



BUILDING
ASPIRATIONAL
HOMES



ANNUAL REPORT **2024**

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Cover Rationale

Building Aspirational Homes

With pace and priority being set from the ground up, together we can build an aspiring future for life. ACME is highly determined to achieve its enthusiastic vision across all aspects of its operation. Incorporating copious advancements, ACME is setting its sights on building more aspirational, transformative projects in the future as an effort to progress toward significant impact and substantial growth.



Corporate Information

BOARD OF DIRECTORS



Lim Shiou Ghay
Independent Non-Executive Chairman

1

Lee Chiong Meng
Independent Non-Executive Director

3

Tan Chee Keong
Independent Non-Executive Director

4

Lee Thean Yew
Executive Director (Resignation at 18 July 2024)

2

Loh Keow Lin
Independent Non-Executive Director

5

Audit Committee

Chairman
Tan Chee Keong

Members
Lee Chiong Meng
Loh Keow Lin
(Appointment on 18 July 2024)

Nomination Committee

Chairman
Low Keow Lin
(Appointment on 18 July 2024)

Members
Lee Chiong Meng
Tan Chee Keong

Remuneration Committee

Chairman
Lee Chiong Meng
(Resigned as Chairman on 18 July 2024)

Members
Tan Chee Keong
Loh Keow Lin
(Appointment on 18 July 2024)

Risk Management Committee

Chairman
Lee Chiong Meng

Members
Tan Chee Keong
Lee Thean Yew
Loh Keow Lin
(Appointment on 18 July 2024)

Employee Share Option Scheme Committee

Chairman
Lee Thean Yew

Members
Lee Chiong Meng
Jennifer Yew Kar Kheng

Company Secretaries

Hing Poe Pyng
(MAICSA 7053526)
SSM PC NO. 202008001322

Wong Yee Lin
(MIA 15898)
SSM PC NO. 201908001793

Principal Place of Business

488A-16-1, Office Tower
Kompleks Midlands Park
Jalan Burma
10350 George Town
Penang, Malaysia
Tel: 04-2109911
Website: www.acmeholdings.com.my

Registered Office

51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Penang, Malaysia
Tel: 04-3736616
Fax: 04-3736615

Auditors

Grant Thornton Malaysia PLT
(AF: 0737)
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 George Town
Penang, Malaysia
Tel: 04-2287828
Fax: 04-2279828

Principal Bankers

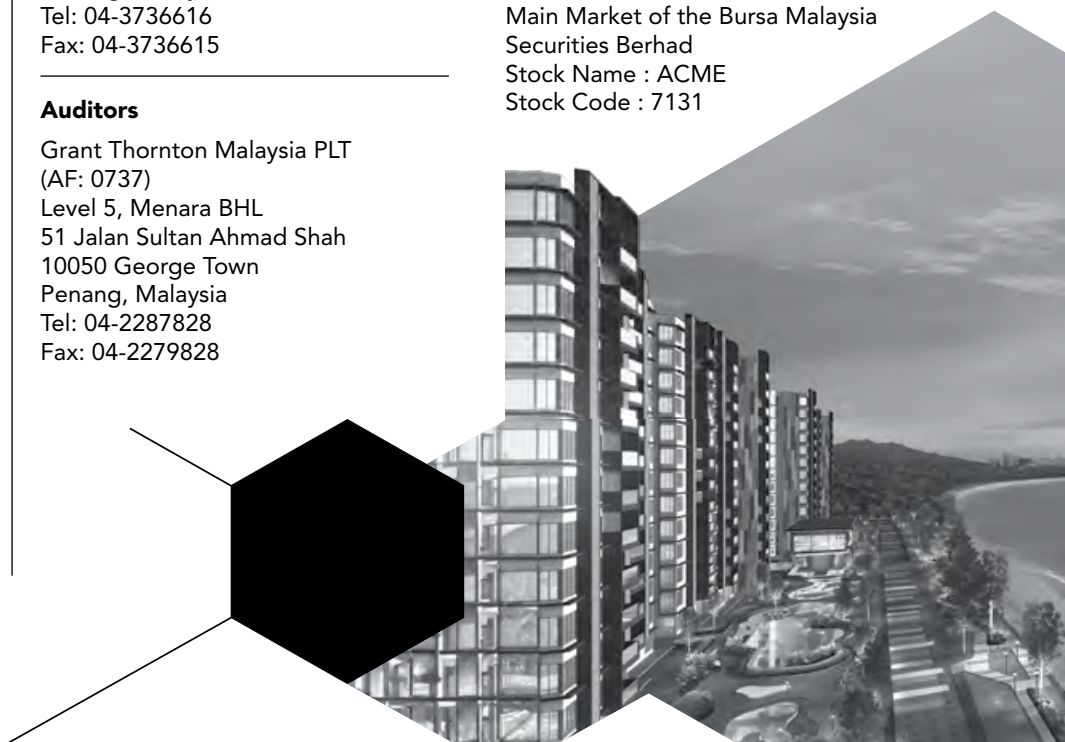
Affin Hwang Investment Bank Berhad
[197301000792 (14389-U)]
Malayan Banking Berhad
[196001000142 (3813-K)]
RHB Bank Berhad
[196501000373 (6171-M)]
United Overseas Bank (Malaysia)
Berhad
[199301017069 (271809-K)]

