in the Board.

### Remuneration Committee ("RC")

The RC comprises wholly of Non-Executive Directors. The RC met once during the FY2024. The present composition of RC are as follows:-

Chairman	:	Tan Lay Chee (Independent Non-Executive Director)
Members	:	Dr. Ch'ng Huck Khoon (Non-Independent Non-Executive Director)
	:	Ong Poh Lin Abdullah (Independent Non-Executive Director)
		<i>(Appointed as member w.e.f. 31 May 2023)</i>
	:	Dato' Nik Ismail bin Dato' Nik Yusoff (Independent Non-Executive Director)
		<i>(Ceased as member w.e.f. 31 May 2023)</i>

The RC is entrusted by the Board to implement the policies and procedures on matters relating to the remuneration of the Board and Senior Management and making recommendations on the same to the Board for approval. The Board has adopted the policies deliberated by the RC, with the Director interested abstaining from discussion, to determine the remuneration of Directors and Senior Management to align with business strategy and long-term objectives of the Group. The remuneration policies and procedures adopted are aimed at attracting and retaining talent needed to run the Group successfully.

The Executive Directors and Senior Management are paid salaries, allowance, performance-based incentive including bonus and other customary benefits as appropriate. The remuneration is set based on relevant market relativities, performance, qualifications, experience and geographic location where the personnel is based. The salary level for Executive Directors and Senior Management takes into account the nature of the role, performance of the business and the individual and market positioning.

The remuneration of Independent Directors comprises fees, meeting allowances and other benefits. The Board ensures that the remuneration for Independent Non-Executive Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings.

The respective Directors are required to abstain from deliberation and voting on their own remuneration at Board Meetings. In relation to the fees and allowances for Directors, it will be presented at the AGM for shareholders' approval.

The Terms of Reference of the RC is available on the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Directors' Remuneration

The remuneration of the Directors of the Company for the FY2024, for the Company as well as for the Group are as follows:-

Name of Directors	Salaries, bonuses and allowances (RM)	Fees (RM)	Defined contribution plan (RM)	Benefits-in-kinds (RM)	Total (RM)
<b><u>Company</u></b>					
Dato' Nik Ismail bin Dato' Nik Yusoff	-	66,000	-	-	66,000
Choong Lee Aun	79,500	-	9,540	-	89,040
Mak Siew Wei	84,000	-	10,080	-	94,080
Dr. Ch'ng Huck Khoon	500	43,000	-	-	43,500
Tan Lay Chee	-	47,000	-	-	47,000
Ong Poh Lin Abdullah	-	35,000	-	-	35,000
<b>Sub-total</b>	<b>164,000</b>	<b>191,000</b>	<b>19,620</b>	<b>-</b>	<b>374,620</b>
<b><u>Subsidiaries</u></b>					
Choong Lee Aun	386,373	-	46,080	28,000	460,453
Mak Siew Wei	60,000	-	7,800	4,000	71,800
<b>Sub-total</b>	<b>446,373</b>	<b>-</b>	<b>53,880</b>	<b>32,000</b>	<b>532,253</b>
<b>Grand total</b>	<b>610,373</b>	<b>191,000</b>	<b>73,500</b>	<b>32,000</b>	<b>906,873</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Remuneration of Senior Management

The profile of the Senior Management personnel is disclosed in Page 21 of this Annual Report. Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group.

The Board has taken best effort to comply with the provisions and applied the main principles of the MCGG. However, the Board does not comply with Practice 8.2 which requires that the Board discloses on a named basis the top five (5) Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Group's Senior Management includes two (2) Executive Directors of the Company (of which their detailed remuneration has been disclosed in this Corporate Governance Overview Statement). Whilst for the remaining Senior Management, the Board did not disclose their detailed remuneration on a named basis in order to allay concerns on invasion of staff confidentiality and the Company's ability to retain talented Senior Management in view of the competitive employment environment.

As an alternative, the RC and the Board believe that the disclosure of Key Management Personnel's remuneration, that includes all the Group's Senior Management, in the audited financial statements are adequate as it complies with the requirements of Paragraph 17 of MFRS 124 "Related Party Disclosures". It is the Group's practice to hire the best talents from the geographical regions that the Group operates in. Accordingly, the compensation and benefits packages for Group's Senior Management are structured competitively to attract, motivate and retain talents.

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### Financial Reporting

The Board is responsible to ensure that the Company's financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016. The Directors' responsibility statement in respect of the preparation of the audited financial statements is set out on Page 56 of this Annual Report.

### Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review related party transactions and conflict of interest or potential conflict of interest situations, if any, as well as provide oversight on the risk management framework of the Group.

The ARMC is chaired by Mr. Tan Lay Chee, an Independent Non-Executive Director, who is distinct from the Chairman of the Board. The ARMC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the ARMC.

The composition of the ARMC, including its roles and responsibilities as well as a summary of its activities carried out in FY2024, are set out in the ARMC Report on Page 45 to Page 48 of this Annual Report.

### Relationship with external auditors

The Company's external auditors continue to provide the independent assurance to shareholders on the Group's and the Company's financial statements. The existing external auditors, Messrs. UHY had confirmed to the ARMC that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. The ARMC, upon its recent annual assessment carried out, is satisfied with their work done and independence and had recommended to the Board for their re-appointment at the forthcoming annual general meeting.

### Risk Management and Internal Control Framework

The Board is committed to nurture and maintain a sound risk management framework and systems of internal control throughout the Group.

The Board has formalised a comprehensive Enterprise Risk Management Framework and clear governance structure that takes into account all significant aspects of internal control including risk assessment, the control environment and control activities, information and communication, and monitoring. Key business risks have been categorised to highlight the source of the risk, and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Board through the ARMC oversees the risk management matters of the Group, which include identifying, managing and monitoring, treating and mitigating significant risks across the Group. The ARMC also assists the Board to fulfil its responsibilities with regard to the risk governance and risk management in order to manage the overall risk exposure of the Group.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on Page 49 to Page 52 of this Annual Report.

## PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Communication with stakeholders

The Board is committed to ensuring that communications to stakeholders regarding the businesses, operations and financial performance of the Group is timely and factual and are available on an equal basis.

The Board endeavors to keep its shareholders and investors informed of the Group's progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operation.

The Group also maintains a corporate website at [www.atsys.com.my](http://www.atsys.com.my) whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

### Conduct of General Meetings

The AGM serves as a principal forum for the Group's dialogue with shareholders. Shareholders are encouraged to attend the AGM, during which they can participate and are given the opportunity to ask questions on business operations and the financial performance and position of the Group and note on important matters affecting the Group, including the election / re-election of Directors. Extraordinary General Meetings ("EGMs") are held as and when needed to obtain shareholders' approval on certain business or corporate proposals. Adequate notice of EGM, in compliance with regulatory requirements, are sent to shareholders together with comprehensive Circulars/ Statements setting out details and explaining the rationale with regards to the matters for which shareholders' approval are being sought.

All Directors attended the 19<sup>th</sup> AGM held on 26 September 2023. Barring unforeseen circumstances, all Directors shall be attending the forthcoming 20<sup>th</sup> AGM to engage directly with the shareholders and address their queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

In line with the best corporate governance practice, the Notice of the 20<sup>th</sup> AGM and Annual Report are sent out to shareholders at least 28 days before the date of the meeting to allow sufficient time for shareholders to consider the proposed resolutions to be tabled at the AGM.

Pursuant to Rule 8.31(A) of the ACE LR, all resolutions tabled at general meetings will be put to vote by way of a poll and the voting results will be announced at the general meetings and through Bursa LINK on the same day. The Board will ensure that all resolutions set out in the forthcoming and future general meetings will be voted on by way of a poll and verified by an independent scrutineer.

The 20<sup>th</sup> AGM of the Company will be conducted on a virtual basis from the Broadcast Venue and online remote voting using the remote participation and voting platform which will facilitate participation and voting by shareholders at the meeting.

### KEY FOCUS AREA AND FUTURE PRIORITIES

The Board is committed to compliance with the requirements of MCCG and will continue to enhance its corporate governance practices by taking steps to address the current departures from the Practices stipulated in the MCCG. Moving forward, the Board shall continue to focus on developments in governance, update relevant terms of references in line with latest amendments to the Listing Requirements of Bursa Malaysia, address factors that contribute to sustainable long-term value creation while addressing pressing issues and growing uncertainty as well as accelerate the talent agenda.

This Statement was approved by the Board on 25 July 2024.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee was established on 26 July 1994 and renamed as the Audit and Risk Management Committee ("ARMC") on 31 May 2018 to serve as a Committee of the Board.

The Board is pleased to present the ARMC Report to provide insights on the discharge of the ARMC's functions during the financial year 2024 ("FY2024") in compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE LR").

## COMPOSITION

The present members of the ARMC comprise:

**Tan Lay Chee** (Chairman)  
Independent Non-Executive Director

**Dr. Ch'ng Huck Khoon** (Member)  
Non-Independent Non-Executive Director

**Ong Poh Lin Abdullah** (Member)  
Independent Non-Executive Director  
(Appointed as member w.e.f. 31 May 2023)

**Dato' Nik Ismail bin Dato' Nik Yusoff** (Member)  
Independent Non-Executive Director  
(Ceased as member w.e.f. 31 May 2023)

The members of the ARMC are Non-Executive Directors with a majority of them being Independent Directors. This satisfies the test of independence under ACE LR and meet the requirements of the MCCG.

Mr. Tan Lay Chee, the Chairman, is an Independent Non-Executive Director and is a member of the Malaysian Institute of Accountants. The Company complies with Rules 15.10 and 15.09(1)(c)(i) respectively of the ACE LR.

The performance of the ARMC and each of its members were reviewed by the Board on 23 May 2024 and the Board was satisfied that they are able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC which have been reviewed by the Nominating Committee, thereby supporting the Board in ensuring appropriate corporate governance standards within the Group.

## SECRETARY

The secretaries to the ARMC are the Company Secretaries of the Company.

## TERMS OF REFERENCE

The detailed Terms of Reference of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company's website at [www.atsys.com.my](http://www.atsys.com.my).

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

### MEETINGS

The ARMC held five (5) meetings during the FY2024. Details of attendance of ARMC Meetings were as below:-

Name of Directors	Designation	No. of Meetings Attended	Percentage of Attendance (%)
<b>Tan Lay Chee</b>	Chairman	5/5	100
<b>Dr. Ch'ng Huck Khoon</b>	Member	5/5	100
<b>Ong Poh Lin Abdullah</b> (Appointed as member w.e.f. 31 May 2023)	Member	4/4	100
<b>Dato' Nik Ismail bin Dato' Nik Yusoff</b> (Ceased as member w.e.f. 31 May 2023)	Member	1/1	100

Notices of meetings were sent to the ARMC members at least one (1) week in advance. The ARMC members are provided with the agenda and relevant meeting papers before each meeting. All deliberations during the ARMC Meetings were duly minuted. Minutes of the ARMC Meetings were tabled for confirmation at every succeeding ARMC Meeting.

The directors of the key subsidiaries and members of senior management were invited to the ARMC Meetings to facilitate direct communication as well as to provide clarification on the Group's operations and area of concerns. The internal auditors attended the ARMC Meetings to table the Internal Audit report and assist Risk Management Working Group to present the Risk Management report.

The External Auditors attended three (3) ARMC Meetings held during the FY2024. The External Auditors were encouraged to raise with the ARMC any matters they considered important to bring to the ARMC's attention. For FY2024, two (2) private sessions were held between the ARMC with the External Auditors without the presence of the Executive Directors and management. The Chairman of the ARMC also ensured that there was communication and flow of information between the External Auditors and the management which was necessary to allow unrestricted access to information for the External Auditors to effectively perform their duties.

The Chairman of the ARMC presented the ARMC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of the ARMC would convey to the Board matters of significant concern raised by the Internal or External Auditors.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

### SUMMARY OF WORKS DURING THE FINANCIAL YEAR 2024

During the FY2024 and up to the date of this Report, the summary of works undertaken by the ARMC to meet its responsibilities in the discharge of its function and duties comprised the followings:-

#### 1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 30 June 2023, 30 September 2023, 31 December 2023 and 31 March 2024 before recommending the same for the Board's approval;
- Reviewed the financial performance and financial highlights of the Group;
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR;
- Reviewed the draft audited financial statements for the financial year ended 31 March 2024 before recommending the same for the Board's approval;
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

#### 2. Oversight of External Auditors

- Evaluated External Auditors by considering their qualification, credentials, reputation and experience prior to re-appointment;
- Reviewed the Audit Planning Memorandum for the FY2024 prepared by the External Auditors, entailing mainly the overview of audit approach and areas of audit emphasis of the Group;
- Met two (2) times with the External Auditors without the presence of the Executive Directors and management;
- Reviewed and monitored the suitability and independence of the External Auditors. As part of the annual audit exercise, assurance from the External Auditors was sought in confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; Upon reviewed and being satisfied with the results, the same has been recommended to the Board for approval.

#### 3. Oversight of Internal Auditors

- Met with the Internal Auditors to discuss on the development of internal audit plan for the FY2024 based on the business direction of the Group;
- Reviewed and adopted the risk-based internal audit plan for the FY2024, upon agreeing on the auditable areas and the timing of the audits;
- Reviewed the Internal Audit Reports for the FY2024 and assessed the Internal Auditors' findings and the management's responses and made the necessary recommendations to the Board of Directors for approval.

#### 4. Review of Related Party Transactions

- Reviewed any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises the questions on management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts.

#### 5. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the ARMC Meetings;
- Reviewed the disclosures in Corporate Governance Overview Statement for the inclusion in the Annual Report 2024;
- Reviewed the disclosures in ARMC Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2024.

#### 6. Employees' Share Option Scheme ("ESOS")

- Reviewed and verified options allocated and granted during the financial year pursuant to the Company's ESOS were in accordance with the allocation criteria approved by the ESOS Committee and in compliance with the By-Laws of the ESOS.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

### 7. Risk Management

- Reviewed the Risk Management Reports for the FY2024 and assessed the report's findings and the management's responses and made the necessary recommendations to the Board of Directors for approval.

The Board is satisfied that the ARMC has carried out its responsibilities and duties in accordance with the ARMC's Terms of Reference.

## INTERNAL AUDIT FUNCTION

### 1. Appointment of Internal Auditors

The Group has appointed an independent professional firm of consultant to support the internal audit function, namely Finfield Corporate Services Sdn Bhd. The outsourced internal auditors report directly to the ARMC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the ARMC, assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

### 2. Summary of Internal Audit and Risk Management ("IARM") Reviews During the Financial Year 2024

During the FY2024, the IARM reviews have been carried out according to the risk-based audit plan, which had been approved by the ARMC. The IARM reviews covered the following:-

- Human resource management;
- Risk management
- Inventory management

The internal auditors also reviewed implementation of corrective action plans or agreed course of action on the findings reported. The findings and recommendations were highlighted to the management for their comments and further action. Internal audit reports were presented to the ARMC and also reported to the Board.

### 3. Total costs incurred for the FY2024

Total costs incurred for the outsourced internal audit and risk management function of the Group for the FY2024 is RM48,850 (FY2023:RM32,800).

## CORPORATE GOVERNANCE PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the ARMC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the MCCG, other applicable laws, rules, directives and guidelines. In addition, before finalizing the various governance disclosures in the Annual Report, the ARMC together with all other Board Members and management had reviewed the Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control together with other compliance disclosures.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of AT Systematization Berhad acknowledges the importance of maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practice good corporate governance. The Board is pleased to provide the following Statement on Risk Management and Internal Control for the FY2024. This Statement is made in compliance with Rule 15.26(b) of the ACE LR and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD'S RESPONSIBILITIES

The Board is responsible for the Group's risk management and internal control system as well as reviewing its adequacy and effectiveness on an on-going basis. Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any system of internal controls. Such a system is designed to identify and manage the Group's risk within the acceptable risk profile, rather than eliminate the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. The key areas covered by the Group's risk management and system of internal controls are financial, organisational, operational, environmental and compliance controls.

## RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business objectives. The Group is committed to integrating good risk management practices into all business processes and operations to drive effective and accountable action, decision making and management practice.

The implementation of the Group's risk management process is the responsibility of the Risk Management Group ("RMG") comprising Executive Directors, the Chief Financial Officer and the Directors and/or Senior Managers of the key subsidiaries/business units of the Group. The RMG is chaired by the Executive Directors to undertake the following tasks:-

- The implementation and maintenance of the risk management process;
- To ensure the effectiveness of the risk management process and the implementation of risk management policies;
- To identify risks relevant to the Group that may impede the achievement of its objectives;
- To identify significant changes to the Group's risks including emerging risks and take actions as appropriate to communicate to Audit and Risk Management Committee ("ARMC") and the Board.

The Group adopts the control self-assessment methodology to formalise the risk management process. Each key subsidiary has its own risk management working group which is headed by the Directors and consists of general managers, heads of department and key personnel while Internal Auditors act as coordinator. The risk management working group is tasked to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes. The risk management working group of each key subsidiary reports to the RMG and the RMG will then discuss and evaluate the working groups' reports for adoption. Thereafter, the RMG will report to the ARMC annually about key risks and risk management activities carried out during the period. The key aspects of the risk management process of the Group are:-

- Risk management working groups are required to update their risk profiles on on-going basis and in this regard, issue letters of assurance at the end of each yearly review to confirm that they have reviewed the risk profiles, risk reports and related business processes and are also monitoring the implementation of action plans;



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

- On annual basis, a risk management report detailing status of risk reviews, significant risk issues identified and the progress of implementation of action plans shall be reviewed and discussed by respective risk management working group prior to being tabled to the RMG;
- The risk reports from the key subsidiaries are consolidated for annual reporting and tabled to RMG, before being presented to the ARMC for review, deliberation and recommendation for endorsement by the Board.

### INTERNAL CONTROL

#### **Key Internal Control Processes**

The key elements of the Group's internal control systems are described below:-

- The Board has established an organisational structure with clearly defined lines of responsibilities, authority limits and accountability aligned to business and operations requirements which support the maintenance of a strong control environment;
- The Board has established the Board Committees with clearly defined delegation of responsibilities within the definition of terms of reference. These committees include ARMC, Remuneration Committee, Nominating Committee, Investment Committee and ESOS Committee which have been set up to assist the Board to perform its oversight functions. The Committees have the authority to examine all matters within their scope and report their recommendations to the Board.

#### **Key Elements of Internal Control**

The following sets out the key elements of the Group's internal control, which have been in place throughout the FY2024 and up to 25 July 2024, being the date of this Statement on Risk Management and Internal Control:-

- Management structure exists with clearly defined responsibility and appropriate levels of delegation to ensure checks and balances through segregation of duties. The Management team is responsible for implementing the Group's strategies and managing day-to-day business. The Management team performs regular monitoring and review of the Group's financial results and operational matters. Meetings are held at operational and management levels regularly to identify, discuss and resolve business and operational issues;
- Quarterly financial results, annual financial statements, annual report and other information are provided timely to the ARMC for review before approval by the Board for public release. Areas of concerns as well as exceptions or deviation to the Group's policies and weaknesses on the internal control systems are highlighted and discussed during the meetings. This oversight review allows the Board to monitor and evaluate the Group's performance in achieving its corporate objectives;
- The Group practises annual budgeting and monitoring process as follows:-
  - a) Budget is prepared annually for each area of business, followed by reviewed and adoption by the Board;
  - b) Actual performance would be compared with budget monthly, together with explanation of any major variance. Action plans are formulated to address any areas of concern.
- Comprehensive financial accounts and management reports are prepared and reviewed monthly for effective monitoring and decision-making;
- Accounting policies and operating procedures approved by the Board are applicable to the whole Group. These policies and procedures are subject to periodic reviews, updates and continuous improvements to reflect the changing risks and operational needs;
- The Code of Conduct is implemented within the Group for Directors, Management and employees of the Group. This code is established to promote a corporate culture which produces ethical conduct throughout the Group;
- Staff professionalism, industrial skill sets and job competency are progressively developed through broad based training and development programmes;

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

- Appropriate insurance coverage and physical safeguards over major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.
- The Group has established and put in place a whistleblowing policy to provide an avenue for the Board, officers and employees as well as members of the public a safe channel of reporting of concerns about possible improprieties. Allegation of improprieties, if any, is reported at the ARMC meetings.
- Related party transactions, if any are dealt with in accordance with the ACE LR and reviewed by the ARMC and the Board at the respective meeting.
- Subsidiaries of the Group have been accredited certifications, licenses and qualifications by global group certification bodies. Documented internal procedures and Standard Operating Procedures ("SOPs") have been put in place since their accreditation. Surveillance audits are conducted by assessors of the ISO certification bodies to ensure that the SOPs are implemented. Continuous training and development programmes are also provided to enhance employees' competencies and maintain a risk adverse and control conscious culture.