Share Registrar

Braxton Consulting Sdn Bhd
198501008643(141091-W)
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Penang, Malaysia
Tel: 04-3736616
Fax: 04-3736615

Stock Exchange Listing

Main Market of the Bursa Malaysia
Securities Berhad
Stock Name : ACME
Stock Code : 7131



Profile of Directors

Lim Shiou Ghay

1

Independent Non-Executive Chairman

Malaysian // Male // Aged 51

Mr. Lim Shiou Ghay was appointed as an Independent Non-Executive Director of the Company on 1 October 2018, and subsequently redesignated as Independent Non-Executive Chairman on 20 January 2020. He is an engineer by profession. He graduated with a Bachelor of Science (Mechanical Engineering) Degree from the Mississippi State University in 1997. He also sits on the board of several private limited companies. He does not hold any directorship in any other public companies and listed issuers.

Lee Thean Yew

2

Executive Director

Malaysian // Male // Aged 60

Mr. Lee Thean Yew was appointed to the Board as an Executive Director on 30 December 2022. He is a qualified accountant who graduated with a Bachelor Degree of Accounting (with Honours) from University of Malaya in 1988. He has been a member of the Malaysian Institute of Accountants (MIA) since 1992. He has more than 30 years of working knowledge in accounting disciplines such as financial accounting, compliance reporting, budgeting, taxation and systems development. He is the Chairman of Employee Share Option Scheme Committee and a member of Risk Management Committee. Currently, he is an Independent Non-Executive Director of Asia File Corporation Bhd.

Lee Chiong Meng

3

Independent Non-Executive Director

Malaysian // Male // Aged 55

Mr. Lee Chiong Meng was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He is an architect by profession. He graduated with a Bachelor of Architecture Degree from the University Technology Malaysia (UTM) in 1994 and obtained 'The Best Designer' in Architecture Award during his final year thesis. He has developed a working experience in architecture practice, urban planning on real estate properties from various countries such as Abu Dhabi UAE, Vietnam, Thailand, Cambodia and Malaysia. He is currently leading a consortium team consisting of Architects, Civil & Structural Engineers, Landscape Architects, Interior Designers, Perspective & Graphic Illustrators and Model Making. He does not hold any directorship in any other public companies and listed issuers. He is the Chairman of Remuneration Committee and Risk Management Committee and a member of Audit Committee, Nomination Committee and Employee Share Option Scheme Committee.

Tan Chee Keong

4

Independent Non-Executive Director

Malaysian // Male // Aged 44

Mr. Tan Chee Keong was appointed as an Independent Non-Executive Director on 14 May 2019. He is a chartered accountant by profession, graduated with BSc. (Hons) in Applied Accounting and Association of Chartered Certified Accountants (ACCA United Kingdom) qualification. He has more than 23 years of experience in corporate finance, investment banking, private equity, mergers & acquisitions, treasury, accounting and consulting with leading investment banks, conglomerates and consulting firms in South East Asia. He does not hold any directorship in any other public companies and listed issuers. He is the Chairman of Audit Committee and a member of Nomination Committee, Remuneration Committee and Risk Management Committee.

LEADERSHIP
THROUGH INTEGRITY

Profile of Directors

∨ ∨ Loh Keow Lin

5

Independent Non-Executive Director

Malaysian // Female // Aged 50

Miss Loh Keow Lin was appointed as an Independent Non-Executive Director of the Company on 31 May 2023. She holds a law degree, LL.B (Hons) from the University of London and obtained her Certificate of Legal Practice from the Legal Profession Qualifying Board of Malaysia. She is an advocate and solicitor with the High Court of Malaya. She began her pupillage with Messrs. Presgrave and Mathews before joining Messrs. San & Associates, Penang in year 2003 as a legal assistant. She was promoted to the position of a partner of the firm in 2009, a position she currently still holds. Her areas of practice include corporate and commercial laws, focusing on banking and finance of property development sector as well as mergers and acquisitions. She does not hold any directorship in any other public companies and listed issuers. She is the Chairman of Nomination Committee and a member of Audit Committee, Remuneration Committee and Risk Management Committee.



ADDITIONAL INFORMATION ON THE DIRECTORS

Family relationship with any director and/or major shareholder

None of the Directors have family relationship with any other Directors and/or major shareholders of ACME Holdings Berhad.

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ("FY"), if any

- None of the Directors have any convictions for offences other than traffic offences within the past 5 years.
- None of the Directors were penalised or sanctioned by any regulatory bodies during the FY.

Conflict of Interest

The Directors have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

Profile of Key Senior Management

Ooi Soon Hong

Corporate Development Officer/
Director of Welcome Properties Sdn Bhd

Malaysian // Male // Aged 64

Mr. Ooi Soon Hong was appointed as Corporate Development Officer on 30 December 2022. He previously served as an Executive Director of the Company until his resignation on 30 December 2022. He is a member of the Malaysian Institute of Accountants (MIA). He started his career under training with several reputable accounting firms where he qualified as a certified accountant with ACCA (United Kingdom). He has more than 30 years of working experience in public accounting firms, real estate development and construction businesses.