### **Internal Audit Function**

The ARMC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control. The review and monitoring are carried out through the internal audit function by an outsourced independent professional firm of consultant, Finfield Corporate Services Sdn Bhd ("Internal Auditors"). Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care. The internal audit plan is developed based on the risk profile and analysis of the businesses of the Group, as well as on past experience. The internal audit will focus its resources on areas of high risks which will be audited more frequently than low risk areas. For purposes of identifying and prioritising risks, the Internal Auditors will first discuss with the RMG and respective risk management working group, review management reports and financial statements.

The findings of internal audits, including its recommendations and management's responses were tabled at the ARMC meetings for deliberation and the ARMC's expectations on the corrective measures were communicated to the respective heads of departments and business units. The Management is responsible for ensuring that corrective actions to control weaknesses are implemented within a defined time frame. The status of implementation is monitored through follow-up audits which are also reported to the ARMC.

In addition, the deficiencies noted by the External Auditors' and Management's responsiveness to the control recommendations on deficiencies noted during financial audits provide added assurance that control procedures on functions with financial impact are in place, and are being monitored. In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the ARMC reports to the Board its activities, significant results, findings and the necessary recommendations for improvements.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guides 3 issued by the Malaysian Institute of Accountants, for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that this statement, in all material respect:-

- (i) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- (ii) is factually inaccurate.

### CONCLUSION

The Board, having received assurance from the Executive Directors, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the period under review and up to the date of approval of this Statement. There were no material internal control weaknesses which had resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

This Statement on Risk and Internal Control was approved by the Board on 25 July 2024.

# ADDITIONAL COMPLIANCE INFORMATION

(IN ACCORDANCE WITH RULE 9.25 OF THE ACE LR AS SET OUT IN APPENDIX 9C)

## 1.0 EMPLOYEES' SHARE OPTION SCHEME

### 1.1 Employees' Share Option Scheme

The Group implemented Employees' Share Option Scheme ("ESOS") of not more than 30% of the issued shares of the Company with effect from 20 April 2021 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 12 April 2021. The information in relation to the ESOS is as follows:-

- (a) Total number of options granted, exercised and outstanding during the financial year under review are as follows:-

Number of options	Grand Total	Directors and Senior Management
Outstanding as at 1 April 2023	-	-
Granted	185,420,000	27,000,000
Vested	185,420,000	27,000,000
Exercised	(185,420,000)	(27,000,000)
Lapsed	-	-
Outstanding as at 31 March 2024	-	-

- (b) Percentages of options applicable to Directors and senior management under the ESOS during the financial year and since its commencement up to the financial year ended 31 March 2024 are set out below:-

Directors and senior management	Percentage of options (%)	
	During the financial year	Since commencement up to 31 March 2024
(i) Aggregate maximum allocation	80.00%	80.00%
(ii) Actual options granted	20.79%	25.35%

- (c) No options were granted to the Non-Executive Directors under the ESOS since its commencement up to the financial year ended 31 March 2024.

## ADDITIONAL COMPLIANCE INFORMATION

(IN ACCORDANCE WITH RULE 9.25 OF THE ACE LR AS SET OUT IN APPENDIX 9C) (cont'd)

### 2.0 AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 March 2024 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	265	160
Non-audit fees	39	39
<b>Total</b>	<b>304</b>	<b>199</b>

### 3.0 MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

### 4.0 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

The Company does not have any recurrent related party transactions of revenue or trading nature during the financial year ended 31 March 2024.



# REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024



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## **DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS**

As required under the Companies Act 2016 ("Act") in Malaysia, the Directors of AT Systematization Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.



## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 11.

### RESULTS

	Group RM	Company RM
Loss for the financial year	<u>(85,814,912)</u>	<u>(143,998,460)</u>
Attributable to:-		
Owners of the Company	<u>(85,814,912)</u>	<u>(143,998,460)</u>
	<u>(85,814,912)</u>	<u>(143,998,460)</u>

### DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

### RESERVES AND PROVISIONS

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

### BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off.

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

## DIRECTORS' REPORT (cont'd)

### CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to realise.

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

### VALUATION METHODS

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

### CONTINGENT AND OTHER LIABILITIES

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

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors, except for as disclosed in the financial statements:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT (cont'd)

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the ordinary shares of the Company was decreased from 6,000,621,899 units to 226,192,659 units pursuant to the following:-

- (i) Private placement of 600,062,000 new ordinary shares of RM0.0091 each;
- (ii) 185,420,000 options exercised under the Employees' Share Option Scheme at an exercise price of RM0.009 per ordinary share; and
- (iii) Share consolidation of every 30 ordinary shares in the Company into 1 share ("Consolidated Shares") following the listing and quotation of 226,192,659 Consolidated Shares on the Ace Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, no issue of debentures were issued by the Company.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme.

### EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established and implemented a new ESOS of not more than 30% of the issued shares of the Company with effect from 20 April 2021 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 12 April 2021.

The movements of options over unissued shares of the Company granted under ESOS during the financial year are disclosed in Note 21.4 to the financial statements.

## DIRECTORS' REPORT (cont'd)

### WARRANTS

#### Warrants 2020/2025 ("Warrants C")

On 22 May 2020, the Company listed and quoted 743,383,150 Warrants C pursuant to the renounceable rights issue. The Warrants C are constituted by the Deed Poll dated 26 February 2020 ("Deed Poll C").

Salient features of the Warrants C are as follows:-

- (a) Each Warrant C entitles the warrant holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.035 during the 5-year period expiring on and including 17 May 2025 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll C;
- (b) At the expiry of the Exercise Period, any Warrants C which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (c) Warrant holders must exercise the Warrants C in accordance with the procedures set out in the Deed Poll C and shares allotted and issued upon such exercise shall rank pari passu in all respects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

On 12 January 2024, the exercise price of the Warrants C was adjusted from RM0.035 to RM1.05 after the share consolidation as disclosed in Note 20 to the Financial Statements, on the basis of 30 ordinary shares into 1 ordinary share.

As at 31 March 2024, 15,634,256 Warrants C remained unexercised after share consolidation.

### DIRECTORS

The directors in office during the financial year until the date of this report are:-

#### Directors of the Company

Dato' Nik Ismail bin Dato' Nik Yusoff  
Dr. Ch'ng Huck Khoon  
Mak Siew Wei \*  
Choong Lee Aun \*  
Tan Lay Chee  
Ong Poh Lin Abdullah (Appointed on 31 May 2023)

\* Being a director of one or more subsidiaries.

#### Directors of the subsidiaries of the Company

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year until the date of this report are:-

Yong Man Chai (Resigned on 10 May 2024)

## DIRECTORS' REPORT (cont'd)

### DIRECTORS' INTERESTS

According to the Registers of Directors' Shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares and share options of the Company and of its related corporations during the financial year were as follows:-

#### Directors of the Company

	As at 01.04.2023	Number of ordinary shares			As at 31.03.2024
		Addition	Disposal	Share consolidation (Note 20)	
<b>Interest in the Company</b>					
<b>Direct Interest</b>					
Mak Siew Wei	453,645,666	-	-	(438,524,144)	15,121,522
Dato' Nik Ismail bin Dato' Nik Yusoff	700,000	-	-	(676,667)	23,333

	As at 01.04.2023	Number of Warrants C			Share consolidation (Note 20)	As at 31.03.2024
		Addition	Disposal			
<b>Direct Interest</b>						
Mak Siew Wei	260,100,000	-	-	(251,430,000)		8,670,000

Other than as stated above, none of the other directors 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' REPORT (cont'd)

### DIRECTORS' BENEFITS

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

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is 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, other than those arising from the share options granted under the Company's ESOS.

### DIRECTORS' REMUNERATION

	Group RM	Company RM
<u>Directors of the Company</u>		
(i) Executive directors:		
- Salaries, bonuses and allowances	609,873	163,500
- Defined contribution plan	73,500	19,620
- Estimated monetary value of benefits-in-kind	32,000	-
	<u>715,373</u>	<u>183,120</u>
(ii) Non-executive directors:		
- Fees	<u>191,500</u>	<u>191,500</u>
<u>Directors of the subsidiaries</u>		
- Salaries, bonuses and allowances	60,000	-
- Defined contribution plan	7,800	-
- Estimated monetary value of benefits-in-kind	17,400	-
	<u>85,200</u>	<u>-</u>
	<u>992,073</u>	<u>374,620</u>

Included in the analysis above is remuneration for the directors of the Company for their services to the Company and its subsidiaries in accordance with the requirements of the Companies Act 2016.

### 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 Group and of the Company were RM3,000,000 and RM15,115 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## DIRECTORS' REPORT (cont'd)

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 31 to the financial statements.

### SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 32 to the financial statements.

### AUDITORS' REMUNERATION

The details of auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 as follows:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit	265,000	160,000
- Non-statutory audit	39,000	39,000
	<u>304,000</u>	<u>199,000</u>



## DIRECTORS' REPORT (cont'd)

### AUDITORS

The auditors, Messrs. 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:

.....  
**CHOONG LEE AUN**

Director

.....  
**MAK SIEW WEI**

Director

Date: 25 July 2024

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	5	32,584,563	60,798,062	-	1,560,000
Cost of sales		(36,023,856)	(68,403,507)	-	-
<b>Gross (loss)/profit</b>		(3,439,293)	(7,605,445)	-	1,560,000
Other income		19,493,333	3,468,485	96,802,811	1,706,881
Administrative and general expenses		(13,394,928)	(19,705,230)	(3,279,353)	(3,301,198)
Selling and distribution expenses		(80,166)	(133,253)	-	-
		(13,475,094)	(19,838,483)	(3,279,353)	(3,301,198)
Net loss of impairment on financial instruments		(1,778,877)	(3,671,887)	(46,445,638)	-
Other expenses		(71,771,910)	(48,627,739)	(190,001,907)	(1)
Loss from operation		(70,971,841)	(76,275,069)	(142,924,087)	(34,318)
Finance costs		(1,420,957)	(3,670,828)	(739,863)	(2,863,630)
Share of results of associates		(13,080,253)	(2,752,355)	-	-
Loss before taxation	6	(85,473,051)	(82,698,252)	(143,663,950)	(2,897,948)
Taxation	7	(341,861)	(46,911)	(334,510)	(31,603)
<b>Loss for the financial year</b>		<u>(85,814,912)</u>	<u>(82,745,163)</u>	<u>(143,998,460)</u>	<u>(2,929,551)</u>
<b>Loss for the financial year attributable to:-</b>					
Owners of the Company		(85,814,912)	(82,745,163)	(143,998,460)	(2,929,551)
		<u>(85,814,912)</u>	<u>(82,745,163)</u>	<u>(143,998,460)</u>	<u>(2,929,551)</u>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Loss for the financial year</b>		(85,814,912)	(82,745,163)	(143,998,460)	(2,929,551)
<b>Other comprehensive income:</b>					
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Net change in fair value of equity instrument designated at fair value through other comprehensive income ("FVOCI")		(11,393,593)	-	-	-
<b>Item that may be reclassified subsequently to profit or loss</b>					
Share of other comprehensive income of associates		647,953	789,408	-	-
<b>Total comprehensive loss for the financial year</b>		<u>(96,560,552)</u>	<u>(81,955,755)</u>	<u>(143,998,460)</u>	<u>(2,929,551)</u>
<b>Total comprehensive loss for the financial year attributable to:-</b>					
Owners of the Company		<u>(96,560,552)</u>	<u>(81,955,755)</u>	<u>(143,998,460)</u>	<u>(2,929,551)</u>
		<u>(96,560,552)</u>	<u>(81,955,755)</u>	<u>(143,998,460)</u>	<u>(2,929,551)</u>
<b>Loss per share attributable to the owners of the Company (sen)</b>					
Basic and diluted	8	<u>(37.99)</u>	<u>(41.40)</u>		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

			Group		Company
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	84,010,833	123,764,997	278,528	321,848
Right-of-use assets	10	24,721,787	25,971,984	1	1
Investment in subsidiaries	11	-	-	122,137,102	264,837,105
Investment in associates	12	27,337,168	88,681,994	-	54,314,400
Marketable securities	13	19,070,862	11,565,474	9,268,777	-
Receivables, deposits and prepayments	15	4,325,200	4,325,200	-	-
		159,465,850	254,309,649	131,684,408	319,473,354
<b>Current assets</b>					
Inventories	14	6,277,865	9,302,721	-	-
Receivables, deposits and prepayments	15	8,501,238	11,990,877	70,672,892	13,342,189
Tax assets	16	118,735	251,899	124,330	218,825
Money market instruments	17	16,338,345	21,097,320	16,338,345	21,097,320
Cash and bank balances	18	4,848,622	39,325,946	518,036	31,806,024
		36,084,805	81,968,763	87,653,603	66,464,358
Assets held for sale	19	18,635,527	18,635,527	-	-
		54,720,332	100,604,290	87,653,603	66,464,358
<b>TOTAL ASSETS</b>		<b>214,186,182</b>	<b>354,913,939</b>	<b>219,338,011</b>	<b>385,937,712</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024 (cont'd)

			Group		Company
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	20	487,942,699	480,443,830	487,942,699	480,443,830
Other reserves	21	(953,214)	16,117,655	9,261,308	9,261,308
Accumulated losses		(325,098,306)	(239,283,394)	(278,150,858)	(134,152,398)
<b>Total equity</b>		<b>161,891,179</b>	<b>257,278,091</b>	<b>219,053,149</b>	<b>355,552,740</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	22	8,389,537	10,340,472	41,744	84,242
Deferred tax liabilities	23	-	-	-	-
		8,389,537	10,340,472	41,744	84,242
<b>Current liabilities</b>					
Loans and borrowings	22	3,757,702	34,782,364	42,498	30,174,935
Payables, deposits received and accruals	24	39,662,997	52,028,245	200,620	125,795
Contract liabilities	25	484,767	484,767	-	-
		43,905,466	87,295,376	243,118	30,300,730
<b>Total liabilities</b>		<b>52,295,003</b>	<b>97,635,848</b>	<b>284,862</b>	<b>30,384,972</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>214,186,182</b>	<b>354,913,939</b>	<b>219,338,011</b>	<b>385,937,712</b>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Note	Non-distributable							Total Equity RM
		Share Capital RM	Share Options Reserve RM	Revaluation Reserve RM	Warrants Reserve RM	Fair Value Adjustment Reserve RM	Translation Reserve RM	Accumulated Losses RM	
As at 1 April 2023		480,443,830	35,430	5,629,614	9,261,382	-	1,191,229	(239,283,394)	257,278,091
Comprehensive loss									
Loss for the financial year		-	-	-	-	-	-	(85,814,912)	(85,814,912)
Fair value on quoted investment at FVOCI		-	-	-	-	(11,393,593)	-	-	(11,393,593)
Release of reserve upon derecognition of associate		-	-	(5,335,621)	-	-	(989,608)	-	(6,325,229)
Share of other comprehensive income of associates		-	(35,430)	893,910	465	-	(210,992)	-	647,953
Total comprehensive loss for the financial year		-	(35,430)	(4,441,711)	465	(11,393,593)	(1,200,600)	(85,814,912)	(102,885,781)
Transactions with owners									
Private placements		5,460,564	-	-	-	-	-	-	5,460,564
Share issuance expenses		(108,117)	-	-	-	-	-	-	(108,117)
Exercise of share options		2,146,422	(477,642)	-	-	-	-	-	1,668,780
Share-based payments		-	477,642	-	-	-	-	-	477,642
Total transactions with owners		7,498,869	-	-	-	-	-	-	7,498,869
As at 31 March 2024		487,942,699	-	1,187,903	9,261,847	(11,393,593)	(9,371)	(325,098,306)	161,891,179

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (cont'd)

Group	Note	Non-distributable					Total Equity RM
		Share Capital RM	Share Options Reserve RM	Revaluation Reserve RM	Warrants Reserve RM	Translation Reserve RM	
<b>As at 1 April 2022</b>		478,425,474	295,542	5,343,714	9,261,382	427,609	337,215,490
<b>Comprehensive loss</b>							
Loss for the financial year		-	-	-	-	-	(82,745,163)
Share of other comprehensive income of associates		-	(260,112)	285,900	-	763,620	789,408
<b>Total comprehensive loss for the financial year</b>		-	(260,112)	285,900	-	763,620	(81,955,755)
<b>Transactions with owners</b>							
Exercise of share options		2,018,356	(300,932)	-	-	-	1,717,424
Share-based payments		-	300,932	-	-	-	300,932
<b>Total transactions with owners</b>		2,018,356	-	-	-	-	2,018,356
<b>As at 31 March 2023</b>		480,443,830	35,430	5,629,614	9,261,382	1,191,229	257,278,091

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Non-distributable					Total Equity RM
	Share Capital RM	Options Reserve RM	Warrants Reserve RM	Accumulated Losses RM		
<b>Company</b>						
<b>As at 1 April 2023</b>	480,443,830	-	9,261,308	(134,152,398)		355,552,740
<b>Comprehensive loss</b>						
Loss for the financial year	-	-	-	(143,998,460)		(143,998,460)
<b>Total comprehensive loss for the financial year</b>	-	-	-	(143,998,460)		(143,998,460)
<b>Transactions with owners</b>						
Private placements	5,460,564	-	-	-		5,460,564
Share issuance expenses	(108,117)	-	-	-		(108,117)
Exercise of share options	2,146,422	(477,642)	-	-		1,668,780
Share-based payments	-	477,642	-	-		477,642
<b>Total transactions with owners</b>	7,498,869	-	-	-		7,498,869
<b>As at 31 March 2024</b>	487,942,699	-	9,261,308	(278,150,858)		219,053,149

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (cont'd)

Company	Note	Non-distributable			Warrants Reserve RM	Accumulated Losses RM	Total Equity RM
		Share Capital RM	Share Options Reserve RM				
<b>As at 1 April 2022</b>		478,425,474	-		9,261,308	(131,222,847)	356,463,935
<b>Comprehensive loss</b>							
Loss for the financial year		-	-		-	(2,929,551)	(2,929,551)
<b>Total comprehensive loss for the financial year</b>		-	-		-	(2,929,551)	(2,929,551)
<b>Transactions with owners</b>							
Exercise of share options		2,018,356	(300,932)		-	-	1,717,424
Share-based payments		-	300,932		-	-	300,932
<b>Total transactions with owners</b>		2,018,356	-		-	-	2,018,356
<b>As at 31 March 2023</b>		480,443,830	-		9,261,308	(134,152,398)	355,552,740