Dato' Tean Kok Pin @ Teng Kok Pin

Director of Focal Products Sdn Bhd

Malaysian // Male // Aged 77

Dato' Tean Kok Pin was appointed as a Director of Focal Products Sdn Bhd on 12 October 2020. He has extensive knowledge of property development planning, having been involved in this field since 1995. Dato' Tean was the Chief Reporter of Kwang Wah Yit Poh from 1974 to 1983 prior to joining Penang Chinese Town Hall as its Executive Secretary from 1983 to 1990. Currently, he is a Director of Air Itam Relief Berhad.

Ugene Ooi-U Jin

Director of Medan Tropika Sdn Bhd

Malaysian // Male // Aged 25

Mr. Ugene Ooi-U Jin was appointed as a Director of Medan Tropika Sdn Bhd on the 2 January 2022. He graduated with a Bachelor of Commerce (Accounting) Degree from the University of Adelaide in 2019. He has 4 years of working knowledge in accounting disciplines such as financial accounting, accounting information systems and management accounting.

Roszalanhisham Bin Rosdi

Director of Ayana Bayu Sdn Bhd and
Lagenda Etika Sdn Bhd

Malaysian // Male // Aged 50

Mr. Roszalanhisham Bin Rosdi was appointed as a Director of Ayana Bayu Sdn Bhd and Lagenda Etika Sdn Bhd on 5 October 2022. He graduated from Politeknik Sultan Haji Ahmad Shah, Kuantan, Pahang with a Diploma in Civil Engineering. He has more than 20 years of working experience in the construction industry, having started his career as a Project Manager at Perunding Teras Sdn Bhd (Civil & Structural Consulting Engineer) from 1996 to 2002. He was the Northern Region branch manager for Putra Konsult Sdn Bhd (Civil & Structural Consulting Engineer) from 2002 to 2008.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Any directorship in public companies and listed issuers
Save for Dato' Tean Kok Pin @ Teng Kok Pin's directorship in Air Itam Relief Berhad, none of the Key Senior Management hold any directorship in public companies and listed issuers.

Family relationship with any director and/or major shareholder

Save for Mr. Ugene Ooi-U Jin who is the son of Mr. Ooi Soon Hong, none of the Key Senior Management have any family relationship with the Directors and/or major shareholders of ACME Holdings Berhad.

Conflict of Interest

The Key Senior Management have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ("FY"), if any

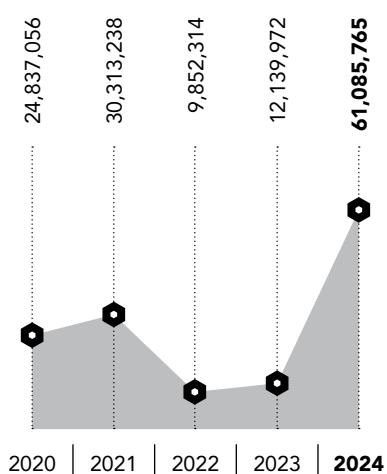
- None of the Key Senior Management have any convictions for offences other than traffic offences within the past 5 years.
- None of the Key Senior Management were penalised or public sanctioned by any relevant regulatory bodies during the FY.

Five Years Group Financial Highlights

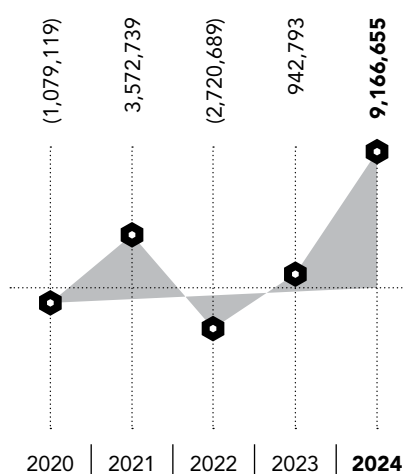
	2020 (RM)	2021 (RM)	2022 (RM)	2023 (RM)	2024 (RM)
Revenue	24,837,056	30,313,238	9,852,314	12,139,972	61,085,765
(Loss)/Profit before tax	(1,079,119)	3,572,739	(2,720,689)	942,793	9,166,655
(Loss)/Profit for the financial year	(572,973)	2,579,494	(2,589,801)	225,621	6,841,924
Basic (loss)/earnings per ordinary share (sen)	(0.25)	0.95	(0.82)	0.06	1.91
Equity attributable to owners of the Company	81,510,002	98,044,666	104,064,762	106,650,334	113,492,258
Net assets per share	0.34	0.33	0.29	0.30	0.32
No. of shares issued (in units)	239,973,500*	298,965,500*	358,758,600*	358,758,600*	358,758,600*

* Excluding 8,784,500 ordinary shares held as treasury shares

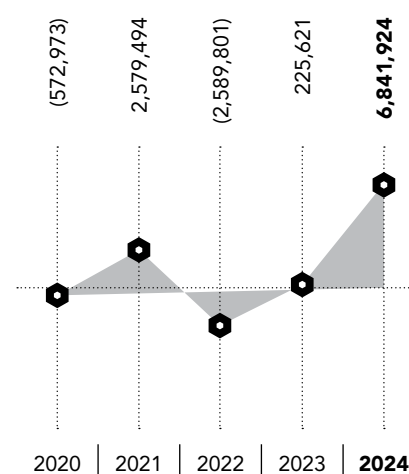
Revenue



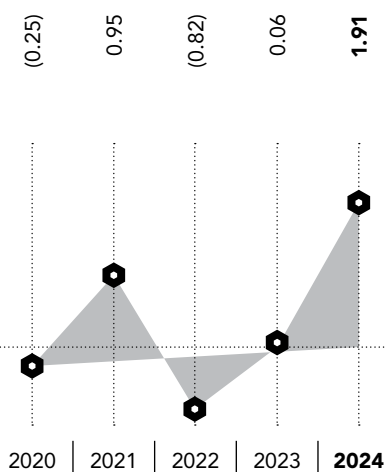
(Loss)/Profit before tax



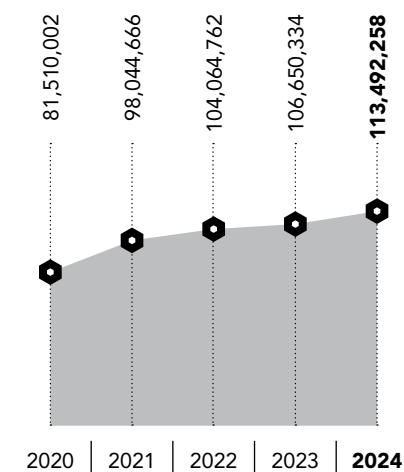
(Loss)/Profit for the financial year



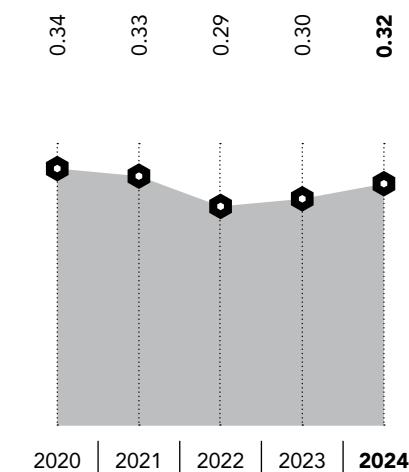
Basic (loss)/earnings per ordinary share (sen)



Equity attributable to owners of the Company



Net assets per share



Management Discussion and Analysis



Operations Review

ACME Group has been involved in the property development business since 2008. The Group is principally involved in property development focusing on affordable and mid-range products in well-developed locations. Our flagship development project is a 47 acres mixed development known as Taman Bayu Aman, located at Teluk Air Tawar in Seberang Perai Utara, Penang. Focusing on Penang as our main market, we are able to tap into local property buyers' preference.

In February 2023, the Group had launched a condominium development project (Marina Residence) which consists of 202 units on 3 blocks of 12-storey condominiums situated in the same township in Seberang Perai Utara, Penang. The response from property buyers has been encouraging given its well-developed location and pricing of units. The gross development value of the project is estimated to be approximately RM101.4 million.

Building on the successful launch of Marina Residence, the Group has open for registration an affordable housing project consisting of 2 blocks of 39-storey apartments (646 units) in Air Itam, Penang in June 2023. Given its location within the mature township of Bandar Baru Air Itam, the feedback from potential purchasers has been overwhelming. The gross development value of this project is forecasted to be approximately RM250.94 million. This project, combined with Marina Residence development, will significantly improve the financial performance of the Group over the medium-term.

On 7 November 2022, the Group had through its wholly-owned subsidiary Ayana Bayu Sdn Bhd, entered into a Joint Venture Agreement with Koperasi Kampung Melayu Balik Pulau Berhad to jointly develop 7 pieces of land located at Balik Pulau, Penang with total land area of approximately 178.34 acres into a multi-phased integrated development which is projected to generate a gross development value of approximately RM1.40 billion.

In addition, the Group had on 2 May 2023 through its wholly-owned subsidiary Lagenda Etika Sdn Bhd ("LESB"), entered into a Joint Development Agreement with Pertubuhan Keselamatan Sosial ("PERKESO") whereby LESB will undertake the proposed planning, design, construction and completion of a mixed development project to be constructed on a piece of development land located at Jalan Kia Peng, Wilayah Persekutuan Kuala Lumpur with a total land area measuring approximately 1.87 acres. The gross development value of this project is estimated to be about RM1.54 billion with expected launching in second half of calendar year 2025.



Management Discussion and Analysis



Financial Performance

Overall

We managed to record a revenue of RM61.09 million in the financial year ended 31 March 2024 ("FYE2024") as compared to our revenue of RM12.14 million in the financial year ended 31 March 2023 ("FYE2023").

Property Development Division

For FYE2024, the property development division contributed RM59.89 million in revenue as compared to a revenue of RM10.94 million in the previous financial year. The increase in revenue was mainly derived from the sales of two newly launched residential property development projects namely Marina Residence and Mandarin Residence.

Correspondingly, the property development division recorded a profit after taxation of RM6.84 million as compared to a profit after taxation of RM0.41 million in FYE2023.

Investment Holding Division

For FYE2024, the investment holding division managed to maintain the same revenue of RM1.20 million as that registered in FYE2023. This is due to the fact that there is no rental revision on the Group's two investment properties located at Seberang Perai Tengah, Penang and Pekan Baru Sik, Kedah.