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows (used in)/from operating activities</b>				
Loss before taxation	(85,473,051)	(82,698,252)	(143,663,950)	(2,897,948)
Adjustments for:-				
Depreciation of property, plant and equipment	9,210,708	10,200,064	60,087	59,082
Depreciation of right-of-use assets	2,650,612	1,926,594	-	59,558
Gain on disposal of property, plant and equipment	-	-	(12,499)	-
Written off of property, plant and equipment	243,637	135,014	234,206	-
Capital reduction in a subsidiary	-	-	189,900,000	-
Fair value loss on investment in quoted shares	36,863,525	3,540,369	46,445,638	-
Inventories written down	-	19,295,338	-	-
Impairment loss on:				
- receivables	81,614	329,653	-	-
- investment in associates	1,348,965	7,789,392	-	-
- property, plant and equipment	34,893,258	15,065,935	-	-
Reversal of impairment loss on:				
- receivables	(10,481)	(123,335)	-	-
- investment in associates	(3,070,484)	(903,767)	-	-
- investment in subsidiaries	-	-	(46,824,262)	-
- property, plant and equipment	(1,580)	(20,883)	-	-
Loss on strike off of a subsidiary	-	-	-	1
Gain on derecognition of investment in associates	(10,005,584)	-	-	-
Gain on disposal of investment in unquoted shares	(103,736)	-	-	-
Distribution income on money market instruments	(136,092)	(105,451)	(136,092)	(105,451)
Interest income	(692,180)	(1,641,365)	(675,414)	(1,551,040)
Interest expenses	1,420,957	3,670,828	739,863	2,863,630
Share-based payment under ESOS	477,642	300,932	101,907	-
Share of result of associates	13,080,253	2,752,355	-	-
Loss on dilution of interest in associates	-	6,101,343	-	-
Unrealised (gain)/loss on foreign exchange, net	(657,936)	1,024,461	(653,371)	992,744
Operating profit/(loss) before working capital changes carried forward	120,047	(13,360,775)	45,516,113	(579,424)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Operating profit/(loss) before working capital changes carried forward	120,047	(13,360,775)	45,516,113	(579,424)
Inventories	3,024,856	11,921,483	-	-
Receivables	3,388,443	18,489,841	437,565	5,119,236
Payables	(15,030,417)	74,237	74,825	(79,919)
Amount due by subsidiary companies	-	-	(57,768,268)	(12,073,191)
Cash (used in)/generated from operations	(8,497,071)	17,124,786	(11,739,765)	(7,613,298)
Tax refund	39,693	45,500	-	45,500
Tax paid	(248,390)	(147,608)	(240,015)	(125,890)
Net cash (used in)/from operating activities	(8,705,768)	17,022,678	(11,979,780)	(7,693,688)
<b>Cash flows (used in)/from investing activities</b>				
Distribution income on money market instruments	136,092	105,451	136,092	105,451
Interest received	753,681	1,577,009	675,414	1,486,684
Proceeds from disposal of investment in unquoted shares	2,863,736	-	-	-
Proceeds from disposal of property, plant and equipment	377,639	-	12,500	-
Purchase of marketable securities	(4,208,106)	(10,049,843)	(1,400,015)	-
Acquisition of property, plant and equipment	(329,645)	(5,864,506)	(250,974)	(4,424)
Acquisition of right-of-use assets	(570,000)	(9,328,000)	-	-
Net cash (used in)/from investing activities	(976,603)	(23,559,889)	(826,983)	1,587,711

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (cont'd)

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash flows from/(used in) financing activities</b>				
Proceeds from private placements	5,460,564	-	5,460,564	-
Proceeds from share options	1,668,780	1,717,424	1,668,780	1,717,424
Share issuance expenses	(108,117)	-	(108,117)	-
Interest paid	(1,420,957)	(3,670,828)	(739,863)	(2,863,630)
Placement of deposits pledged with licensed banks	(560,000)	-	-	-
Upliftment of deposits pledged with licensed bank	32,215,997	35,020,661	30,064,356	35,087,795
Net repayment of lease liabilities	(3,094,726)	(2,017,999)	(39,310)	(43,829)
Net repayment of term loans and revolving credit	(32,412,351)	(36,666,607)	(30,135,625)	(35,041,745)
Net cash from/(used in) financing activities	1,749,190	(5,617,349)	6,170,785	(1,143,985)
<b>Net decrease in cash and cash equivalents</b>	(7,933,181)	(12,154,560)	(6,635,978)	(7,249,962)
Effects of exchange rate changes on cash and cash equivalents	682,900	(990,388)	653,371	(992,744)
Cash and cash equivalents at beginning of the financial year	26,404,103	39,549,051	22,838,988	31,081,694
<b>Cash and cash equivalents at end of the financial year</b>	<u>19,153,822</u>	<u>26,404,103</u>	<u>16,856,381</u>	<u>22,838,988</u>
<b>Cash and cash equivalents comprise:</b>				
Deposits placed with licensed banks	2,033,145	33,750,643	-	30,064,356
Cash and bank balances	2,815,477	5,575,303	518,036	1,741,668
Money market instruments	16,338,345	21,097,320	16,338,345	21,097,320
Bank overdraft	-	(268,520)	-	-
	21,186,967	60,154,746	16,856,381	52,903,344
Less: Deposits pledged with licensed banks	(2,033,145)	(33,750,643)	-	(30,064,356)
	<u>19,153,822</u>	<u>26,404,103</u>	<u>16,856,381</u>	<u>22,838,988</u>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 1. CORPORATE INFORMATION

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

The registered office of the Company is located at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at DF2-07-03, Level 7, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, Malaysia.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 11.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 July 2024.

## 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 the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Adoption of MFRS, amendments/improvements to MFRSs

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimate
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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.2 Adoption of MFRS, amendments/improvements to MFRSs (cont'd)

The adoption of the MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company except for:

##### Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

The Group and the Company has adopted the amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 Materiality Practice Statement for the first time in the current financial year. The amendments change the requirements in MFRS 101 Presentation of Financial Statements with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 Presentation of Financial Statements are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements but affect the disclosure of accounting policies.

#### 2.3 MFRSs and Amendments to MFRSs that have been issued but are not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.3 MFRSs and Amendments to MFRSs that have been issued but are not yet effective (cont'd)

The adoption of these standards and amendments that have been issued but not yet effective are not expected to have a material impact to the financial statements of the Group and of the Company.

#### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's and its subsidiaries' functional currency.

#### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

#### 2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Basis of consolidation

##### Subsidiaries and business combination

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of the business and control is transferred to the Group.

#### 3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and investment in associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b).

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.3 Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

#### 3.4 Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer. Revenue is recognised when the Group and the Company satisfied a performance obligation by transferring a promised goods or services to the customer, which is when a customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.4 Revenue and other income (cont'd)

##### (a) Contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

##### (b) Goods sold

Revenue from the sale of goods is recognised at a point in time when the control of ownership has been transferred to the buyer and upon its acceptance.

##### (c) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### (d) Interest income

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

##### (e) Management fees

Management fees are recognised when services are rendered.

##### (f) Sale of solar energy

The Group sells electricity generated through its self-constructed solar plant to electric utility company, Tenaga Nasional Berhad under 21-year renewable energy power purchase agreement. Revenue is recognised upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptable by the utility company.

#### 3.5 Employee benefits

##### Share-based payment transactions

##### Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.5 Employee benefits (cont'd)

##### Share-based payment transactions (cont'd)

##### Equity-settled share-based payment transaction (cont'd)

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

#### 3.6 Financial instruments

##### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

##### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:-

##### **Financial assets**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes 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 of the business model.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.6 Financial instruments (cont'd)

##### (ii) Financial instrument categories and subsequent measurement (cont'd)

###### *Financial assets (cont'd)*

###### (a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows 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 financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3.15) where the effective interest rate is applied to the amortised cost.

###### (b) Fair value through other comprehensive income

###### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

Financial assets categorised as fair value through other comprehensive income ("FVOCI") are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

###### (c) Fair value through profit or loss

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

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

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 3.10).

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.6 Financial instruments (cont'd)

##### (ii) Financial instrument categories and subsequent measurement (cont'd)

###### *Financial liabilities*

The subsequent measurement of financial liabilities depends on their classification as follows:-

##### (a) 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 fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

##### (b) Amortised cost

Subsequent to initial recognition, other financial liabilities not measured at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Gains or losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iii) 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 because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee issued are initially measured at fair value. Subsequently, they are measured at the higher of:-

- (a) the amount of the loss allowance; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

##### (iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.6 Financial instruments (cont'd)

##### (iv) Regular way purchase or sale of financial assets (cont'd)

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:-

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Any changes in the fair value of the asset to be received during the period between the trade date and settlement date is accounted in the same way as it accounts for the acquired asset.

##### (v) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, or cancelled or expired. A financial liability is also derecognized when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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 noncash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 3.7 Property, plant and equipment

##### (a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Buildings under revaluation model are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.7 Property, plant and equipment (cont'd)

##### (b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

##### (c) Depreciation

Capital work-in-progress and building work-in-progress are not depreciated until such time when the asset is available for use.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Solar photovoltaic plants	5%
Plant, machinery, tools and equipment	7% - 20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	15% - 20%
Renovation	10%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

##### (d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

#### 3.8 Leases

##### As a lessee

The Group and the Company recognise a right-of-use asset and lease liability at the lease commencement date. The right-of-use 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 the site on which it is located, less any lease incentives received.

The right-of-use asset (other than leasehold land under revaluation model) is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.8 Leases (cont'd)

The lease terms of the right-of-use asset is as follows:-

Leasehold lands	33 to 90 years
Plant, machinery, tools and equipment	5 to 10 years
Motor vehicles	3 to 5 years
Factory	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflect the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Leasehold lands under revaluation model are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the leasehold lands does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The revaluation reserve is transferred to retained earnings as the asset is used. The amount of revaluation reserve transferred is the difference between the depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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 Group's and the Company's incremental borrowing rate. Generally, the Group and the Company use its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest 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 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 the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Company has elected not to recognise right-of-use assets and lease liability 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 operating expense on a straight line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.8 Leases (cont'd)

##### As a lessor

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term as part of other income.

#### 3.9 Inventories

Inventories are measured at lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:-

- raw materials: purchase costs on a first-in, first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 3.10 Impairment

##### (a) 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").

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.10 Impairment (cont'd)

##### (a) Financial Assets (cont'd)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

##### (b) Other assets

The carrying amounts of other assets (except for inventories and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate 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 its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. 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 (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.11 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated once classified as held for sale.

#### 3.12 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Company has received the consideration or has billed the customer. In the case of engineering contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include payments received from customers and other deferred income where the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers. Contract liabilities are recognised as revenue when the Company satisfies its performance obligation under the contract.

#### 3.13 Statement of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances, deposits with licensed banks that are readily convertible into cash with insignificant risk of changes in value against which bank overdrafts are deducted.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:-

#### (a) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.7, the Group and the Company review the residual values, depreciation rates and depreciation methods at the end of each reporting period. Estimates 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 may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 9.

#### (b) Revaluation and useful lives of buildings and right-of-use assets

The Group and the Company carry its buildings and right-of-use assets at valuation model, with changes in fair values being recognised in other comprehensive income. The Group and the Company engage independent valuation specialists to determine the fair value of the buildings and right-of-use assets at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued buildings materially differ from the market values.

#### (c) Impairment of investment in subsidiaries and associates

The directors review the investments in subsidiaries and associates for impairment when there is an indication of impairment. This involves measuring the recoverable amount which includes fair value less costs to sell and valuation techniques. Valuation techniques include discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation. The carrying amounts of the investment in subsidiaries are disclosed in Note 11 and investment in associates are disclosed in Note 12.

#### (d) Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

For certain non-financial assets, fair value less cost to sell is determined based on valuation prepared by independent valuer. The fair value is estimated based on a combination of (i) market transacted price for similar assets with necessary adjustments, and (ii) the estimation on the current costs of replacing an asset with its modern equivalent asset less reduction for physical deterioration and all relevant forms of obsolescence and optimisation.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

#### (e) Write-down of obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on the assessment of its estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories. The carrying amounts of the Group's inventories are disclosed in Note 14.

#### (f) 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 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. Information about the expected credit loss is disclosed in Note 15.

#### (g) Share-based payment

The Group measures the cost of equity-settled transactions with employees by reference to their fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 21.4.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 5. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fabrication:				
(i) Fabrication of customised parts	29,599,184	43,964,346	-	-
(ii) Servicing charges	415,361	119,537	-	-
Sheet metal & automation:				
(i) Sheet metal fabrication	222,350	880,440	-	-
(ii) Design and assembly	-	5,360,920	-	-
Solar renewable energy	720,246	711,480	-	-
Gloves	1,627,422	9,761,339	-	-
Management fees	-	-	-	1,560,000
	<u>32,584,563</u>	<u>60,798,062</u>	<u>-</u>	<u>1,560,000</u>
Goods or services transferred:				
- at a point in time	32,584,563	55,437,142	-	1,560,000
- over time	-	5,360,920	-	-
	<u>32,584,563</u>	<u>60,798,062</u>	<u>-</u>	<u>1,560,000</u>



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- statutory audit				
- current year	265,000	148,000	160,000	31,000
- under provision prior year	32,000	7,100	32,000	-
- non-statutory audit	39,000	5,000	39,000	5,000
Depreciation of property, plant and equipment	9,210,708	10,200,064	60,087	59,082
Depreciation of right-of-use assets	2,650,612	1,926,594	-	59,558
Gain on disposal of property, plant and equipment	-	-	(12,499)	-
Written off of property, plant and equipment	243,637	135,014	234,206	-
Capital reduction in a subsidiary	-	-	189,900,000	-
Fair value loss on investment in quoted shares	36,863,525	3,540,369	46,445,638	-
Inventories written down	-	19,295,338	-	-
Impairment loss:				
- receivables	81,614	329,653	-	-
- property, plant and equipment	34,893,258	15,065,935	-	-
- investment in associates	1,348,965	7,789,392	-	-
Reversal of impairment loss:				
- receivables	(10,481)	(123,335)	-	-
- investment in associates	(3,070,484)	(903,767)	(20,459,056)	-
- investment in subsidiaries	-	-	(46,824,262)	-
- property, plant and equipment	(1,580)	(20,883)	-	-
Loss on strike off of a subsidiary	-	-	-	1
Gain on disposal of investment in unquoted shares	(103,736)	-	-	-
Interest expenses on:				
- bank overdraft	499	17,671	-	-
- lease liabilities	380,544	346,662	7,838	3,027
- term loans and revolving credit	1,039,914	3,253,336	732,025	2,860,603
- others	-	53,159	-	-
Interest income from:				
- banks	(683,789)	(1,627,755)	(674,584)	(1,252,211)
- non banks	(8,391)	(13,610)	(830)	(298,829)
Distribution income on money market instruments	(136,092)	(105,451)	(136,092)	(105,451)
Gain on derecognition of investment in associates	(10,005,584)	-	-	-
Loss on dilution of interest in associates	-	6,101,343	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):- (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net (gain)/loss on foreign exchange:				
- realised	(289,478)	(32,008)	(220)	(45,190)
- unrealised	(657,936)	1,024,461	(653,371)	992,744
Personnel expenses (including key management personnel) (Note 6(a))				
- fees, salaries, bonuses and allowances	9,076,180	13,708,367	990,750	902,830
- contribution to defined contribution plan	950,776	1,449,575	123,835	110,291
Lease expenses relating to short-term leases				
- premises	88,807	207,726	83,307	59,426
- equipments	826,800	270,757	-	-
Rental income	-	(639,376)	-	-
Share-based payment under ESOS	477,642	300,932	101,907	-

- (a) Included in personnel expenses are the aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Company</u>				
(i) Executive directors:				
- Salaries, bonuses and allowances	609,873	718,166	163,500	150,000
- Defined contribution plan	73,500	86,268	19,620	18,000
- Estimated monetary value of benefits-in-kind	32,000	39,200	-	7,200
	715,373	843,634	183,120	175,200
(ii) Non-executive directors:				
- Fees	191,500	156,000	191,500	156,000
<u>Directors of the subsidiaries</u>				
- Salaries, bonuses and allowances	60,000	67,500	-	-
- Defined contribution plan	7,800	8,460	-	-
- Estimated monetary value of benefits-in-kind	17,400	17,400	-	-
	85,200	93,360	-	-
	992,073	1,092,994	374,620	331,200

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 7. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current tax:-</b>				
Malaysian income tax				
- Current year	87,168	15,308	79,817	-
- Under provision in prior financial year	254,693	31,603	254,693	31,603
Total taxation recognised in profit or loss	<u>341,861</u>	<u>46,911</u>	<u>334,510</u>	<u>31,603</u>

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

The reconciliation of the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before taxation	<u>(85,473,051)</u>	<u>(82,698,252)</u>	<u>(143,663,950)</u>	<u>(2,897,948)</u>
Tax at the Malaysian statutory income tax rate of 24% (2023: 24%)	(20,513,532)	(19,847,580)	(34,479,348)	(695,508)
Non-deductible expenses	15,409,282	15,424,210	57,699,067	775,785
Non-taxable income	(3,665,427)	(4,013,778)	(23,145,360)	(29,040)
Deferred tax assets not recognised during the financial year	5,717,584	7,843,128	5,458	-
Utilisation of deferred tax not recognised previously	-	(51,237)	-	(51,237)
Effect of share of results of associates	3,139,261	660,565	-	-
Under provision of income tax in prior financial year	254,693	31,603	254,693	31,603
Total taxation recognised in profit or loss	<u>341,861</u>	<u>46,911</u>	<u>334,510</u>	<u>31,603</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 8. LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:-

	2024	Group 2023
Loss for the financial year attributable to owners of the Company (RM)	<u>(85,814,912)</u>	<u>(82,745,163)</u>
Weighted average number of ordinary shares in issue (unit), after the effects of shares consolidation	<u>225,891,517</u>	<u>199,872,601</u>
Loss per share (sen):		
Basic and diluted	<u>(37.99)</u>	<u>(41.40)</u>

The diluted loss per share is equivalent to the basic loss per share as the Company does not have any dilutive potential ordinary shares during the financial year. The Company's warrants are anti-dilutive for the financial year under review.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Cost/Valuation</b>								
As at 01.04.2023								
At cost	51,126,665	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	187,058,262
At valuation	14,720,257	-	-	-	-	-	-	14,720,257
	65,846,922	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	201,778,519
Additions	-	-	2,680,441	258,962	12,000	48,510	-	2,999,913
Disposals	-	-	(1,576,992)	-	(84,420)	-	-	(1,661,412)
Written off	-	-	-	(625,534)	-	-	-	(625,534)
Reclassification	-	-	356,510	-	-	-	(356,510)	-
Transfer from right-of-use assets	-	-	4,708,546	-	-	-	-	4,708,546
As at 31.03.2024	65,846,922	8,498,545	113,159,535	12,889,011	4,302,153	1,734,542	769,324	207,200,032
<b>Representing</b>								
At cost	51,126,665	8,498,545	113,159,535	12,889,011	4,302,153	1,734,542	769,324	192,479,775
At valuation	14,720,257	-	-	-	-	-	-	14,720,257
	65,846,922	8,498,545	113,159,535	12,889,011	4,302,153	1,734,542	769,324	207,200,032

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Accumulated Depreciation</b>								
As at 01.04.2023	1,873,624	2,770,686	21,911,132	6,782,992	3,183,023	556,368	-	37,077,825
Charge for the financial year	1,145,854	407,126	5,810,222	1,369,806	330,905	146,795	-	9,210,708
Disposals	-	-	(1,199,354)	-	(84,419)	-	-	(1,283,773)
Written off	-	-	-	(381,897)	-	-	-	(381,897)
Transfer from right-of-use assets	-	-	2,077,090	-	-	-	-	2,077,090
As at 31.03.2024	3,019,478	3,177,812	28,599,090	7,770,901	3,429,509	703,163	-	46,699,953
<b>Accumulated Impairment loss</b>								
As at 01.04.2023	9,963,484	356,018	28,182,427	1,863,128	317,634	253,006	-	40,935,697
Charge for the financial year	-	-	34,893,258	-	-	-	-	34,893,258
Reversal	-	-	-	(1,580)	-	-	-	(1,580)
Transfer from right-of-use assets	-	-	661,871	-	-	-	-	661,871
As at 31.03.2024	9,963,484	356,018	63,737,556	1,861,548	317,634	253,006	-	76,489,246
<b>Net Carrying Amount</b>								
At cost	41,964,031	4,964,715	20,822,889	3,256,562	555,010	778,373	769,324	73,110,904
At valuation	10,899,929	-	-	-	-	-	-	10,899,929
As at 31.03.2024	52,863,960	4,964,715	20,822,889	3,256,562	555,010	778,373	769,324	84,010,833