Working Capital, Liquidity and Capital Expenditure

The Group recorded net outflow of cash from operations of RM15.89 million in the FYE2024 as compared to RM14.34 million in the FYE2023 which was mainly due to increase in property development costs and contract assets for the new development projects. Cash flows from investing activities reversed from net cash outflow of RM4.26 million in the FYE2023 to net cash inflow of RM3.25 million in the FYE2024 as a result of uplifting of fixed deposits placed with a licensed bank to partly finance project development costs. Cash flows from financing activities saw an increase from net cash inflow of RM0.35 million in the FYE2023 to net cash inflow of RM3.39 million in the FYE2024 due to drawdown of bridging loans to partly finance project development costs.

Cash and cash equivalents decreased from RM18.01 million as at 31 March 2023 to RM7.92 million as at 31 March 2024.

Dividends

Although we currently do not have any dividend distribution policy, we look forward to rewarding our shareholders in future for their continued support and faith in us.



Outlook and Focus

The real estate market remained resilient and promising thus far for 2024 with the residential sector exhibiting significant growth in both transactional volume and value as compared to 2023. This uptrend was complemented by a gradual yet steady increase in home asking prices, reflecting a balanced optimism among property owners seeking to leverage their assets.

On the whole, Penang's residential market in 2025 is expected to improve further with growth in the industrial and tourism sectors that may indirectly bolster demand for housing. In terms of the outlook for ACME, 2024 has been a very positive year for the Group and we are confident that we are able to maintain if not improve on this performance in the next financial year.



Sustainability Statement

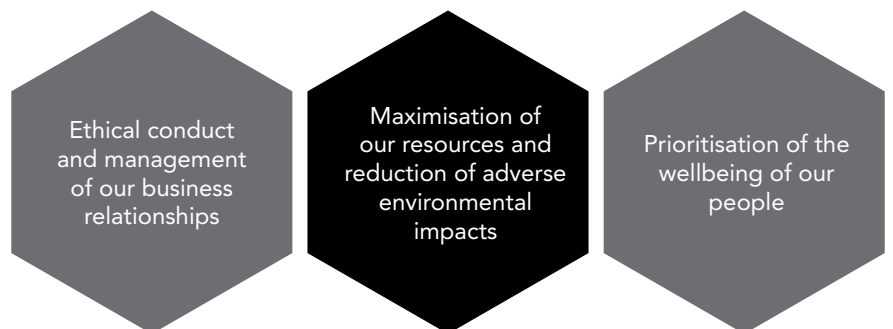


ACME'S SUSTAINABILITY APPROACH

At ACME, our determination is grounded in building a brighter future through ethical business practices, a resolute focus on our objectives, and optimised operational efficiency. This commitment and governance are propelled by the collective efforts and endeavours of our entire organisation.

The Group has reassessed the materiality of sustainability matters that impact the Group to allow companies to align their operations with broader societal and environmental goals, mitigate risks, improve their reputation, and capitalise on opportunities for sustainable growth. The Group remained resolute in our pledge to uphold our sustainability strategies that bring about long-term value creation whereby lasting returns are generated for our investors while at the same time being attuned to the needs of our various stakeholders. More than ever before, we recognise that sustainable development is paramount, and particularly so as we make every possible effort to integrate Economic, Environmental and Social ("EES") considerations into major decision-making and daily management processes to strive for the conservation and enhancement of our natural heritage.

In this regard, we are also continued to refine our daily business operations with the aim to optimise financial outcomes and meaningfully engage with the people within our sphere of influence. This forms the basis of our EES initiatives:-



As such, we are happy to report our sustainability performance and progressive improvements that proceed from a deepened level of shared accountability towards key business drivers, environmental objectives and social outcomes across the Group.

REPORTING SCOPE AND BOUNDARY

To keep our various stakeholders informed, we continue to disclose our sustainability performance transparently and responsibly. In essence, our Sustainability Report (or "Statement") has been prepared in accordance with

Practice Note 9 as well as the Sustainability Reporting Guide (3rd Edition) of Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") and covers the period from 1 April 2023 to 31 March 2024 ("FYE2024") unless specified otherwise.

Sustainability Statement

REPORTING SCOPE AND BOUNDARY (Cont'd)

Particularly, the reporting scope of this Statement encompasses the sustainability initiatives in relation to ACME and its subsidiaries, excluding the entities that the Group does not have controlling interests such as our joint venture partners, suppliers, outsourced vendors and business associates.

In accompaniment of the Management Discussion and Analysis within our Annual Report which expounds on our financial and operational performance, we encourage our stakeholders to further look into this Statement for a comprehensive outlook on the Group's non-financial performance, impacts and opportunities.