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Cost/Valuation</b>								
As at 01.04.2022								
At cost	46,364,852	8,498,545	102,429,422	12,855,787	2,709,850	1,662,412	5,427,450	179,948,318
At valuation	14,720,258	-	-	-	-	-	-	14,720,258
Additions	61,085,110	8,498,545	102,429,422	12,855,787	2,709,850	1,662,412	5,427,450	194,668,576
Written off	265,665 (136,946)	-	1,155,430	164,754	15,540	23,620	4,239,497	5,864,506 (136,946)
Reclassification	4,633,093	-	3,672,978	235,042	-	-	(8,541,113)	-
Transfer from/(to) right-of-use assets	-	-	(266,800)	-	1,649,183	-	-	1,382,383
As at 31.03.2023	65,846,922	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	201,778,519
Representing								
At cost	51,126,665	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	187,058,262
At valuation	14,720,257	-	-	-	-	-	-	14,720,257
	65,846,922	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	201,778,519

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Buildings RM	Photovoltaic Plants RM	Solar Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Accumulated Depreciation</b>								
As at 01.04.2022	816,818	2,363,560	14,902,439	5,703,041	1,197,230	423,416	-	25,406,504
Charge for the financial year	1,058,738	407,126	7,019,810	1,079,951	501,487	132,952	-	10,200,064
Written off	(1,932)	-	-	-	-	-	-	(1,932)
Transfer from/ (to) right-of-use assets	-	-	(11,117)	-	1,484,306	-	-	1,473,189
As at 31.03.2023	1,873,624	2,770,686	21,911,132	6,782,992	3,183,023	556,368	-	37,077,825
<b>Accumulated Impairment loss</b>								
As at 01.04.2022	9,984,367	356,018	13,838,513	1,189,623	316,105	253,006	-	25,937,632
Charge for the financial year	-	-	14,392,430	673,505	-	-	-	15,065,935
Reversal	(20,883)	-	-	-	-	-	-	(20,883)
Transfer from/(to) right-of-use assets	-	-	(48,516)	-	1,529	-	-	(46,987)
As at 31.03.2023	9,963,484	356,018	28,182,427	1,863,128	317,634	253,006	-	40,935,697
<b>Net Carrying Amount</b>								
At cost	43,109,885	5,371,841	56,897,471	4,609,463	873,916	876,658	1,125,834	112,865,068
At valuation	10,899,929	-	-	-	-	-	-	10,899,929
As at 31.03.2023	54,009,814	5,371,841	56,897,471	4,609,463	873,916	876,658	1,125,834	123,764,997



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor Vehicles RM	Furniture, Fittings and Office Equipment RM	Total RM
<b>Company</b>			
<b>Cost</b>			
As at 01.04.2023	98,521	649,381	747,902
Addition	12,000	238,974	250,974
Disposal	(84,420)	-	(84,420)
Written off	-	(614,834)	(614,834)
As at 31.03.2024	26,101	273,521	299,622
<b>Accumulated Depreciation</b>			
As at 01.04.2023	88,181	337,873	426,054
Charge for the financial year	4,020	56,067	60,087
Disposal	(84,419)	-	(84,419)
Written off	-	(380,628)	(380,628)
As at 31.03.2024	7,782	13,312	21,094
<b>Net Carrying Amount</b>			
As at 31.03.2024	18,319	260,209	278,528
<b>Cost</b>			
As at 01.04.2022	98,521	644,957	743,478
Addition	-	4,424	4,424
As at 31.03.2023	98,521	649,381	747,902
<b>Accumulated Depreciation</b>			
As at 01.04.2022	85,361	281,611	366,972
Charge for the financial year	2,820	56,262	59,082
As at 31.03.2023	88,181	337,873	426,054
<b>Net Carrying Amount</b>			
As at 31.03.2023	10,340	311,508	321,848

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) Certain buildings of the Group were revalued on 31 March 2020 based on the market values given by independent professional valuers using the market comparison method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is price per square feet of comparable properties. Had such buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, the carrying amounts that would have been recognised in the financial statements are as follows:-

	2024 RM	Group 2023 RM
Buildings	10,629,803	10,899,929

- (b) The carrying amounts of property, plant and equipment of the Group that have been pledged as securities for credit facilities granted to subsidiaries of the Group as disclosed in Note 22 are as follows:-

	2024 RM	Group 2023 RM
Buildings	12,740,301	13,364,370

- (c) During the financial year, the acquisition of the Group's and the Company's property, plant and equipment were satisfied as follows:-

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Cash payments	329,645	5,864,506	250,974	4,424
Payables	2,670,268	-	-	-
	2,999,913	5,864,506	250,974	4,424

- (d) The fair value hierarchy for the buildings of the Group are as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>				
<b>31.03.2024</b>				
Buildings	-	12,740,301	-	12,740,301
<b>31.03.2023</b>				
Buildings	-	13,364,370	-	13,364,370

There were no transfers between Levels 1 and 2 fair value measurements during the financial year ended 31 March 2024 and in the previous financial year ended 31 March 2023.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

## (e) Impairment loss

During the financial year, the Group carried out impairment reviews on its non-financial assets with indication of impairments in view of the loss-making performance of cash-generating units. As a result, the Group recorded impairment losses net of reversal of RM34,891,678 (2023: RM15,045,052) for property, plant and equipment during the financial year. The impairment losses were in respect of the assets of glove business.

The recoverable amounts of plant, machinery, tools and equipment and furniture, fittings and office equipment in glove business is determined based on the fair value less cost to sell. The estimates of fair value have been determined with reference to an independent valuer on the basis of recent transacted market value with necessary adjustments and depreciated replacement cost method.

The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used. There is a transfer from Level 2 to Level 3 due to an increase in unobservable inputs being used in the valuation.

The level 3 or unobservable inputs include:

Service life	The expected lifetime, or the acceptable period of use in service. It is the time that any manufactures item can be expected to be 'serviceable' or supported by its manufacturer.
Liquidation value with a shortened marketing period	Certain percentage of the market value which is calculated by the estimated service life.

The following table shows the valuation techniques used in determination of the value as measured at Level 3, as well as the significant unobservable inputs and in the valuation model.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Plant, machinery, tools and equipment	Depreciated replacement cost method	Service life (5 years)	The longer the service life, the higher the fair value
		Liquidation value with a shortened marketing period (25% to 30% from the market value calculated by the estimated service life)	The higher the percentage, the higher the fair value

If the service life of the plant, machinery, tools and equipment had been reduced by 1 year and other variables remain constant, there will be an additional impairment to the carrying amount of plant, machinery, tools and equipment at the end of the reporting period of RM4,451,367.

If the liquidation value with shortened marketing period of the plant, machinery, tools and equipment had been decreased by 5% and other variables remain constant, there will be an impairment to the carrying amount of plant, machinery, tools and equipment at the end of the reporting period of RM2,044,687.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

## (e) Impairment loss (cont'd)

In previous financial year, the estimates of fair value have been determined with reference to an independent valuer on the basis of recent transacted market value. The fair value measurement are categorised as level 2 as all significant inputs were based on observable datas.

## 10. RIGHT-OF-USE ASSETS

	Leasehold Land RM	Plant, machinery, tools and equipment RM	Motor Vehicles RM	Factory RM	Total RM
<b>Group</b>					
<b>Cost/Valuation</b>					
As at 01.04.2023					
At cost	3,730,000	11,470,346	1,318,518	2,125,419	18,644,283
At valuation	18,190,533	-	-	-	18,190,533
	21,920,533	11,470,346	1,318,518	2,125,419	36,834,816
Additions	-	3,370,000	-	-	3,370,000
Transfer to property, plant and equipment	-	(4,708,546)	-	-	(4,708,546)
	21,920,533	10,131,800	1,318,518	2,125,419	35,496,270
Representing					
At cost	3,730,000	10,131,800	1,318,518	2,125,419	17,305,737
At valuation	18,190,533	-	-	-	18,190,533
As at 31.03.2024	21,920,533	10,131,800	1,318,518	2,125,419	35,496,270
<b>Accumulated Depreciation</b>					
As at 01.04.2023	1,732,360	3,028,849	727,012	118,079	5,606,300
Charge for the financial year	474,219	1,321,002	146,918	708,473	2,650,612
Transfer to property, plant and equipment	-	(2,077,090)	-	-	(2,077,090)
As at 31.03.2024	2,206,579	2,272,761	873,930	826,552	6,179,822
<b>Accumulated impairment loss</b>					
As at 01.04.2023	3,651,048	1,475,341	130,143	-	5,256,532
Transfer to property, plant and equipment	-	(661,871)	-	-	(661,871)
As at 31.03.2024	3,651,048	813,470	130,143	-	4,594,661
<b>Net Carrying Amount</b>					
At cost	2,859,930	7,045,569	314,445	1,298,867	11,518,811
At valuation	13,202,976	-	-	-	13,202,976
As at 31.03.2024	16,062,906	7,045,569	314,445	1,298,867	24,721,787

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 10. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold Land RM	Plant, machinery, tools and equipment RM	Motor Vehicles RM	Factory RM	Total RM
<b>Group</b>					
<b>Cost/valuation</b>					
As at 01.04.2022					
At cost	14,886,000	9,613,546	2,807,805	-	27,307,351
At valuation	18,190,533	-	-	-	18,190,533
	33,076,533	9,613,546	2,807,805	-	45,497,884
Additions	9,328,000	1,590,000	159,896	2,125,419	13,203,315
Transfer to asset held for sale (Note 19)	(20,484,000)	-	-	-	(20,484,000)
Transfer from/(to) property, plant and equipment	-	266,800	(1,649,183)	-	(1,382,383)
	21,920,533	11,470,346	1,318,518	2,125,419	36,834,816
Representing					
At cost	3,730,000	11,470,346	1,318,518	2,125,419	18,644,283
At valuation	18,190,533	-	-	-	18,190,533
As at 31.03.2023	21,920,533	11,470,346	1,318,518	2,125,419	36,834,816
<b>Accumulated Depreciation</b>					
As at 01.04.2022	1,382,095	2,005,707	1,995,020	-	5,382,822
Charge for the financial year	580,192	1,012,025	216,298	118,079	1,926,594
Transfer to asset held for sale (Note 19)	(229,927)	-	-	-	(229,927)
Transfer from/(to) property, plant and equipment	-	11,117	(1,484,306)	-	(1,473,189)
As at 31.03.2023	1,732,360	3,028,849	727,012	118,079	5,606,300
<b>Accumulated impairment loss</b>					
As at 01.04.2022	5,269,594	1,426,825	131,672	-	6,828,091
Transfer to asset held for sale (Note 19)	(1,618,546)	-	-	-	(1,618,546)
Transfer from/(to) property, plant and equipment	-	48,516	(1,529)	-	46,987
As at 31.03.2023	3,651,048	1,475,341	130,143	-	5,256,532
<b>Net Carrying Amount</b>					
At cost	2,957,047	6,966,156	461,363	2,007,340	12,391,906
At valuation	13,580,078	-	-	-	13,580,078
As at 31.03.2023	16,537,125	6,966,156	461,363	2,007,340	25,971,984

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 10. RIGHT-OF-USE ASSETS (CONT'D)

	Motor Vehicles RM	Total RM
<b>Company</b>		
<b>Cost</b>		
As at 01.04.2023/31.03.2024	397,057	397,057
<b>Accumulated Depreciation</b>		
As at 01.04.2023	397,056	397,056
Charge for the financial year	-	-
As at 31.03.2024	397,056	397,056
<b>Net Carrying Amount</b>		
As at 31.03.2023	1	1
<b>Company</b>		
<b>Cost</b>		
As at 01.04.2022/31.03.2023	397,057	397,057
<b>Accumulated Depreciation</b>		
As at 01.04.2022	337,498	337,498
Charge for the financial year	59,558	59,558
As at 31.03.2023	397,056	397,056
<b>Net Carrying Amount</b>		
As at 31.03.2023	1	1

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 10. RIGHT-OF-USE ASSETS (CONT'D)

- (a) Certain leasehold lands were revalued on 31 March 2020 based on the market values given by independent professional valuers using the comparison method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is price per square feet of comparable properties. Had such leasehold lands been carried at historical cost less accumulated depreciation and accumulated impairment losses, the carrying amounts that would have been recognised in the financial statements are as follows:-

	2024 RM	Group 2023 RM
Leasehold lands	<u>13,153,180</u>	<u>13,580,078</u>

- (b) The carrying amount of right-of-use assets that have been pledged as securities for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements are as follows:-

	2024 RM	Group 2023 RM
Leasehold lands	<u>14,595,122</u>	<u>15,567,385</u>

- (c) During the financial year, the acquisition of the Group's right-of-use assets were satisfied as follows:-

	2024 RM	Group 2023 RM
Cash payments	570,000	9,328,000
Lease liabilities	2,800,000	3,875,315
	<u>3,370,000</u>	<u>13,203,315</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 11. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At beginning of the financial year	386,947,395	386,767,463
Strike off of a subsidiary	-	(121,000)
Share options granted to subsidiaries pursuant to ESOS	375,735	300,932
Capital reduction on investment in subsidiary	(189,900,000)	-
At end of the financial year	197,423,130	386,947,395
Less: Accumulated impairment losses	(75,286,028)	(122,110,290)
	<u>122,137,102</u>	<u>264,837,105</u>

Movements in the allowance for impairment losses of subsidiary companies are as follows:

	Company	
	2024 RM	2023 RM
At 1 April	122,110,290	122,231,289
Impairment losses reversal	(46,824,262)	-
Strike off of a subsidiary	-	(120,999)
At 31 March	<u>75,286,028</u>	<u>122,110,290</u>



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 11. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial year, the wholly-owned subsidiary company, AT Glove Engineering Sdn. Bhd. ("ATGE") had reduced its issued and paid up share capital via the cancellation of the issued and paid up share capital of RM189,900,000 pursuant to Section 117 of Companies Act 2016. The Company has concluded that there is reversal of impairment require as the carrying amount are currently lower than its estimated recoverable amount. The recoverable amount of the investment is based in the fair value less cost to sell, which is determined based on the net assets value of its subsidiary. A reversal of impairment loss of RM46,824,262 were made.

The particulars of subsidiaries are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2024	2023
AT Engineering Solution Sdn. Bhd.	Malaysia	Design and manufacture of industrial automation systems and machinery; renewable energy operator and producer; fabrication of sheet metal parts	100%	100%
AT Precision Tooling Sdn. Bhd.	Malaysia	Fabrication of industrial and engineering parts; renewable energy operator and producer	100%	100%
AT Glove Engineering Sdn. Bhd.	Malaysia	Manufacture and sale of gloves including medical gloves	100%	100%
<b>Subsidiary of AT Precision Tooling Sdn. Bhd.</b>				
AT Technology Solution Sdn. Bhd.	Malaysia	Fabrication of industrial and engineering parts	100%	100%

All the above subsidiaries are audited by Messrs. UHY

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 12. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Quoted shares in Malaysia, at cost	94,237,885	164,221,642	-	74,773,456
Share of post-acquisition results and reserves	(45,185,704)	(24,134,096)	-	-
	49,052,181	140,087,546	-	74,773,456
Less: Accumulated impairment losses	(21,715,013)	(51,405,552)	-	(20,459,056)
At end of the financial year	27,337,168	88,681,994	-	54,314,400
Market value of interest in associates:				
- Quoted shares	26,662,078	50,137,333	-	17,251,500
- Quoted warrants	675,090	4,000,258	-	-
	27,337,168	54,137,591	-	17,251,500

The movement in allowance for impairment loss of investment in associates are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year	51,405,552	44,519,927	20,459,056	20,459,056
Charge for the financial year	1,348,965	7,789,392	-	-
Reversal of impairment loss for the financial year	(3,070,484)	(903,767)	-	-
Reversal of impairment loss due to derecognition	(27,969,020)	-	(20,459,056)	-
At end of financial year	21,715,013	51,405,552	-	20,459,056

The particulars of the associate companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2024	2023
D'nonce Technology Berhad ("D'nonce") *	Malaysia	Investment Holding	-	25.62%
<b>Held through subsidiaries:-</b>				
Trive Property Group Berhad ("Trive") *	Malaysia	Investment Holding	25.68%	25.68%
AE Multi Holdings Berhad ("AEM")	Malaysia	Investment Holding	31.34%	31.34%

\* Audited by firms of auditors other than Messrs UHY.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 12. INVESTMENT IN ASSOCIATES (CONT'D)

- (a) Investment in associates is measured at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.
- (b) Trive has a different financial year end from the Group. In applying the equity method of accounting, the audited financial statements of Trive for the financial year ended 31 July 2023 have been used and appropriate adjustments have been made for the effects of significant transaction between 31 July 2023 and 31 March 2024.
- (c) Changes of interest in associates:-

#### **D'nonce Technology Berhad ("D'nonce")**

During the financial year, pursuant to the issuance of new ordinary shares arising from the right issue exercise, the Company's equity interest in D'nonce has decreased from 25.62% to 14.61%. Additionally, one of the Company's director resigned from D'nonce and only one of the Company's director continue to serve as non-executive director in D'nonce. These resulted the Company to lose significant influence over D'nonce and D'nonce has ceased to be an associate of the Company.

In previous financial year, pursuant to the issuance of new ordinary shares arising from the private placement exercise in D'nonce, the Company's equity interest in D'nonce has decreased from 29.62% to 25.62%. This gave rise to a loss on dilution of interest of RM6,101,343 as disclosed in Note 6.

- (d) Impairment of investment in associates:-

The Group assessed whether there are any indications of impairment during the year under review. In doing this, management considered the business environments and performance of its associates. Management has considered the drop in market values of quoted shares and/or warrants in certain associates as well as results reported by certain associates as impairment indications.

#### **(i) Trive**

As at 31 March 2024 and 31 March 2023, the fair value of the Group's investment in quoted shares and warrants of Trive are based on Level 1 of the fair value hierarchy. The recoverable amount, being the market value of these Group's interest, representing its fair value as at 31 March 2024, is RM17,848,907 (2023: RM24,466,749).

As at 31 March 2024 and 31 March 2023, the recoverable amount is lower than its carrying value, hence an impairment loss of RM1,348,965 (2023: RM7,789,392) was recognised.

#### **(ii) AEM**

As at 31 March 2024 and 31 March 2023, the fair value of the Group's investment in quoted shares and warrants of AEM are based on Level 1 of the fair value hierarchy. The recoverable amount, being the market value of these Group's interest, representing its fair value as at 31 March 2024, is RM9,488,261 (2023: RM12,419,343).