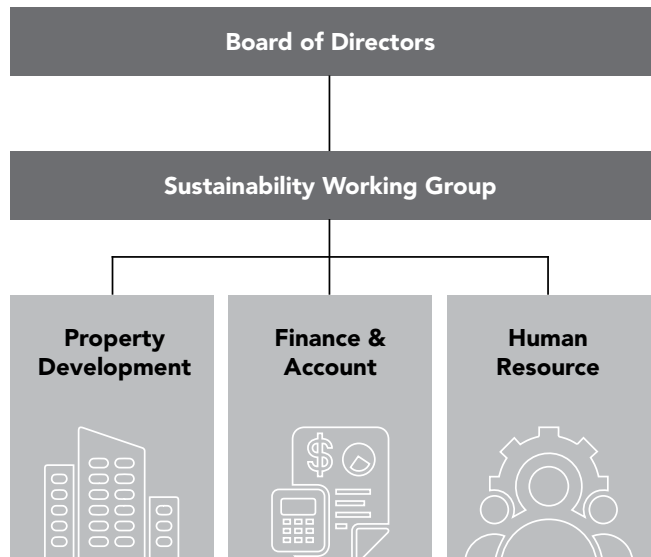
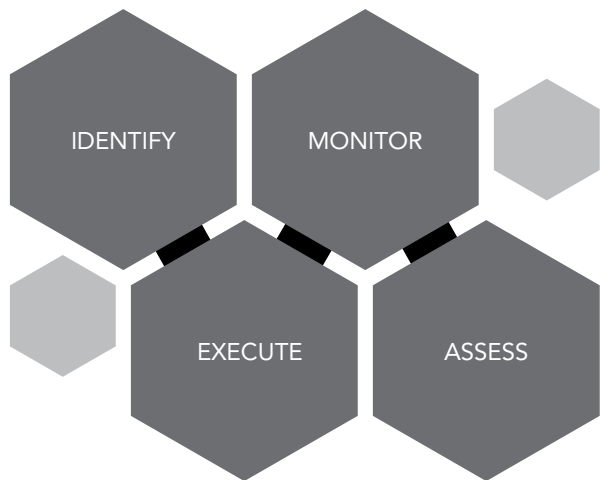
FEEDBACK

ACME's Sustainability Statement is available on our corporate website at www.acmeholdings.com.my.

As we are set on improving the overall execution of our sustainable strategies, inclusive of the way we report on our EES performance, we would appreciate any feedback and comments on this Statement.

OUR GOVERNANCE STRUCTURE

We believe that a strong governance and management structure lays the groundwork for the successful implementation of our sustainability objectives. Hence, our Board of Directors ("BOD" or "the Board") continues to lead the Group in corporate governance directives that are founded on ethical principles, effectively setting the tone for a sustainability-conscious organisation. Under the Board's oversight, the Sustainability Working Group ("SWG"), comprising of key management personnel from their respective operations, remains dedicated to assist in monitoring the implementation and achievement of key performance indicators set at the start of the financial year.







Sustainability Statement

STAKEHOLDER ENGAGEMENT



Over the years, we have always made it a point to be receptive of our stakeholders' views and perceptions of the Group's sustainability practices. As we continue to build our stakeholder engagement practice on the precepts of openness and transparency, we are able to better understand varying needs and consequently create more genuine value for our stakeholders. Thus, we greatly value pertinent considerations raised by all interested parties with regard to how well we conduct our business in consonance with our sustainability strategies. In effect, we engage with our stakeholders in a meaningful way by providing them with the avenues to voice any concerns and to bridge any gaps in the process. This has enabled us to identify indicators that may significantly influence our EES performance as well as areas for further development.

For these reasons, our stakeholder analysis and mapping exercise was conducted anew by ACME's key management personnel. We were then able to determine our principal stakeholders with varying degrees of influence across the Group and to apply the best suited platforms of engaging with them as a result. On account of this, ACME's stakeholder engagement for FYE2024 is expounded below:-

Key Stakeholders	Areas of Interest	Engagement Methods	Frequency
Customers 	<ul style="list-style-type: none"> • Good quality and design • Reliable delivery • Competitive prices • Good workmanship • Prompt rectification 	<ul style="list-style-type: none"> • Meeting/Discussion • Contract Negotiation • Customer Satisfaction Survey • After sales service 	<ul style="list-style-type: none"> • On-going • Ad-hoc • Ad-hoc • On-going
Employees 	<ul style="list-style-type: none"> • Knowledge improvement • Competitive salary and benefits package • Conducive working environment • Occupational safety and health • Proper reporting and communication channel • Work-life balance • Career path 	<ul style="list-style-type: none"> • Internal training and development • Employee handbook • Meeting/Discussion • Employee Feedback Survey • Annual Performance Review • Engagement with employees • Sports and recreation programme • Occupational safety and health programme 	<ul style="list-style-type: none"> • On-going/Ad-hoc • On-going/Ad-hoc • On-going/Ad-hoc • Annually • Annually • On-going • On-going • On-going
Government/Regulatory Bodies 	<ul style="list-style-type: none"> • Compliance with existing laws • Standards and certification • Responsible business practice 	<ul style="list-style-type: none"> • Announcements • Meeting/Discussion • Audit/Inspection Visit • Report Submission 	<ul style="list-style-type: none"> • Ad-hoc • Ad-hoc • Half Yearly • Annually
Suppliers and sub-contractors 	<ul style="list-style-type: none"> • Procurement policy and procedures • Product cost • Industry standard and requirement • Prompt payments within credit period • Business prospects and financial stability 	<ul style="list-style-type: none"> • Vendor Registration • Contract Negotiation • Meeting/Discussion • Evaluation/Performance Review and Site Inspection 	<ul style="list-style-type: none"> • On-going • Ad-hoc • On-going • Annually • On-going

Sustainability Statement

STAKEHOLDER ENGAGEMENT (Cont'd)