As at 31 March 2024 and 31 March 2023, the recoverable amount is higher than its carrying value, hence a reversal of impairment loss of RM3,070,484 (2023: RM903,767) was recognised.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 12. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:-

Group 2024	Trive RM	AEM RM	D'nonce * RM	Total RM
<b>Assets and liabilities</b>				
Non-current assets	95,541,672	36,508,166	N/A	132,049,838
Current assets	28,742,118	113,933,919	N/A	142,676,037
Non-current liabilities	(2,572,226)	(90,892,460)	N/A	(93,464,686)
Current liabilities	(2,657,583)	(1,574,899)	N/A	(4,232,482)
Net assets	119,053,981	57,974,726	N/A	177,028,707
<b>Results:</b>				
Revenue	3,021,308	110,390,502	176,382,920	289,794,730
(Loss)/profit for the financial year	29,311	(20,508,358)	(8,726,358)	( 29,205,405)
Total comprehensive (loss)/income for the financial year	29,311	(20,319,153)	(7,524,950)	( 27,814,792)
Share of results of associates during the year	(5,231,556)	(6,264,706)	(1,583,991)	( 13,080,253)
Share of other comprehensive income/ (loss) during the year	(37,321)	263,140	422,134	647,953

\* Up to date of derecognition

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 12. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:

Group 2023	Trive RM	AEM RM	D'nonce RM	Total RM
<b>Assets and liabilities</b>				
Non-current assets	95,675,884	38,564,673	151,846,658	286,087,215
Current assets	60,784,812	126,332,929	137,492,030	324,609,771
Non-current liabilities	(2,725,591)	(1,519,095)	(34,308,091)	(38,552,777)
Current liabilities	(14,163,690)	(86,250,864)	(47,010,838)	(147,425,392)
Non-controlling interest	-	-	(5,725,975)	(5,725,975)
Net assets	<u>139,571,415</u>	<u>77,127,643</u>	<u>202,293,784</u>	<u>418,992,842</u>
<b>Results:</b>				
Revenue	10,786,811	109,260,773	174,861,115	294,908,699
(Loss)/profit for the financial year	16,380,291	(21,366,106)	65,063	(4,920,752)
Total comprehensive (loss)/income for the financial year	<u>14,287,306</u>	<u>(20,734,271)</u>	<u>2,067,373</u>	<u>(4,379,592)</u>
Share of results of associates during the year	3,929,779	(6,652,057)	(30,077)	(2,752,355)
Loss on dilution of interest in associates	-	-	(6,101,343)	(6,101,343)
Gain on bargain purchase	-	-	-	-
	<u>3,929,779</u>	<u>(6,652,057)</u>	<u>(6,131,420)</u>	<u>(8,853,698)</u>
Share of other comprehensive income/ (loss) during the year	<u>(260,622)</u>	<u>108,308</u>	<u>941,722</u>	<u>789,408</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 12. INVESTMENT IN ASSOCIATES (CONT'D)

Reconciliation of summarised financial information of the associates to the carrying amount of interest in associates are as follows:-

Group 2024	Trive RM	AEM RM	
<b>Reconciliation of net assets/(liabilities) to carrying amount:</b>			
Net assets	119,053,981	57,974,726	
Proportion of ownership interest held by the Group	25.680%	31.335%	
Equity attributable to the Group	30,573,062	18,166,380	
Impairment loss	(13,036,894)	(8,678,119)	
Goodwill on acquisition	312,739	-	
Carrying amount in the statement of financial position	<u>17,848,907</u>	<u>9,488,261</u>	
Market value of associates	<u>17,848,907</u>	<u>9,488,261</u>	
Group 2023	Trive RM	AEM RM	D'nonce RM
<b>Reconciliation of net assets/(liabilities) to carrying amount:</b>			
Net assets	139,571,415	77,127,643	202,293,784
Proportion of ownership interest held by the Group	25.680%	31.335%	25.620%
Equity attributable to the Group	35,841,939	24,167,947	51,827,667
Impairment loss	(11,687,929)	(11,748,603)	(27,969,020)
Goodwill on acquisition	312,739	-	27,937,254
Carrying amount in the statement of financial position	<u>24,466,749</u>	<u>12,419,344</u>	<u>51,795,901</u>
Market value of associates	<u>24,466,749</u>	<u>12,419,344</u>	<u>17,251,498</u>

The Group does not have any capital commitment of contingent liabilities in relation to its interest in the associates as at 31 March 2024.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 13. MARKETABLE SECURITIES

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Quotes shares, in Malaysia</b>					
- at fair value through other comprehensive income	(a)	9,268,777	-	9,268,777	-
- at fair value through profit or loss	(b)	9,802,085	11,565,474	-	-
		<u>19,070,862</u>	<u>11,565,474</u>	<u>9,268,777</u>	<u>-</u>

(a) The Group and the Company designated the equity instrument to be measured at fair value through other comprehensive income as the Group and the Company intends to hold for long-term strategic purposes.

(b) The Group designated the equity instruments to be measured at fair value through profit or loss as the Group intends to hold for mid-term purposes.

## 14. INVENTORIES

	2024 RM	Group 2023 RM
<b>At cost:</b>		
Raw materials	2,194,654	2,453,029
Work-in-progress	3,198,824	3,608,779
Finished goods	302,703	1,285,525
	<u>5,696,181</u>	<u>7,347,333</u>
Allowance for slow moving inventories	(411,061)	(411,061)
	<u>5,285,120</u>	<u>6,936,272</u>
<b>At net realisable value:</b>		
Finished goods	992,745	2,366,449
	<u>6,277,865</u>	<u>9,302,721</u>

During the financial year, the cost of inventories of the Group recognised as expense in cost of sales amounted to RM31,974,855 (2023: RM55,814,705).

During the financial year, the inventories written down to net realisable value was Nil (2023: RM19,295,338).

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 15. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-Current</b>				
Deposit	4,400,000	4,400,000	-	-
Less: Accumulated impairment losses	(74,800)	(74,800)	-	-
	<u>4,325,200</u>	<u>4,325,200</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Trade receivables	4,567,560	7,489,632	664,597	1,054,597
Less: Accumulated impairment losses	(307,729)	(236,596)	-	-
Trade receivables, net	<u>4,259,831</u>	<u>7,253,036</u>	<u>664,597</u>	<u>1,054,597</u>
Other receivables:				
- Subsidiaries	-	-	69,841,459	12,073,191
- Third parties	2,657,880	2,228,206	1,860,934	1,785,084
	<u>2,657,880</u>	<u>2,228,206</u>	<u>71,702,393</u>	<u>13,858,275</u>
Less: Accumulated impairment losses				
- Third parties	(1,832,084)	(1,879,477)	(1,780,084)	(1,780,084)
	<u>(1,832,084)</u>	<u>(1,879,477)</u>	<u>(1,780,084)</u>	<u>(1,780,084)</u>
Other receivables, net	<u>825,796</u>	<u>348,729</u>	<u>69,922,309</u>	<u>12,078,191</u>
Deposits	2,766,799	3,128,888	67,057	51,219
Prepayments	648,812	1,260,224	18,929	158,182
	<u>8,501,238</u>	<u>11,990,877</u>	<u>70,672,892</u>	<u>13,342,189</u>
	<u>12,826,438</u>	<u>16,316,077</u>	<u>70,672,892</u>	<u>13,342,189</u>

The foreign currency exposure profile of receivables, deposits and prepayments of the Group is as follows:-

	Group	
	2024 RM	2023 RM
United States Dollar	<u>896,390</u>	<u>2,386,760</u>

## (a) Trade receivables

## (i) Credit term

The Group's normal trade credit term extended to customers ranged from 30 to 90 days (2023: 30 to 90 days).



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 15. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

## (a) Trade receivables (Cont'd)

## (ii) Ageing analysis

The ageing analysis of the trade receivables of the Group and Company is as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Neither past due nor impaired	519,275	6,987,405	-	14,597
1 to 30 days past due but not impaired	1,042,259	162,936	-	130,000
31 to 120 days past due but not impaired	2,066,753	95,195	-	260,000
More than 121 days past due but not impaired	631,544	7,500	664,597	650,000
	3,740,556	265,631	664,597	1,040,000
Impaired	307,729	236,596	-	-
	<u>4,567,560</u>	<u>7,489,632</u>	<u>664,597</u>	<u>1,054,597</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with long term relationship and good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are creditworthy debtors who, by past trade practices, have paid after the expiry of the trade credit terms and the Group is currently still in active trading with the debtors. The Group does not anticipate recovery problems in respect of these debtors.

Receivables that are impaired

The trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:-

	Group	
	2024 RM	2023 RM
At beginning of the financial year	236,596	105,078
Charge for the financial year:		
- Individually assessed	113	206,174
- Collectively assessed	81,501	48,679
Reversal of impairment loss:		
- Individually assessed	(9,667)	(86,459)
- Collectively assessed	(814)	(36,876)
At end of the financial year	<u>307,729</u>	<u>236,596</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 15. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

## (b) Other receivables

- (i) Amounts owing by subsidiaries are unsecured, interest free and is repayable on demand in cash.
- (ii) Included in deposits of the Group are:-
- a) Deposit and advancement of RM4,325,200 (2023: RM4,325,200) paid in relation to the Share Sale Agreement ("SSA") for the proposed acquisition of the entire issued share capital of Pearl Glove (Malaysia) Sdn Bhd ("PGSB"). Due to the non-fulfilment of the condition precedent of the SSA, the Group had on 11 November 2020 issued notice of termination to the vendors and requested for the refund of such deposit and advancement. On 31 December 2020, a civil suit was commenced by the Group against the vendors of PGSB, as disclosed in Note 33.
- b) Refundable deposit of RM1,138,547 (2023: RM1,254,625) paid in relation to the proposed acquisition of machineries for the fabrication business of the Group.
- (iii) The movements in allowance for impairment loss of other receivables are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	1,954,277	1,879,477	1,780,084	1,780,084
Charge for the financial year:				
- other receivables	-	-	-	-
- deposits	-	74,800	-	-
Written off	(47,393)	-	-	-
At end of the financial year	<u>1,906,884</u>	<u>1,954,277</u>	<u>1,780,084</u>	<u>1,780,084</u>

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. These receivables are not secured by any collateral or credit enhancements.

## 16. TAX ASSETS

Income tax which is recoverable in future from tax authorities.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 17. MONEY MARKET INSTRUMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term fund	<u>16,338,345</u>	<u>21,097,320</u>	<u>16,338,345</u>	<u>21,097,320</u>

Short term fund is low risk, highly liquid short-term money market instruments.

The currency exposure profile of the Group's money market instruments is as follows:-

	Group	
	2024 RM	2023 RM
Australia Dollar	<u>16,338,345</u>	<u>15,364,615</u>

## 18. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits placed with licensed banks	2,033,145	33,750,643	-	30,064,356
Cash and bank balances	<u>2,815,477</u>	<u>5,575,303</u>	<u>518,036</u>	<u>1,741,668</u>
	<u>4,848,622</u>	<u>39,325,946</u>	<u>518,036</u>	<u>31,806,024</u>

The deposits placed with licensed banks earn interest at 1.50% to 3.10% (2023: 1.50% to 2.70%) per annum and are pledged with licensed banks for term loan and revolving credit facilities granted to the Group as mentioned in Note 22.

The currency exposure profile of the Group's cash and bank balances is as follows:-

	Group	
	2024 RM	2023 RM
Singapore Dollar	10,855	737
United States Dollar	331,372	667,819
Others	<u>1,917</u>	<u>329</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 19. ASSETS HELD FOR SALE

	2024 RM	Group 2023 RM
Leasehold land held for sale	18,635,527	18,635,527

This is in respect of three pieces of leasehold lands located in Kamunting, Perak with the intention of disposal in the immediate future and the Group is actively looking for purchasers.

## 20. SHARE CAPITAL

	Group/Company			
	2024		2023	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
<b>Ordinary shares Issued and fully paid:</b>				
At beginning of the financial year	6,000,621,899	480,443,830	5,905,209,399	478,425,474
Issuance of shares:				
- Exercise of share options	185,420,000	2,146,422	95,412,500	2,018,356
- Private placement	600,062,000	5,460,564	-	-
Share issuance expenses	-	(108,117)	-	-
Capital restructuring:				
- Share consolidation	(6,559,911,240)	-	-	-
At end of the financial year	226,192,659	487,942,699	6,000,621,899	480,443,830

During the financial year, the ordinary shares of the Company was decreased from 6,000,621,899 units to 226,192,659 units pursuant to the following:-

- (i) Private placement of 600,062,000 new ordinary shares of RM0.0091 each;
- (ii) 185,420,000 options exercised under the Employees' Share Option Scheme at an exercise price of RM0.009 per ordinary share; and
- (iii) Share consolidation of every 30 ordinary shares in the Company into 1 share ("Consolidated Shares") following the listing and quotation of 226,192,659 Consolidated Shares on the Ace Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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 regard to the Company's residual interests.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 21. OTHER RESERVES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Warrants reserve	21.1	9,261,847	9,261,382	9,261,308	9,261,308
Revaluation reserve	21.2	1,187,903	5,629,614	-	-
Translation reserve	21.3	(9,371)	1,191,229	-	-
Share option reserve	21.4	-	35,430	-	-
Fair value adjustment reserve	21.5	(11,393,593)	-	-	-
		<u>(953,214)</u>	<u>16,117,655</u>	<u>9,261,308</u>	<u>9,261,308</u>

## 21.1 Warrants reserve

Included in the the warrants reserve mainly are is in respect of the Company's Warrants C, which was listed on 22 May 2020.

The main features of the Warrants C are as follow:-

	Tenure year	Issued date	Expiry date	Exercise price
Warrants C	<u>5</u>	<u>22-May-20</u>	<u>17-May-25</u>	<u>RM 1.05</u>

On 12 January 2024, the exercise price of the Warrants C was adjusted from RM0.035 to RM1.05 after the share consolidation as disclosed in Note 20 to the Financial Statements, on the basis of 30 ordinary shares into 1 ordinary share.

The movement of the Warrants during the financial year are as follows:-

Number of Warrants over ordinary shares				
	As at 01.04.2023	Issued	Converted	Share consolidation
Warrants C	<u>469,053,650</u>	<u>-</u>	<u>-</u>	<u>(453,419,394)</u>
				<u>15,634,256</u>

	As at 01.04.2022	Issued	Converted	Share consolidation
Warrants C	<u>469,053,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
				<u>469,053,650</u>

## 21.2 Revaluation reserve

Revaluation reserves represents the surplus on revaluation of the Group's interest in freehold lands, leasehold lands, and buildings, net of tax, and share of associates' revaluation reserve, and are not available for distribution to the shareholders by way of dividends.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 21. OTHER RESERVES (CONT'D)

## 21.3 Translation reserve

This is in respect of the Group's share of associates' translation reserve.

## 21.4 Share options reserve

	2024 RM	Group 2023 RM
Company's ESOS	-	-
Share of associates' option reserve	-	35,430
	<u>-</u>	<u>35,430</u>

The Group operates an equity-settled share options pursuant to the Company's Employees' Share Option Scheme ("ESOS"). The share option reserve represents the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options, and is reduced by the expiry or exercise of the share options.

**ESOS**

On 12 April 2021, the Company obtained approval from the shareholders at the Extraordinary General Meeting for the issuance of share options under ESOS of not exceeding in aggregate thirty percent (30%) of the Company's total issued share capital at any point of time during the duration of the ESOS with effect from 20 April 2021. The ESOS shall be allocated to any eligible employees of the Company and its subsidiaries who fulfilled the eligibility criteria for participation in the ESOS.

Each ESOS option entitles the eligible employees to subscribe for such number of ordinary shares in the Company pursuant to an offer duly accepted by the eligible employees at the exercise price to be determined by the ESOS Committee at its discretion based on the 5-day weighted average market price (5D-VWAMP) of the Company's shares as quoted in Bursa Securities, immediately prior to the date of offer made by the ESOS Committee with a discount of not more than 10%, if deemed appropriate.

The ESOS shall be valid for a duration of five years from the effective date of the ESOS, and may upon the recommendation of the ESOS Committee, be extended for a further five years.

The movements in the Company's ESOS are as follows:-

Date of offer	Exercise price	Number of options over ordinary shares				As at 31.03.2024 '000
		As at 01.04.2023 '000	Granted '000	Lapsed '000	Exercised '000	
5 April, 2023	RM0.009	-	185,420	-	(185,420)	-
		-	185,420	-	(185,420)	-

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 21. OTHER RESERVES (CONT'D)

## 21.4 Share options reserve

ESOS (Cont'd)

Date of offer	Exercise price	Number of options over ordinary shares				As at 31.03.2023 '000
		As at 01.04.2022 '000	Granted '000	Lapsed '000	Exercised '000	
8 April, 2022	RM0.018	-	95,412	-	(95,412)	-
		-	95,412	-	(95,412)	-

The fair value of the share options granted under the ESOS is estimated at the grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the instruments were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:-

ESOS	Granted on 5 April, 2023	Granted on 8 April, 2022
Fair value of share options at the grant date	0.0026	0.0032
Option tenure (days)	6	8
Share price on grant date (RM)	0.010	0.020
Exercise price (RM)	0.009	0.018
Expected volatility (%)	424.30	178.20
Expected dividends (%)	-	-
Risk free interest rate (%)	3.400	1.780

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

During the financial year, share option expenses of RM477,642 and RM101,907 (2023: RM 300,932 and Nil) had been recognised in the Group and in the Company respectively as share-based payment.

## 21.5 Fair value adjustment reserve

The fair value adjustment reserve comprises the cumulative net change in fair value of equity securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 22. LOANS AND BORROWINGS

			Group		Company
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities:					
Secured					
Term loan I	(a)	681,358	927,430	-	-
Term loan II	(b)	178,059	1,260,063	-	-
Term loan III	(c)	3,318,878	3,970,638	-	-
Term loan IV	(d)	-	150,501	-	-
Lease liabilities	(g)	3,614,119	2,725,030	41,744	84,242
		7,792,414	9,033,662	41,744	84,242
Unsecured					
Lease liabilities	(g)	597,123	1,306,810	-	-
		8,389,537	10,340,472	41,744	84,242
Current liabilities:					
Secured					
Term loan I	(a)	238,804	229,526	-	-
Term loan II	(b)	498,194	441,186	-	-
Term loan III	(c)	656,604	655,132	-	-
Term loan IV	(d)	149,925	364,072	-	-
Revolving credit	(e)	-	30,135,625	-	30,135,625
Lease liabilities	(g)	1,504,488	1,965,338	42,498	39,310
Bank overdraft	(f)	-	268,520	-	-
		3,048,015	34,059,399	42,498	30,174,935
Unsecured					
Lease liabilities	(g)	709,687	722,965	-	-
		3,757,702	34,782,364	42,498	30,174,935
Total loans and borrowings		12,147,239	45,122,836	84,242	30,259,177
Term loans		5,721,822	7,998,548	-	-
Revolving credit		-	30,135,625	-	30,135,625
Lease liabilities		6,425,417	6,720,143	84,242	123,552
Bank overdraft		-	268,520	-	-
		12,147,239	45,122,836	84,242	30,259,177



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

**22. LOANS AND BORROWINGS (CONT'D)****(a) Term loan I**

The term loan I bears interest at a rate of 4.95% (2023: 3.70% to 4.95%) per annum and is repayable over a period of 15 years by 180 equal monthly instalments of RM23,250 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan I is secured by:-

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10); and
- (ii) corporate guarantee by the Company.

**(b) Term loan II**

The term loan II bears interest at a rate of 5.45% (2023: 4.20% to 5.45%) per annum and is repayable over a period of 10 years by 120 equal monthly instalments of RM43,600 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan II is secured by:-

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10); and
- (ii) corporate guarantee by the Company.

**(c) Term loan III**

The term loan III bears interest at a rate of 5.35% (2023: 4.10% to 5.10%) per annum and is repayable over a period of 10 years by 120 equal monthly instalments of RM74,740 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan III is secured by:-

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10);
- (ii) fixed deposit of the Group (Note 18) ;
- (iii) rental proceeds derived from the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10); and
- (iv) corporate guarantee by the Company.

**(d) Term loan IV**

The term loan IV bears interest at a rate of 5.72% (2023: 4.01% to 5.19%) per annum and is repayable over a period of 4 years by 48 equal monthly instalments of RM31,854 commencing upon full disbursement of the facility.

The term loan IV is secured by:-

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10); and
- (ii) corporate guarantee by the Company.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 22. LOANS AND BORROWINGS (CONT'D)

## (e) Revolving credit

The revolving credit is rolled-over on 180-days basis and bears interest at rate of 4.15% to 5.69% (2023: 4.15%) per annum. The interest rates are fixed at the date of each drawdown and might be revised at the commencement of each roll-over period. The revolving credit facility is secured by the fixed deposit of the Company as disclosed in Note 18.

## (f) Bank overdraft

The bank overdraft bears interest at a rate of 6.10% to 7.35% (2023: 6.10%) per annum.

The bank overdraft is secured by:-

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Note 9 & 10); and
- (ii) corporate guarantee by the Company.