Key Stakeholders	Areas of Interest	Engagement Methods	Frequency
Shareholders 	<ul style="list-style-type: none"> Return on investment Business prospects Future roadmap Corporate governance 	<ul style="list-style-type: none"> Quarterly reporting Company's announcements through Bursa Malaysia Securities Berhad Engagement with shareholders during the Company's annual/extraordinary general meeting Company's website Annual Report 	<ul style="list-style-type: none"> Quarterly Ad-hoc/Quarterly Annually/Ad-hoc On-going Annually
Community 	<ul style="list-style-type: none"> Impact of operations on surrounding environment Corporate social responsibility Corporate governance 	<ul style="list-style-type: none"> Engagement with local communities Provide job opportunities Minimise noise, dust, vibration and other disruption such as traffic to the public. 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc On-going

In recognising that our stakeholders' expectations are ever-changing, the Group shall consistently develop and improve on our operational efficiency to achieve our sustainability targets in a responsible and acceptable manner while working closely with our internal and external stakeholder groups.

ACME supports United Nation's 17 Sustainable Development Goals ("SDGs") and continues to maintain the following 11 goals adopted that are most relevant to our business operations.



Sustainability Statement

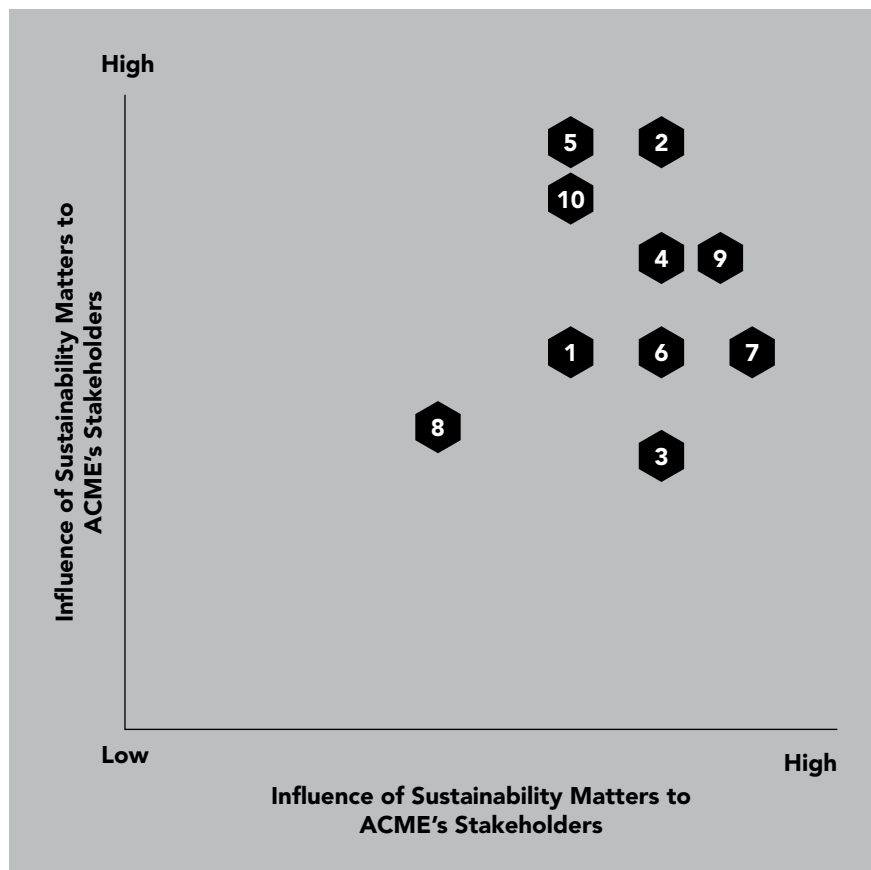
MATERIALITY ASSESSMENT

Additionally, our Group endeavours to execute all sustainability initiatives in the best possible way through adopting a methodical approach that facilitates in assessing the materiality of EES initiatives on our organisation as well as the breadth of influence on our key stakeholders. Bearing in mind that optimisation of our limited resources is imperative to the success of all our endeavours, senior management personnel who represent our SWG shall conduct the materiality assessment on an annual basis to ensure that the Group's sustainable efforts are channelled to stakeholder groups that are critical to our business.

In accordance with the Bursa Malaysia reporting guidelines, ACME's SWG reassess the materiality matters thereupon the review of notable responses gathered from our stakeholder engagement analysis. Ensuing this, deliberations shall be made on the prioritisation of economic drivers, environmental responsiveness and social responsibility initiatives, both on-going and forthcoming, as well as the efficacy and relevance to each of our stakeholders. Our management shall then proceed to formulate a materiality matrix that maps the varying degree of importance of our sustainability matters. The results of the assessment are examined by the SWG and subsequently presented to the Board.

For this year, the results of the re-evaluation of the materiality assessment that is benchmarked against industry companies, conclude on a total of ten (10) material sustainability matters for the Group and its stakeholders as represented below:-

Materiality Matrix



Legend:

Economic	Environmental	Social
1 Strategic Procurement Practice	5 Environmental Conservation Efforts	6 Health & Safety Efforts
2 Economic Performance		7 Training & Development
3 Product Quality & Design		8 Diversity & Equal Opportunity
4 Customer Engagement & Satisfaction		9 Ethical conduct of business
		10 Employee Welfare

Through this exercise, we were able to plan and devote ourselves to EES initiatives in an informed and targeted manner to cover all material aspects of the business and expectations of us by our stakeholders throughout the year. Further detailed disclosure of our initiatives and achievements are reported in the ensuing EES sections.