## (g) Unsecured Lease Liabilities and Lease Liabilities

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unsecured lease liabilities	1,306,810	2,029,775	-	-
Secured lease liabilities	5,118,607	4,690,368	84,242	123,552
	<u>6,425,417</u>	<u>6,720,143</u>	<u>84,242</u>	<u>123,552</u>
	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	6,720,143	4,862,827	123,552	167,381
Additions	2,800,000	3,875,315	-	-
Interest expenses	380,544	346,662	7,838	3,027
Interest payment	(380,544)	(346,662)	(7,838)	(3,027)
Payment of principal	(3,094,726)	(2,017,999)	(39,310)	(43,829)
At end of the financial year	<u>6,425,417</u>	<u>6,720,143</u>	<u>84,242</u>	<u>123,552</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 22. LOANS AND BORROWINGS (CONT'D)

## (g) Unsecured Lease Liabilities and Lease Liabilities (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Gross instalment payments	6,974,083	7,208,354	90,353	137,501
Less: Future finance charges	(548,666)	(488,211)	(6,111)	(13,949)
Total present value of lease liabilities	<u>6,425,417</u>	<u>6,720,143</u>	<u>84,242</u>	<u>123,552</u>

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM

**Current**

Payable within 1 year

Gross instalment payments	2,531,098	2,935,101	47,148	47,148
Less: Future finance charges	(316,923)	(246,798)	(4,650)	(7,838)
Present value of finance lease liabilities	2,214,175	2,688,303	42,498	39,310

**Non-current**

Payable after 1 year but not later than 2 years

Gross instalment payments	2,227,077	2,019,475	43,205	47,148
Less: Future finance charges	(135,924)	(148,106)	(1,461)	(4,650)
Present value of finance lease liabilities	2,091,153	1,871,369	41,744	42,498

Payable after 2 years but not later than 5 years

Gross instalment payments	2,215,908	2,253,778	-	43,205
Less: Future finance charges	(95,819)	(93,307)	-	(1,461)
Present value of finance lease liabilities	2,120,089	2,160,471	-	41,744
Total present value of finance lease liabilities	<u>6,425,417</u>	<u>6,720,143</u>	<u>84,242</u>	<u>123,552</u>

Analysed as:-

Payable within 1 year	2,214,175	2,688,303	42,498	39,310
Payable after 1 year	4,211,242	4,031,840	41,744	84,242
	<u>6,425,417</u>	<u>6,720,143</u>	<u>84,242</u>	<u>123,552</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 22. LOANS AND BORROWINGS (CONT'D)

## (g) Unsecured Lease Liabilities and Lease Liabilities (Cont'd)

The unsecured lease liability bear discounted rate of 3.15% (2023: 3.15% to 6.90%) per annum.

The lease liabilities of the Group bear effective interest at rates ranging from 2.16% to 3.88% (2023: 2.16% to 4.79%) per annum and secured by corporate guarantee by the Company.

## 23. DEFERRED TAX ASSETS

Based on existing tax legislation:-

- (i) The unutilised tax losses can be carried forward for 10 (2023: 10) consecutive year of assessment ("YA") immediately following that YA.
- (ii) The unabsorbed capital allowance, unabsorbed investment tax allowances and unutilised increased export allowance does not expire under current tax legislation.

The unutilised tax losses will expire in the following years of assessment:

	2024 RM	Group 2023 RM
Year of Assessment:		
2034	16,973,070	-
2033	32,889,531	32,889,531
2032	2,909,807	2,909,807
2031	1,902,958	1,902,958
2030	2,223,673	2,223,673
2029	2,911,962	2,911,962
2028	3,845,061	3,845,061
	<u>63,656,062</u>	<u>46,682,992</u>

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised before they expire.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 23. DEFERRED TAX ASSETS (CONT'D)

The estimated amount of temporary differences for which no deferred tax assets is recognised in the financial statements are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	39,805,079	32,997,217	22,743	-
Unabsorbed reinvestment allowances	19,179,131	19,136,796	-	-
Unutilised tax losses	63,656,062	46,682,992	-	-
	<u>122,640,272</u>	<u>98,817,005</u>	<u>22,743</u>	<u>-</u>

## 24. PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	2,902,076	5,802,697	-	-
Other payables:				
Third parties	6,755,817	10,132,262	5,323	5,323
Deposits received	28,459,015	32,042,924	-	-
Accruals	1,546,089	4,050,362	195,297	120,472
	<u>36,760,921</u>	<u>46,225,548</u>	<u>200,620</u>	<u>125,795</u>
	<u>39,662,997</u>	<u>52,028,245</u>	<u>200,620</u>	<u>125,795</u>

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

	2024 RM	2023 RM
United States Dollar	<u>2,134,794</u>	<u>2,146,666</u>

## (a) Trade payables

Trade payables are unsecured, interest-free and the normal trade credit terms granted to the Group ranged from 30 to 90 days (2023: 30 to 90 days).

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 24. PAYABLES, DEPOSITS RECEIVED AND ACCRUALS (CONT'D)

## (b) Other payables

- (i) Amounts owing to third parties mainly consist of sundry payables for operating expenses and payable for construction of power substation and structural works for waste water treatment plant, canteen and building works, which are generally due within 14 to 90 days (2023: 14 to 90 days).

Included herein was a balance amount of Nil (2023: RM3,400,000), being compensation payable to supplier for the early termination before contract due.

- (ii) Amounts owing to subsidiaries were unsecured, interest free and repayable on demand.

- (iii) Included in deposits received of the Group is refundable deposit of RM27,019,104 (2023: RM29,967,829) received for glove orders from the customers.

## 25. CONTRACT LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Contract liabilities relating to contract works	484,767	484,767	-	-

- (i) The contract liabilities represent the time differences in revenue recognition and the milestone billings in respect of the contract projects.
- (ii) The significant changes to contract liabilities during the financial year:-

	Group	
	2024 RM	2023 RM
At beginning of the financial year	484,767	1,953,576
Revenue recognised in profit or loss during the financial year	-	(2,728,809)
Billing to customers during the financial year	-	1,260,000
At end of the financial year	484,767	484,767

- (iii) Contract projects revenue recognised during the year ended 31 March 2024 of the Group amounted to Nil (2023: RM1,953,576), was included in contract liabilities balance at the beginning of the year.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS

## (a) Categories 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 the financial instruments are measured and how income and expense including fair values gains or losses are recognised.

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:-

- (i) Fair value through profit or loss;
- (ii) Financial assets at amortised cost; and
- (iii) Financial liabilities at amortised cost.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets at fair value through profit or loss</b>				
Marketable securities	9,802,085	11,565,474	-	-
<b>Financial assets at fair value through other comprehensive income</b>				
Marketable securities	9,268,777	-	9,268,777	-
<b>Financial assets at amortised cost</b>				
Receivables and deposits, net of prepayments	12,177,626	15,055,853	70,653,963	13,184,007
Money market instruments	16,338,345	21,097,320	16,338,345	21,097,320
Cash and bank balances	4,848,622	39,325,946	518,036	31,806,024
	<u>33,364,593</u>	<u>75,479,119</u>	<u>87,510,344</u>	<u>66,087,351</u>
<b>Financial liabilities at amortised cost</b>				
Payables, deposits received and accruals	39,662,997	52,028,245	200,620	125,795
Loans and borrowings	12,147,239	45,122,836	84,242	30,259,177
	<u>51,810,236</u>	<u>97,151,081</u>	<u>284,862</u>	<u>30,384,972</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 26. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk.

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors. It is, and has been throughout the current financial year and previous financial year, the Group's and Company's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:-

#### (i) Credit risk

##### Trade and other receivables

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

As at the end of the reporting year, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

The carrying amount of trade and other receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 15. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. A significant portion of these trade receivables are regular customers that have been transacting with the Group and the Company. Management has taken reasonable steps to ensure that trade receivables are stated at their realisable values. Impairment are made on specific receivables when there is objective evidence that the Group and the Company will not be able to collect all amounts due.



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 26. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management (cont'd)

##### (i) Credit risk (cont'd)

##### Trade and other receivables (cont'd)

##### Credit risk concentration profile

As at 31 March 2024, there were 2 (2023: 2) major customers that accounted for 10% or more of the Group's total trade receivables and the total outstanding balances due from these major customers amounted to RM3,183,033 (2023: RM5,253,194).

##### Inter-company balances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries on monthly basis. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances are not regarded as overdue and are repayable on demand. As at the end of the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

##### Other financial assets

For other financial assets (including other investments and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

##### Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to financial institutions for credit facilities granted to subsidiaries and to certain suppliers for credit term granted to subsidiaries. The maximum exposure to credit risk in relation to the financial guarantees given amounted to approximately RM11,089,256 (2023: RM13,171,993) as at the end the reporting period, representing the outstanding banking facilities with the financial institutions and trade payables with certain trade suppliers by the subsidiaries as at the end of financial year.

The Company monitors the results of the subsidiaries and their repayment on an on-going basis. At the reporting date, there was no indication that any subsidiaries would default on repayment. The financial guarantees have not been recognised as it is unlikely the subsidiaries will default within the guarantee period.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 26. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management (cont'd)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (ii) Liquidity risk (cont'd)

Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:-

	Contractual Undiscounted Cash Flows					Total RM
	Carrying amount RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	
2024						
Group						
Financial liabilities:						
Payables, deposits received and accruals	39,662,997	39,662,997	-	-	-	39,662,997
Lease liabilities	6,425,417	2,531,098	2,227,077	2,215,908	-	6,974,083
Term loans	5,721,822	1,836,497	1,340,892	2,213,173	987,245	6,377,807
	51,810,236	44,030,592	3,567,969	4,429,081	987,245	53,014,887

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:- (cont'd)

	Carrying amount RM	Contractual Undiscounted Cash Flows				Total RM
		On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	
<b>2023</b>						
<b>Group</b>						
<b>Financial liabilities:</b>						
Payables, deposits received and accruals	52,028,245	52,028,245	-	-	-	52,028,245
Lease liabilities	6,720,143	2,935,101	2,019,475	2,253,778	-	7,208,354
Term loans	7,998,548	2,056,692	1,826,847	4,189,436	1,008,660	9,081,635
Revolving credit	30,135,625	30,135,625	-	-	-	30,135,625
Bank overdraft	268,520	268,520	-	-	-	268,520
	97,151,081	87,424,183	3,846,322	6,443,214	1,008,660	98,722,379

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The maturity analysis of the Company's financial guarantees showing the remaining maturities are as follows:-

	↔	Contractual Undiscounted Cash Flows				↔
	Carrying amount RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	Total RM
2024						
Company						
Financial liabilities:						
Payables, deposits received and accruals	200,620	200,620	-	-	-	200,620
Lease liabilities	84,242	47,148	43,205	-	-	90,353
	<u>284,862</u>	<u>247,768</u>	<u>43,205</u>	<u>-</u>	<u>-</u>	<u>290,973</u>
2023						
Company						
Financial liabilities:						
Payables, deposits received and accruals	125,795	125,795	-	-	-	125,795
Lease liabilities	123,552	47,148	47,148	43,205	-	137,501
Revolving credit	30,135,625	30,135,625	-	-	-	30,135,625
	<u>30,384,972</u>	<u>30,308,568</u>	<u>47,148</u>	<u>43,205</u>	<u>-</u>	<u>30,398,921</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The maturity analysis of the Company's financial guarantees based on the maximum amount that can be called for under the financial guarantee contracts are as follows:-

	Maximum amount RM	Contractual Undiscounted Cash Flows				Total RM
		On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	
<b>2024</b>						
<b>Company</b>						
Financial guarantee contracts	11,089,256	3,338,585	2,573,834	5,176,837	-	11,089,256
<b>2023</b>						
<b>Company</b>						
Financial guarantee contracts	13,171,993	4,222,573	2,664,218	6,285,202	-	13,171,993

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The functional currency within the Group is Ringgit Malaysia ("RM") whereas the major foreign currency transacted is United States Dollar ("USD"), Singapore Dollar ("SGD") and Australia Dollar ("AUD").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting year, such foreign currency balances amounted to RM344,144 (2023: RM668,885) for the Group.

Sensitivity analysis for foreign currency risk

The following demonstrates the sensitivity of the Group's profit or loss after tax and equity to a 10% strengthening in the USD, SGD and AUD against the RM, with all other variables held constant and based on the financial assets and liabilities that are exposed to foreign currency risk as at the end of the reporting period:-

		2024 RM	2023 RM
		Effect on profit or loss for the financial year and equity	
USD	-strengthened by 10% (2023:10%)	(68,934)	69,001
	-weakened by 10% (2023:10%)	68,934	(69,001)
SGD	-strengthened by 10% (2023:10%)	825	56
	-weakened by 10% (2023:10%)	(825)	(56)
AUD	-strengthened by 10% (2023:10%)	1,241,714	1,167,711
	-weakened by 10% (2023:10%)	(1,241,714)	(1,167,711)

## (iv) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets includes bank balances with licensed banks, deposits placed with a licensed bank and amount owing by subsidiaries. Interest bearing financial liabilities includes lease liabilities, revolving credit, term loans and bank overdraft.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (b) Financial risk management (cont'd)

## (iv) Interest rate risk (cont'd)

The term loans of RM5,721,822 (2023: RM7,998,548), revolving credit of RMNil (2023: RM30,135,625) and bank overdraft of RMNil (2023: RM268,520) at floating rates expose the Group to cash flow interest rate risk whilst lease liabilities of RM6,425,417 (2023: RM6,720,143) at fixed rates expose the Group to fair value interest rate risk.

The Group adopts a strategy of mixing fixed and floating rate borrowings to minimise exposure to interest rate risk. The Group also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit or loss after tax and equity would increase/decrease by RM58,768 (2023: RM83,678) as a result of exposure to floating rate deposits, money market instruments and borrowings.

## (v) Equity price risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad and these instruments are classified as fair value through profit or loss and fair value through other comprehensive income financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

A 10% increase in the market price of the investment as at the end of the reporting period would have increased the Group's profit or loss after tax and equity by RM1,907,086 (2023: RM1,156,547). A 10% decrease in market price would have had equal but opposite effect on profit or loss after tax and equity.

## (c) Fair value measurement

The fair value of the following classes of financial assets and liabilities are as follows:-

## (i) Cash and cash equivalents, receivables, payables, revolving credit and bank overdraft

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

## (ii) Term loans

The carrying amounts of current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (c) Fair value measurement (cont'd)

## (ii) Term loans (cont'd)

The carrying amounts of floating rate term loans approximate fair values as the loans will be re-priced to market interest rate on or near reporting date.

## (iii) Lease liabilities

The fair value of finance lease liabilities is estimated using discounted cash flow analysis, based on current lending rate for similar type of lease arrangements.

The carrying amounts of the Group's and of the Company's financial assets and liabilities at reporting date approximate their fair values except as follows:-

	Carrying Amount RM	Group Fair Value RM
<b>2024</b>		
<b>Financial Liabilities</b>		
Lease liabilities	<u>6,425,417</u>	<u>6,533,886</u>
<b>2023</b>		
<b>Financial Liabilities</b>		
Lease liabilities	<u>6,720,143</u>	<u>6,977,402</u>

The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at market rate of interest at the end of the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:-

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2024</b>								
<b>Financial assets at fair value through profit or loss</b>								
- Quoted investment	9,802,085	-	-	-	-	-	9,802,085	9,802,085
<b>Financial assets at fair value through other comprehensive income</b>								
- Quoted investment	9,268,777	-	-	-	-	-	9,268,777	9,268,777
<b>2023</b>								
<b>Financial assets at fair value through profit or loss</b>								
- Quoted investment	11,565,474	-	-	-	-	-	11,565,474	11,565,474

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 26. FINANCIAL INSTRUMENTS (CONT'D)

## (c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Company's financial instruments:-

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>Company</b>								
<b>2024</b>								
<b>Financial assets at fair value through other comprehensive income</b>								
- Quoted investment	9,268,777	-	-	-	-	-	9,268,777	9,268,777

During the financial year ended 31 March 2024 and 31 March 2023, there was no transfer of financial instruments between fair value measurement hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 27. CAPITAL COMMITMENT

	2024 RM	Group 2023 RM
Contracted but not provided for:-		
(i) Capital expenditure for the Group's glove business	-	3,939,650
(ii) Capital expenditure for the Group's fabrication businesses	-	3,370,000
	<u>-</u>	<u>7,309,650</u>

## 28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from the financing activities, including both cash and non-cash changes as follows:-

	As at 01.04.2023 RM	Net Cash Flows RM	Non-cash Changes RM	As at 31.03.2024 RM
<b>Group</b>				
Term loans	7,998,548	(2,276,726)	-	5,721,822
Revolving credit	30,135,625	(30,135,625)	-	-
Lease liabilities	6,720,143	(3,094,726)	2,800,000	6,425,417
	<u>44,854,316</u>	<u>(35,507,077)</u>	<u>2,800,000</u>	<u>12,147,239</u>
<b>Company</b>				
Revolving credit	30,135,625	(30,135,625)	-	-
Lease liabilities	123,552	(39,310)	-	84,242
	<u>30,259,177</u>	<u>(30,174,935)</u>	<u>-</u>	<u>84,242</u>
	As at 01.04.2022 RM	Net Cash Flows RM	Non-cash Changes RM	As at 31.03.2023 RM
<b>Group</b>				
Term loans	9,623,410	(1,624,862)	-	7,998,548
Revolving credit	65,177,370	(35,041,745)	-	30,135,625
Lease liabilities	4,862,827	(2,017,999)	3,875,315	6,720,143
	<u>79,663,607</u>	<u>(38,684,606)</u>	<u>3,875,315</u>	<u>44,854,316</u>
<b>Company</b>				
Revolving credit	65,177,370	(35,041,745)	-	30,135,625
Lease liabilities	167,381	(43,829)	-	123,552
	<u>65,344,751</u>	<u>(35,085,574)</u>	<u>-</u>	<u>30,259,177</u>

Non-cash changes represent drawdown of term loans, drawdown of facilities for acquisition of property, plant and equipment through loans and lease financing.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 29. RELATED PARTIES

## (a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or to the Company if the Group or the Company has the ability to directly or indirectly 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 or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its subsidiaries, related parties and key management personnel. Related parties refer to companies or enterprise in which certain directors of the Company or persons connected to them have substantial financial interests.

## (b) Significant related party transactions

	Company	
	2024 RM	2023 RM
<b>Received or receivable from subsidiaries:</b>		
- Management fee income	-	1,560,000
	Group	
	2024 RM	2023 RM
<b>Received or receivable from associates:</b>		
- Sales	6,451	103,278
- Purchases	266,297	-
- Rental income	204,500	220,000

## (c) Compensation of key management personnel

Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and the Company.

The remuneration of members of key management during the financial year are as follows:-

	Group	
	2024 RM	2023 RM
- Salaries, bonuses and allowances	1,592,770	1,675,776
- Defined contribution plan	200,417	215,313
	1,793,187	1,891,089

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group and the Company may return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year ended 31 March 2024 and 31 March 2023.

Pursuant to the requirements of Guidance Note 3 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the of the issued and paid-up capital (excluding treasury shares). The Company has complied with this requirement for the financial year ended 31 March 2024.

The Group is not subject to any other externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is total external borrowings divided by total equity. The gearing ratio as at 31 March 2024 and 31 March 2023, which are within the Group's and Company's objectives of capital management are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total external borrowings	<u>12,147,239</u>	<u>45,122,836</u>	<u>84,242</u>	<u>30,259,177</u>
Total equity	<u>161,891,179</u>	<u>257,278,091</u>	<u>219,053,149</u>	<u>355,552,740</u>
Gearing ratio	<u>0.08</u>	<u>0.18</u>	<u>0.00</u>	<u>0.09</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 31 October 2023, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Company announced that the Company proposes to undertake the following:

- (i) proposed consolidation of every 30 existing ordinary shares in the Company ("ATS Shares") held by the shareholders of the Company on an entitlement date to be determined and announced later, into 1 ATS Share ("Proposed Share Consolidation"); and
- (ii) proposed reduction of the issued share capital of the Company by RM260 million pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction").

Bursa Securities had, vide its letter dated 23 November 2023, approved the following:

- (i) Proposed Share Consolidation;
- (ii) Listing and quotation of up to 241,838,584 Consolidated Shares (assuming all of the 469,053,650 outstanding Warrants C are exercised into new ATS Shares prior to the implementation of the Proposed Share Consolidation); and
- (iii) Listing and quotation of up to 15,635,121 Consolidated Warrants C (assuming none of the 469,053,650 outstanding Warrants C are exercised prior to the implementation of the Proposed Share Consolidation).

The Proposed Share Consolidation and the Proposed Share Capital Reduction approved by the shareholders at an extraordinary general meeting convened on 22 December 2023.

On 12 January 2024, TA Securities, on behalf of the Company announced that the Share Consolidation has been completed following the listing and quotation of 226,192,659 Consolidated Shares and 15,634,256 Consolidated Warrants C on the ACE Market of Bursa Securities.

### 32. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) Subsequent to the significant event stated in Note 31(a), TA Securities has on 9 April 2024, announced that an office copy of the sealed order of the Court confirming the Share Capital Reduction has been lodged with the Companies Commission of Malaysia. Pursuant thereto, the Share Capital Reduction of the Company shall therefore take effect and be deemed completed on 9 April 2024.
- (b) Subsequent to the financial year, the Group has initiated an internal reorganisation plan involving transferring of selected assets and liabilities between the group of subsidiaries. Upon completion of the internal reorganisation, the glove segment of the Group will be consolidated together with the fabrication and automation segment and renewable energy and property investment segment of the Group, marking the Group ceased its glove-making operation in ATGE and will continue to evaluate various options on the future direction of the glove business and utilisation of glove assets, including leasing the glove-making facilities for rental incomes.
- (c) On 17 April 2024, the Company entered into a conditional Share Sale Agreement ("SSA") with 2 individuals for the proposed disposal of the entire 100,000 ordinary shares in AT Glove Engineering Sdn Bhd ("ATGE"), a subsidiary of the Company, for a consideration of RM2. The proposed disposal is not expected to have material impact to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

### 33. MATERIAL LITIGATION

On 26 June 2020, AT Glove Engineering Sdn. Bhd. ("AGESB"), a wholly-owned subsidiary of the Group entered into a Share Sale Agreement ("SSA") with Hai Hong Capital Sdn Bhd, P'ng Sim Guan, P'ng Lai Heng, Hai Hong Holdings Sdn Bhd and Aaron Khoo Teng Soon (collectively the "Vendors") for the acquisition by AGESB of the entire issued share capital of Pearl Glove (Malaysia) Sdn Bhd ("PGSB"), for a total purchase consideration of RM22 million to be satisfied entirely by cash ("Proposed Acquisition"). Pursuant to the SSA, AGESB had paid a deposit and advances totalling RM4,400,000.

The Proposed Acquisition is subject to several conditions precedent being obtained / fulfilled or waived (as the case may be) by the day falling 30 days from the date of the SSA, or such later date as the parties may mutually agree upon.

Subsequently,

- (i) On 30 July 2020, the Group announced that AGESB and the Vendors ("the Parties") have mutually agreed to extend the period to fulfil the conditions precedent as stated in Appendix I – Salient Terms of the SSA ("Conditions Precedent") for a period of two (2) months from 27 July 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent;
- (ii) On 25 September 2020, the Group announced that the Parties have mutually agreed to extend the cut-off date for a period of two (2) weeks from 27 September 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent;
- (iii) On 12 October 2020, the Group announced that the Parties have mutually agreed to extend the cut-off date for a period of one (1) month to facilitate further discussion by the Parties.
- (iv) On 11 November 2020, the Group announced that AGESB, upon reviewing the due diligence reports provided by the professional advisers appointed by AGESB in relation to the due diligence exercise conducted on PGSB, its business, assets, legal and financial position ("Due Diligence Exercise"), determined that the board of directors of AGESB is not satisfied with the outcome and findings of the Due Diligence Exercise.

Accordingly, AGESB has on even date issued a notice of termination to the Vendors to terminate the SSA in accordance with the terms and conditions stated in the SSA, and requested for the refund of the deposit and advancement of RM4,400,000. The Vendors have yet to refund the deposit and advancement to the Group.

Following the above, a civil suit was commenced by AGESB (as Plaintiff) against the Vendors (as Defendants) on 31 December 2020 at the High Court of Malaya, Kuala Lumpur. The civil suit was subsequently transferred to the High Court of Penang following an application made by the Defendants which was heard on 11 March 2021 at the High Court of Malaya, Kuala Lumpur. The High Court of Penang has initially fixed the trial for the case from 5 December 2022 to 7 December 2022. The trial dates for the case were subsequently changed to 12 August 2024 to 14 August 2024 by the High Court of Penang.



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on a similar basis to that for internal reporting. The Group's chief operation decision maker reviews the decision on resource allocation and assesses the performance of the reportable segment.

## (a) Operating segments

The reportable operating segments are as follows:-

Fabrication and automation	Fabrication of industrial and engineering parts; Design and manufacturing of industrial automation systems and machinery.
Renewable energy and property	Renewable energy operator and property letting.
Gloves	Manufacturing and sale of medical grade nitrile gloves.
Others	Investment holding and provision of management services, neither which are of a sufficient size to be reported separately.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

Reconciliations of reportable segment revenue to the corresponding amounts of the Group are as follows:-

	2024 RM	Group 2023 RM
<b>Revenue</b>		
Total revenue for reportable segments	32,584,563	62,358,062
Elimination of inter-segmental revenue	-	(1,560,000)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	<u>32,584,563</u>	<u>60,798,062</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION (CONT'D)

## (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Adjustments and eliminations RM	Total RM
<b>2024</b>						
<b>Revenue</b>						
External revenue	30,236,895	720,246	1,627,422	-	-	32,584,563
Inter-segment revenue	-	-	-	-	-	-
Total revenue	30,236,895	720,246	1,627,422	-	-	32,584,563
<b>Results</b>						
Interest income	16,697	-	69	675,414	-	692,180
Finance costs	(657,413)	-	(23,681)	(739,863)	-	(1,420,957)
Share of result in associates	-	-	-	(13,080,253)	-	(13,080,253)
Segment (loss)/profit	(7,626,840)	611,367	(39,417,160)	(39,382,279)	-	(85,814,912)
Other material non-cash items:						
- Depreciation of property, plant and equipment	(2,562,997)	(455,853)	(6,131,771)	(60,087)	-	(9,210,708)
- Depreciation of right-of-use assets	(2,427,579)	(77,900)	(145,133)	-	-	(2,650,612)
- Unrealised gain on foreign exchange, net	5,359	-	(794)	653,371	-	657,936
- Fair value loss on investment in quoted shares	(1,811,480)	-	-	(35,052,045)	-	(36,863,525)
- Gain on derecognition of investment in associates	-	-	-	10,005,584	-	10,005,584
- Reversal of impairment loss on receivables	10,481	-	-	-	-	10,481
- Reversal of impairment loss on:						
Investment in associate	3,070,484	-	-	20,459,056	7,509,964	31,039,504
Property, plant and equipment	1,580	-	-	-	-	1,580

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION (CONT'D)

## (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Adjustments and eliminations RM	Total RM
<b>Results</b>						
Other material non-cash items: (cont'd)						
- Impairment loss on receivables	(81,614)	-	-	-	-	(81,614)
- Impairment loss of property, plant and equipment	-	-	(34,893,258)	-	-	(34,893,258)
- Impairment loss of investment in associates	-	-	-	(1,348,965)	-	(1,348,965)
- Share-based payments	(375,735)	-	-	(101,907)	-	(477,642)

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION (CONT'D)

## (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Adjustments and eliminations RM	Total RM
<b>2023</b>						
<b>Revenue</b>						
External revenue	50,325,243	711,480	9,761,339	-	-	60,798,062
Inter-segment revenue	-	-	-	1,560,000	(1,560,000)	-
Total revenue	50,325,243	711,480	9,761,339	1,560,000	(1,560,000)	60,798,062
<b>Results</b>						
Interest income	22,525	-	67,800	1,551,040	-	1,641,365
Finance costs	(753,669)	-	(53,529)	(2,863,630)	-	(3,670,828)
Share of result in associates	-	-	-	(2,752,355)	-	(2,752,355)
Segment (loss)/profit	(8,459,985)	689,271	(56,305,576)	(18,668,873)	-	(82,745,163)
Other material non-cash items:						
- Inventories written down	-	-	(19,295,338)	-	-	(19,295,338)
- Depreciation of property, plant and equipment	(2,871,725)	(435,590)	(6,833,667)	(59,082)	-	(10,200,064)
- Depreciation of right-of-use assets	(1,453,362)	(153,874)	(259,800)	(59,558)	-	(1,926,594)
- Unrealised loss on foreign exchange, net	(31,849)	-	132	(992,744)	-	(1,024,461)
- Fair value loss on investment in quoted shares	(3,540,369)	-	-	-	-	(3,540,369)
- Reversal of impairment loss on receivables	123,335	-	-	-	-	123,335
- Reversal of impairment loss on investment in associate	-	-	-	903,767	-	903,767
- Reversal of impairment loss on property, plant and equipment	-	-	20,883	-	-	20,883

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION (CONT'D)

## (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Adjustments and eliminations RM	Total RM
<b>Results</b>						
Other material non-cash items: (cont'd)						
- Impairment loss on receivables	(254,853)	-	(74,800)	-	-	(329,653)
- Impairment loss of property, plant and equipment	-	-	(15,065,935)	-	-	(15,065,935)
- Impairment loss of investment in associates	-	-	-	(7,789,392)	-	(7,789,392)
- Share-based payments	(300,932)	-	-	-	-	(300,932)
- Loss on dilution of interest in associates	-	-	-	(6,101,343)	-	(6,101,343)

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024 (cont'd)

## 34. SEGMENT INFORMATION (CONT'D)

## (b) Geographical information

The Group's operations, assets and liabilities are in Malaysia, hence no geographical segment is presented.

Segment revenue based on geographical location of the Group's customers is as follows:-

	2024 RM	Group 2023 RM
Malaysia	15,076,880	33,102,650
India	13,667,141	22,711,650
China	3,665,947	4,730,845
Switzerland	90,789	3,995
United Kingdom	-	2,400
Australia	-	15,006
USA	44,372	3,954
Europe	-	12,528
Thailand	28,457	215,034
Singapore	10,977	-
	<u>32,584,563</u>	<u>60,798,062</u>

## (c) Major customer information

The following details relate to major customers with revenue equal or more than 10% of the Group's total revenue:-

	RM	%
<b>2024</b>		
<b>Fabrication and automation</b>		
Customer A	14,330,425	44%
Customer B	9,094,476	28%
Customer C	<u>4,158,668</u>	<u>13%</u>
<b>2023</b>		
<b>Fabrication and automation</b>		
Customer A	22,711,650	37%
Customer B	<u>10,833,749</u>	<u>18%</u>

# STATEMENT BY DIRECTORS

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

We, **CHOONG LEE AUN** and **MAK SIEW WEI**, being two of the directors of AT Systematization Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and the cash flows for the financial year then ended.

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

.....  
**CHOONG LEE AUN**  
Director

.....  
**MAK SIEW WEI**  
Director

Date: 25 July 2024

# STATUTORY DECLARATION

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

I, **CHOONG LEE AUN**, being the director primarily responsible for the financial management of AT Systematization Berhad, do solemnly and sincerely declare that the financial statements of the Group and of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....  
**CHOONG LEE AUN**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on

Before me,

Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of AT Systematization Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of material accounting policy information and other explanatory information, as set out on pages 65 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended in accordance with the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD (cont'd)

### Key Audit Matters (cont'd)

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How we addressed the key audit matters
<p><b>Impairment of property, plant and equipment ("PPE") for gloves segment</b></p> <p>As at 31 March 2024, the carrying amount of PPE for gloves segment of the Group is RM59,290,306 (2023: RM98,009,428), it represented 27.68% (2023: 27.61%) of the group's total assets.</p> <p>The Group is required to assess at each reporting date whether there is any indication that the PPE may be impaired. If such indication exists, the Group shall estimate the recoverable amount of the PPE, which is the higher of fair value less cost to sell or value-in-use.</p> <p>During the financial year, an independent valuer was engaged by the management to perform impairment review on its PPE, an impairment loss in respect of PPE amounting to RM34,893,258 was recognised in the profit or loss.</p> <p>The determination of the recoverable amount of the property, plant and equipment, which is established based on fair value less cost to sell, require significant judgements and estimates, as described in Note 4(d) and Note 9 to the financial statements respectively.</p> <p>Accordingly, impairment of property, plant and equipment for gloves segment has been identified as a key audit matter.</p>	<p>We have obtained an understanding of the relevant controls put in place by the Group in respect of management's assessment on the impairment indicator and determination of recoverable amount of property, plant and equipment and performed procedures to evaluate design and implementation of such controls.</p> <p>We evaluated the independent valuer's competency, capability and objectivity.</p> <p>We assessed the reasonableness of the valuation methodologies and key assumptions adopted by the independent valuer by:</p> <ul style="list-style-type: none"> <li>(a) interviewing, discussing and challenging the key assumptions of the basis applied based on our knowledge of the industry.</li> <li>(b) testing the reliability and accuracy of the underlying model to assess whether the processes are applied to the correct input data and the outputs are mapped accurately.</li> </ul> <p>We tested management's sensitivity analysis in relation to the key inputs to the impairment test model, as well as performing our own sensitivity analysis which include changes to key assumption.</p>

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD (cont'd)

### 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 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD (cont'd)

### 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.
- 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 and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD (cont'd)

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

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 or safeguards applied.

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AT SYSTEMATIZATION BERHAD (cont'd)

### Other Matter

This report for the audited financial statement for the financial year ended 31 March 2024 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 for this report.

UHY  
AF: 1411  
Chartered Accountants

OOI CHI YEE  
03684/08/2024 (J)  
Chartered Accountant

Kuala Lumpur,  
Date: 25 July 2024

## LIST OF LANDED PROPERTIES

Postal Address/ Location of the Property	Description/ Existing Use	Tenure & Date of Expiry of Lease/ Approximate Age of Building	Land Area/ Built-up Area (sq.ft.)	Net Carrying Amount as at 31 March 2024	Date of Revaluation/ Acquisition
Plot 49, Hilir Sungai Keluang 2, Taman Perindustrian, Bayan Lepas Fasa 4, 11900, Pulau Pinang.  (H.S. (D) 8750 [H.S.(D) 18966], PN 2998, Lot 12340, Mukim 12, Daerah Barat Daya, Pulau Pinang)	The subject site is erected with:  (i) a double storey detached factory cum office block  (ii) a double storey detached factory cum office block	60 years lease expiring on 18 October 2055  26 Years  9 Years	56,166/ 37,954	6,332,283	31 March 2020 (Date of valuation)
Plot 82, Lintang Bayan Lepas Fasa 4 Taman Perindustrian Bayan Lepas Mk. 12, Pulau Pinang.  (H.S (D) No.16415, P.T. No. 5057, Mukim 12, Daerah Barat Daya, Pulau Pinang)	The subject site is erected with:  (i) a double storey factory  (ii) a 3 storey office block and a double storey production building  (iii) a double storey factory	60 years lease expiring on 22 January 2062  23 Years  18 Years  5 Years	109,426/ 89,845	17,506,555	31 March 2020 (Date of valuation)
No. 9, Jalan Chepor, 11/7 Kawasan Perusahaan Seramik Chepor, 31200 Chemor, Perak.	The subject site is erected with:	33 years lease expiring on 26 October 2053 for both	Land Area: (i) Lot 207448 - 100,309 (ii) Lot 207449 - 74,185	45,088,027	23 October 2020 (Date of acquisition)

## LIST OF LANDED PROPERTIES (cont'd)

Postal Address/ Location of the Property	Description/ Existing Use	Tenure & Date of Expiry of Lease/ Approximate Age of Building	Land Area/ Built-up Area (sq.ft.)	Net Carrying Amount as at 31 March 2024	Date of Revaluation/ Acquisition
(H.S. (D) 29242, (PN 115509 ) Lot 207448, Mukim Hulu Kinta, Daerah Kinta, Perak)	(i) two single storey factory	10 years	Built-up Area: 76,400		31 March 2022 (Date of completion)
	(ii) a four storey office building	2 year	4,962		
(H.S.(D) 28643, (PN 115510 ) Lot 207449, Mukim Hulu Kinta, Daerah Kinta, Perak)	(ii) a single storey office building, a single storey warehouse, toilet and guard house	10 years	11,876		
Kawasan Perindustrian Kamunting, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Redzuan.	Land for factory				
(H.S. (D) 29242, (PN 380411), Lot 313646, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 14 June 2111	783,324	9,307,527	26 March 2021 (Date of acquisition)
(H.S. (D) 29243, (PN 380412), Lot 313647, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 14 June 2111	569,846	7,776,720	13 July 2023 (Date of acquisition)
(H.S. (D) 31938, Lot PT 24244, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 22 July 2113	114,615	1,551,280	8 May 2023 (Date of acquisition)



# ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

Class of Equity Securities	:	Ordinary Shares
Number of Ordinary Shares	:	226,192,659
Number of holders of Ordinary Shares	:	28,785
Voting Rights	:	One vote per Share

## DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	4,666	159,704	0.07
100 – 1,000	10,493	5,181,377	2.29
1,001 – 10,000	10,421	38,447,689	17.00
10,001 – 100,000	2,906	82,786,970	36.60
100,001 – <5% of shares	299	99,616,919	44.04
5% and above	0	0	0.00
<b>Total</b>	<b>28,785</b>	<b>226,192,659</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDING

(As per the Register of Directors' Shareholdings)

Name	Direct Shareholding	%	Indirect Shareholding	%
Dato' Nik Ismail Bin Dato' Nik Yusoff	23,333	0.01	-	-
Dr. Ch'ng Huck Khoon	-	-	-	-
Mak Siew Wei	15,121,522*	6.68	-	-
Choong Lee Aun	-	-	-	-
Tan Lay Chee	-	-	-	-
Ong Poh Lin Abdullah	-	-	-	-

\* Held through nominee company

## SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholdings)

Name	Direct Shareholding	%	Indirect Shareholding	%
Mak Siew Wei	15,121,522*	6.68	-	-

\* Held through nominee company

## ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024 (cont'd)

## THIRTY LARGEST SECURITIES HOLDERS

No.	Name	Shareholdings	%
1	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Exempt an for Lazarus Securities Pty. Ltd.	9,060,713	4.01
2	M & A Nominee (Tempatan) Sdn. Bhd. - Exempt an for Sanston Financial Group Limited (Account client)	6,180,666	2.73
3	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yeat Sew Chuong	3,745,253	1.66
4	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Soh Choh Piau (M&A)	3,537,870	1.56
5	Siti Munajat Binti Md Ghazali	2,833,333	1.25
6	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kuek Eng Mong	1,766,666	0.78
7	K Mayah A/P Kuppusamy @ Naghuran	1,600,000	0.71
8	Muthukumar A/L Ayarpadde	1,428,913	0.63
9	Tey Tong Sing	1,369,900	0.60
10	Azman Bin Sutan Aman	1,217,033	0.54
11	Leong Wye Keong	1,110,000	0.49
12	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kho Chong Yau (E-TSA)	1,046,666	0.46
13	Koh Soh Hong	1,010,000	0.45
14	Loke Fay	1,000,000	0.44
15	Wang Yen Liang	916,666	0.40
16	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Kong Han (SS2/PIV)	900,000	0.40
17	Yue Fook Cheong	833,333	0.37
18	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Thiam Wai	708,300	0.31
19	Maybank Nominees (Tempatan) Sdn. Bhd. - Wong Tui Wan	700,000	0.31
20	Ting Teck Ming	650,000	0.29
21	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tey Heong Tiong (E-TCS)	649,933	0.29
22	Kenanga Nominees (Asing) Sdn. Bhd. - Exempt an for Phillip Securities Pte. Ltd. (Client Account)	603,080	0.27
23	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tey Heong Tiong (E-TCS)	600,000	0.26
24	Soon Cheng Boon	600,000	0.26
25	Shafii Bin Rasdi	566,666	0.25
26	SC Advance Rubber Sdn. Bhd.	548,500	0.24
27	Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Private Wealth Management for Muthukumar A/L Ayarpadde (PW-M00144) (550548)	544,446	0.24
28	Lee Chee Kuen	533,866	0.24
29	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lai Chie King (6000752)	533,333	0.24
30	Tan Kong Han	533,333	0.24
<b>TOTAL</b>		<b>47,328,469</b>	<b>20.92</b>

## ANALYSIS OF WARRANTS C HOLDINGS

AS AT 28 JUNE 2024

Class of Securities	:	Warrants C
Number of warrants	:	15,634,256
Number of warrant holder	:	2,237
Exercise price of Warrant C	:	RM1.05
Exercise Period of Warrant C	:	18 May 2020 to 17 May 2025
Exercise Rights	:	Each Warrants C entitles the holder to subscribe for one new ordinary share in the Company during the Exercise Period
Voting Rights in the meeting of warrant holder	:	One vote per warrant holder

### DISTRIBUTION SCHEDULE OF WARRANTS C HOLDERS

Size of Holdings	No. of Holders	No. of Warrants	%
Less than 100	324	12,585	0.08
100 – 1,000	831	404,829	2.59
1,001 – 10,000	822	2,908,463	18.60
10,001 – 100,000	234	6,530,813	41.77
100,001 – < 5% of warrants	26	5,777,566	36.96
5% and above	0	0	0
<b>Total</b>	<b>2,237</b>	<b>15,634,256</b>	<b>100.00</b>

### DIRECTORS' WARRANTS C HOLDING

(As per the Register of Directors' Warrants C Holdings)

Name	Direct No. of Warrants held	%	Indirect No. of Warrants held	%
Dato' Nik Ismail Bin Dato' Nik Yusoff	-	-	-	-
Dr. Ch'ng Huck Khoon	-	-	-	-
Mak Siew Wei	8,670,000	55.45	-	-
Choong Lee Aun	-	-	-	-
Tan Lay Chee	-	-	-	-
Ong Poh Lin Abdullah	-	-	-	-

## ANALYSIS OF WARRANTS C HOLDINGS

AS AT 28 JUNE 2024 (cont'd)

## THIRTY LARGEST WARRANTS C HOLDERS

No.	Name	No. of Warrants	%
1	Maybank Nominees (Tempatan) Sdn. Bhd. - Derrick Chin Sze Leong	673,400	4.31
2	Lee Kok Guan	573,200	3.67
3	Rohazifah Binti Samsudin	400,000	2.56
4	Tan Kong Han	345,926	2.21
5	Selamat Bin Goon	326,666	2.09
6	Maybank Nominees (Tempatan) Sdn. Bhd. - Hwong Giin Shing	324,066	2.07
7	Fong Juat Hoon	300,000	1.92
8	W Mohd Sharif Bin Wan Muda	226,666	1.45
9	Goh Hong Hwa	203,356	1.30
10	Tan Leok Kwee	202,000	1.29
11	Aw Peng Meng	187,000	1.20
12	Mohd Rodzi Bin Ibrahim	180,000	1.15
13	Cheong Wai Hong	166,666	1.07
14	Ho Li Hua	150,000	0.96
15	Ng Yem Seong	150,000	0.96
16	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Kok Guan (100317)	142,999	0.91
17	On Hai Swee	139,500	0.89
18	Ahmad Adil Luqman Bin Nor Ismail	133,400	0.85
19	Teo Lian Teng	133,333	0.85
20	Tan Kim Hong	132,933	0.85
21	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wan Nazriqatly Bin Mahmood	130,000	0.83
22	Lee Koon Weng	120,066	0.77
23	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loh Leh Chiong (E-SRK)	120,033	0.77
24	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Wai Sum (7005166)	108,333	0.69
25	Hon Wee Mien	104,690	0.67
26	Ho Heng Chuan	103,333	0.66
27	Juliet Tan Mui Heng	100,000	0.64
28	Khor Hock Yeam	100,000	0.64
28	Ting Mee Tai	100,000	0.64
30	Wong Yit Lee	100,000	0.64
<b>TOTAL</b>		<b>6,177,566</b>	<b>39.51</b>

# NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Company will be conducted on a virtual basis from the Broadcast Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan and online remote voting using the remote participation and voting platform on Tuesday, 24 September 2024 at 2:00 p.m. for the following purposes :

## AGENDA

- |  |  |
|--|--|
| 1. To receive the Audited Financial Statements for the year ended 31 March 2024 together with the Directors' and Auditors' Reports thereon.  | (Please refer to Note 4)                       |
| 2. To approve the payment of Directors' fees of up to RM260,000.00 for the financial year ending 31 March 2025 to the Directors of the Company and its subsidiaries.   | Ordinary Resolution 1                          |
| 3. To approve the payment of benefits other than Directors' fees of up to RM28,000.00 to the Non-Executive Directors of the Company from 25 September 2024 until the next Annual General Meeting of the Company.       | Ordinary Resolution 2                          |
| 4. To re-elect the following Directors retiring under Clause 131 of the Constitution of the Company, and who, being eligible offer themselves for re-election:-<br>(i) Dr. Ch'ng Huck Khoon<br>(ii) Mr. Choong Lee Aun | Ordinary Resolution 3<br>Ordinary Resolution 4 |
| 5. To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.   | Ordinary Resolution 5                          |

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolutions:-

- |   |                       |
|---|-----------------------|
| 6. <u>Proposed retention of an Independent Non-Executive Director</u><br><br>"THAT authority be and is hereby given to Dato' Nik Ismail bin Dato' Nik Yusoff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."  | Ordinary Resolution 6 |
| 7. <u>Power to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016</u><br><br>"THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier. | Ordinary Resolution 7 |

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (cont'd)

AND THAT pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act."

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

ADELINE TANG KOON LING

(LS 0009611)

(SSM PRACTISING CERTIFICATE NO. 202008002271)

WONG YUET CHYN

(MAICSA 7047163)

(SSM PRACTISING CERTIFICATE NO. 202008002451)

Company Secretaries

Date : 31 July 2024

Penang

### NOTES:

1.
  - (a) The Twentieth Annual General Meeting ("AGM") will be conducted on a virtual basis from the Broadcast Venue. Members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.
  - (b) The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Act and Clause 79 of the Constitution of the Company which require the Chairman of the Meeting to be present at the main venue of the Meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.
2. **Appointment of Proxy**
  - (1) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
  - (2) Subject to Paragraph (3) below, a member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
  - (3) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (cont'd)

- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (5) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (6) Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out above will be put to vote by way of poll.

### 3. Members entitled to attend the Twentieth AGM

For the purpose of determining a member who shall be entitled to attend the Twentieth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Clause 81(b) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 13 September 2024. Only a Depositor whose name appears in the Record of Depositors as at 13 September 2024 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the Twentieth Annual General Meeting.

### 4. Audited Financial Statements for the financial year ended 31 March 2024

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

### 5. Ordinary Resolution No. 1 – Proposed payment of Directors' fees

Pursuant to Section 230(1) of the Companies Act, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in accordance with the remuneration framework of the Group. The proposed Ordinary Resolution 1 is to facilitate the payment of Directors fees on current year basis. In the event the Directors' fees proposed is insufficient, the Board will seek the approval from the shareholders at the next AGM for additional fees to meet the shortfall.

### 6. Ordinary Resolution No. 2 – Proposed payment of Directors' benefits (excluding Directors' fees)

The Directors' benefits (excluding Directors' fees) comprises the allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee meetings for the period from 25 September 2024 until the next AGM. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (cont'd)

### 7. **Ordinary Resolutions No. 3 and 4 - Re-election of Directors who retire in accordance with Clause 131 of the Constitution of the Company**

Clause 131 of the Constitution of the Company provides that an election of directors shall take place each year. 1/3 of the directors for the time being shall retire from office at each AGM but shall be eligible for re-election at the said meeting. If the total number of the directors is not 3 or a multiple of 3, the number nearest to 1/3 will retire. The Directors to retire in every year shall be those who have been longest in office since their last election.

Dr. Ch'ng Huck Khoon and Mr. Choong Lee Aun who will be retiring and offering themselves for re-election at the Twentieth AGM were evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that their performances were satisfactory and recommended their re-election for shareholders' approval.

### 8. **Ordinary Resolution No. 6 – Proposed retention of an Independent Non-Executive Director**

The Board endorsed the Nominating Committee's recommendation and will seek shareholders' approval to retain Dato' Nik Ismail bin Dato' Nik Yusoff, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, but less than twelve (12) years, as an Independent Non-Executive Director of the Company.

The full details of the Board's justifications for the retention of Dato' Nik Ismail bin Dato' Nik Yusoff as an Independent Non-Executive Director of the Company is set out in the Corporate Governance Overview Statement in the Annual Report 2024.

Pursuant to the Practice 5.3 of the Malaysian Code on Corporate Governance 2021, shareholders' approval through a two-tier voting process will be sought at the Twentieth AGM to retain Dato' Nik Ismail bin Dato' Nik Yusoff as an Independent Non-Executive Director of the Company.

### 9. **Ordinary Resolution No. 7 - Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed resolution, if passed, will grant a renewed general mandate ("Renewed Mandate") and empower the Directors of the Company to issue and allot shares up to an amount not exceeding 10% (ten per centum) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. The Renewed Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment, capital expenditure, working capital and/or acquisitions. In order to avoid any delay and costs involved in convening a general meeting, it is considered appropriate to seek shareholders' approval for a Renewed Mandate. This Renewed Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company, the shareholders having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 read together with Clause 14 of the Constitution of the Company, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this notice, no shares had been issued pursuant to the general mandate to issue and allot shares granted to the Directors at the Nineteenth AGM held on 26 September 2023 which will lapse at the conclusion of the Twentieth AGM.



## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (cont'd)

### Personal Data Privacy

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

# ADMINISTRATIVE GUIDE FOR THE 20<sup>TH</sup> ANNUAL GENERAL MEETING (“20<sup>TH</sup> AGM”)

Date	Time	Broadcast Venue
Tuesday, 24 September 2024	2:00 p.m.	Broadcast Venue at Lot 4.1, 4 <sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

## MODE OF MEETING

The 20<sup>th</sup> AGM will be conducted entirely through live streaming from the Broadcast Venue.

The Broadcast Venue is strictly for the purpose of complying with Section 327 (2) of the Companies Act 2016 which stipulates that the Chairman of the Meeting shall be at the main venue of the AGM. Shareholders of the Company (“**Members**”) are **NOT REQUIRED** to be physically present **NOR ADMITTED** at the Broadcast Venue on the day of the AGM.

Members whose names appear on the General Meeting Record of Depositors on 13 September 2024 shall be eligible to participate in the 20<sup>th</sup> AGM remotely by using the Remote Participation and Voting (“**RPV**”) Facilities as per the details set out below.

## RPV

The 20<sup>th</sup> AGM will be conducted entirely through live streaming and online remote voting. Members are encouraged to participate the 20<sup>th</sup> AGM by using the RPV Facilities. With the RPV Facilities, Members may exercise their rights to participate (including to pose any questions to the Board of Directors (“**Board**”) and the management of the Company) and vote at the 20<sup>th</sup> AGM.

**Individual Members** are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 20<sup>th</sup> AGM.

If an Individual Members is unable to participate the 20<sup>th</sup> AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting to participate on his/her behalf and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

**Corporate Members** (through Corporate Representative(s) or appointed proxy(ies)) are also strongly advised to participate and vote remotely at the 20<sup>th</sup> AGM by using the RPV Facilities. Corporate Members who wish to participate and vote remotely at the 20<sup>th</sup> AGM will be required to provide the following documents to the Share Registrar’s office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan no later than **Sunday, 22 September 2024 at 2:00 p.m.:**

- Certificate of Appointment of its Corporate Representative or Form of Proxy under the Seal of the Corporation;
- Copy of the Corporate Representative’s or Proxy’s MyKad (front and back) / Passport; and
- Corporate Representative’s or Proxy’s email address and mobile phone number.

## ADMINISTRATIVE GUIDE FOR THE 20<sup>TH</sup> ANNUAL GENERAL MEETING ("20<sup>TH</sup> AGM") (cont'd)


If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to participate the 20<sup>th</sup> AGM, the Corporate Member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

In respect of **Members** who is an **Authorised Nominee and Exempt Authorised Nominee ("Nominee Company")**, the beneficial owners of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the 20<sup>th</sup> AGM using RPV Facilities. Beneficial owner, who wish to participate and vote remotely at the 20<sup>th</sup> AGM, can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 20<sup>th</sup> AGM. Nominee Company will be required to provide the following documents to the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan not later than **Sunday, 22 September 2024 at 2:00 p.m.:**

- i. Form of Proxy under the Seal of the Nominee Company;
- ii. Copy of the Proxy's MyKad (front and back) / Passport; and
- iii. Proxy's email address and mobile phone number.

If a beneficial owner is unable to participate in the 20<sup>th</sup> AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

The procedures for the RPV Facilities in respect of the live streaming and remote voting at the 20<sup>th</sup> AGM are as follows:

Procedures		Action
<b>Before the AGM</b>		
1.	Register as participant for the 20 <sup>th</sup> AGM 	<ul style="list-style-type: none"> <li>Using your computer, access the registration website at <a href="http://rebrand.ly/AT-AGM">http://rebrand.ly/AT-AGM</a></li> <li>If you are using mobile devices, you can also scan the QR provided on the left to access the registration page.</li> <li>Click <b>Register</b> and enter your email followed by <b>Next</b> to fill in your details to register for the 20<sup>th</sup> AGM session.</li> <li>Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification.</li> <li>The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.</li> </ul>
2.	Submit your online registration	<ul style="list-style-type: none"> <li>Members, who wish to participate and vote remotely at the 20<sup>th</sup> AGM via RPV Facilities, are required to register prior to the Meeting. The registration will open on <b>Wednesday, 31 July 2024 at 5:00 p.m.</b> and close on <b>Sunday, 22 September 2024 at 2:00 p.m.</b></li> <li>Clicking on the link mentioned in item 1 will redirect you to the 20<sup>th</sup> AGM event page. Click on the <b>Register</b> link for the online registration form.</li> </ul>

## ADMINISTRATIVE GUIDE FOR THE 20<sup>TH</sup> ANNUAL GENERAL MEETING ("20<sup>TH</sup> AGM") (cont'd)

Procedures		Action
<b>Before the AGM</b>		
		<ul style="list-style-type: none"> <li>Complete your particulars in the registration page. Your name <b>MUST</b> match your CDS account name (not applicable for proxy).</li> <li>Insert your CDS account number(s) and indicate the number of shares you hold.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Please ensure all information given is accurate before you click <b>Submit</b> to register your remote participation. Failure to do so will result in your registration being rejected.</li> <li>System will send an email to notify that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration with the General Meeting Record of Depositors of the Company as at <b>13 September 2024</b>, the system will send you an email to notify you if your registration is approved or rejected after <b>14 September 2024</b>.</li> <li>If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.</li> </ul>
<b>On the day of AGM</b>		
3.	Attending 20 <sup>th</sup> AGM	<ul style="list-style-type: none"> <li>Two reminder emails will be sent to your inbox. First email will be sent one day before the date of the 20<sup>th</sup> AGM, while the second email will be sent 1 hour before the commencement of the 20<sup>th</sup> AGM session.</li> <li>Click <b>Joint Webinar</b> in the reminder email to participate the RPV.</li> </ul>
4.	Participate with live video	<ul style="list-style-type: none"> <li>You will be given a short brief about the system.</li> <li>Your microphone is muted throughout the whole session.</li> <li>If you have any questions for the Chairman/Board, you may use the <b>Q&amp;A panel</b> to send in your questions. The Chairman/Board will try to respond to the relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email.</li> <li>The whole session will be recorded.</li> <li>Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.</li> </ul>
5.	Online Remote Voting	<ul style="list-style-type: none"> <li>The Chairman will announce the commencement of the voting session and the duration allowed at the 20<sup>th</sup> AGM.</li> <li>The list of resolutions for voting "Slido" will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame.</li> <li>Click on the <b>Submit</b> button when you have completed.</li> <li>Votes cannot be changed once it is submitted.</li> </ul>
6.	End of RPV Facility	Upon the announcement by the Chairman on the closure of the 20 <sup>th</sup> AGM, the live session will end.

## ADMINISTRATIVE GUIDE FOR THE 20<sup>TH</sup> ANNUAL GENERAL MEETING ("20<sup>TH</sup> AGM") (cont'd)

### APPOINTMENT OF PROXY

Members, who appoint proxy(ies) to participate via RPV Facilities in the 20<sup>th</sup> AGM, shall deposit the completed duly executed Form of Proxy at Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not later than **Sunday, 22 September 2024 at 2:00 p.m.**

Please note that if an Individual Member has submitted his/her Form of Proxy prior to the 20<sup>th</sup> AGM and subsequently decides to personally participate in the 20<sup>th</sup> AGM via RPV Facilities, the Individual Member shall inform Share Registrar using the contact details as set out below to revoke the appointment of his/her proxy(ies) not later than **Sunday, 22 September 2024 at 2:00 p.m.**

### POLL VOTING

The voting at the 20<sup>th</sup> AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Workshire Share Registration Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and Symphony Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.

The Scrutineers will verify the poll results and the Chairman will declare whether the resolutions are duly passed or otherwise.

### NO RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the 20<sup>th</sup> AGM is allowed.

### NO BREAKFAST/LUNCH PACKS, DOOR GIFTS OR FOOD VOUCHERS

There will be **NO** distribution of breakfast / lunch packs, door gifts or food vouchers to the Members or Proxy(ies) who participate in the 20<sup>th</sup> AGM.

### ENQUIRY

If you have any enquiry prior to the meeting, please contact the following officers during the office hours from 9:00 a.m. to 5:30 p.m. on Mondays to Fridays (except public holidays) at:

For registration, logging in and system related:

**InsHub Sdn. Bhd.**

Name: Ms. Eris/ Mr. Calvin  
Telephone: 03-7688 1013  
Email: [vgm@mlabs.com](mailto:vgm@mlabs.com)

For Proxy and other matters:

**Workshire Share Registration Sdn. Bhd.**

Name: Mr. Vemalan a/l Naraynan/ Mr. Tee Yee Loon  
Telephone: 03-6413 3271 / 012-595 5253  
Email: [infosr@wscs.com.my](mailto:infosr@wscs.com.my)

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**AT SYSTEMATIZATION BERHAD**

Registration No. 200401006297 (644800-X)  
(Incorporated in Malaysia)

**PROXY FORM**

<b>CDS Account No.</b>	
<b>No. of Shares held</b>	

I/We, ..... Tel. No.: .....  
[Full name in block and NRIC No. / Registration No.]

of .....  
[Address]

being a member/members of AT Systematization Berhad, hereby appoint:-

Full Name (in block)	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%

and / or (delete as appropriate)

--	--	--

or failing whom, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be conducted on a virtual basis from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan and online remote voting using the remote participation and voting platform on Tuesday, 24 September 2024 at 2:00 p.m. or any adjournment thereof, and to vote as indicated below:-

RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees of up to RM260,000.00 for the financial year ending 31 March 2025 to the Directors of the Company and its subsidiaries.		
2.	To approve the payment of benefits other than Director's fees of up to RM28,000 to the Non-Executive Directors of the Company from 25 September 2024 until the next Annual General Meeting of the Company.		
3.	To re-elect the following Directors retiring under Clause 131 of the Constitution of the Company, and who, being eligible offer themselves for re-election:- (i) Dr. Ch'ng Huck Khoon (ii) Mr. Choong Lee Aun		
4.			
5.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
6.	To retain Dato' Nik Ismail Bin Dato' Nik Yusoff as an Independent Non-Executive Director of the Company.		
7.	To empower the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signature of Shareholder(s) / Common Seal

Dated this ..... day of ....., 2024.



Notes:-

- (1) Only a Depositor whose name appear in the Record of Depositors as at 13 September 2024 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the Twentieth Annual General Meeting.
- (2) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (3) Subject to Paragraph (4) below, a member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (7) Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out above will be put to vote by way of poll.
- (8) The Twentieth Annual General Meeting will be conducted on a virtual basis at the Broadcast Venue. Members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

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Stamp

The Share Registrar of  
**AT SYSTEMATIZATION BERHAD**  
c/o Workshire Share Registration Sdn Bhd  
A3-3-8, Solaris Dutamas,  
No. 1, Jalan Dutamas 1,  
50480 Kuala Lumpur,  
Wilayah Persekutuan

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## **AT SYSTEMATIZATION BERHAD**

Registration No. 200401006297 (644800-X)

DF2-07-03, Level 7, Persoft Tower  
No. 6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia



+603 7887 8330



+603 7887 8331



info@atsys.com.my



[www.atsys.com.my](http://www.atsys.com.my)