Sustainability Statement

ECONOMIC SUSTAINABILITY MATTERS



STRATEGIC PROCUREMENT PRACTICE

ACME is mindful of responsibly sourcing products and services by selecting partners that demonstrate sustainable practices that align with the company’s environmental and social responsibility goals.

Our procurement process is governed by a set of robust internal policies and procedures to ensure a fair and transparent dealings with our suppliers and contractors. Prior to the formalisation of a business relationship, a potential supplier or contractors shall be subjected to a due diligence exercise with pre-defined criteria. Subsequent to the appointment, our assigned personnel shall continuously monitor and assess the suppliers and contractors’ performance annually via evaluation exercise to assess their past performance in term of timely delivery, commitment towards high standard of quality and also price competitive.

Supply Chain Management

	2023	2024
Proportion of spending on local suppliers	100%	100%

ECONOMIC PERFORMANCE

We have formulated sustainability practices which aim to generate long term benefits for all our stakeholders in terms of business continuity and value creation.

Depending on the financial performance of our Group, we are mindful of rewarding our shareholders with the appropriate returns on their investments in our Company. We always engage our shareholders during our annual general meeting which is a platform for them to air their views and to question management on matters of interest. In addition, we engage with analysts who cover our Group’s financial performance to ensure they understand our business model and have access to correct and updated facts and data for their reporting. Such reports are uploaded to our website under the folio “Investor Relations”. We have in place policies and practices which govern our business dealings and the conduct of our employees and the same have been disseminated to all concerned either through our website or made known to employees at their place of work.

PRODUCT QUALITY & DESIGN

We have a proven track record, and it is of utmost importance for us to continue upholding our reputation for the sustainability of our business. We strive to deliver quality products that are sustainable throughout the design, construction, and development phases. Additionally, we are keen on incorporating green features into our projects.

CUSTOMER ENGAGEMENT & SATISFACTION

We regularly assess our performance, respond to changes in customer needs, and consistently strive to exceed expectations. We believe that building strong relationships with customers leads to positive word-of-mouth and a strong reputation in the market.



Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY MATTERS



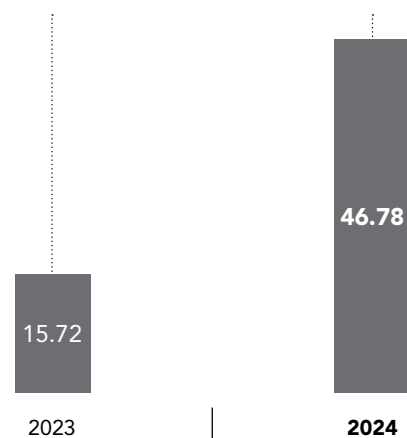
ENVIRONMENTAL CONSERVATION EFFORTS

The year 2022 effectively tied for Earth’s 5th warmest year since 1880, and the last 9 consecutive years have been the warmest 9 on record. We looking forward to be a leading developer with a pioneering commitment to green buildings in Malaysia.

In addition with complying to the relevant laws and regulations, ACME has also established an Environmental Aspect and Impact Assessment Register (“EAIA”) in assessing and evaluating the potential risks, impacts and controls to the environment. Any irregularities discovered shall be reviewed and resolved instantaneously in order to minimise inefficient consumption and curtailing any excesses. In the same way, ACME aims to introduce additional initiatives throughout our offices and other facilities in our effort to protect to conserve energy and water in our offices such as replace light fixtures with energy saving LED lights, allowing natural lighting into our offices, using the building automation system to optimise air conditioning. We also reduce paper wastage by reusing paper and selling recycled/scrap paper.

The usage of electricity has increased by approximately 198% due to the launch of a new development project in the financial year 2024, which included the temporary construction and operation of a sales gallery and showrooms. The Company will monitor electricity usage across all the affected areas, to identify where consumption can be reduced.

Energy Consumption (MWh)



During the construction phase of our projects, the costs for water and electricity usage on site are covered by the main contractor. Despite not directly bearing these costs, we recognize the significance of efficient resource management during this phase and strive to promote sustainability across all aspects of our development projects. We set specific energy efficiency criteria for our contractors to minimize energy consumption on site. This includes measures to optimize equipment use and reduce overall energy demand. We require contractors to implement water-saving practices and manage water use responsibly during construction activities. While we do not directly manage the costs, we are committed to ensuring that our projects have minimal environmental impact. We continuously work to enhance our sustainability criteria and collaborate with contractors to uphold high standards of resource management.



Sustainability Statement

SOCIAL SUSTAINABILITY MATTERS



HEALTH AND SAFETY EFFORTS

As we strive to always operate our business safely and efficiently at all times, we likewise do everything within our power to protect the wellbeing of our people across our operations in the business of property development as well as our stakeholders that include our employees, business associates and surrounding communities. We are happy to report yet again that there have been no major accidents or harmful incidences causing serious bodily injuries to our employees throughout the year.

Moreover, the Group continues to build a secure work environment by ensuring that our company’s health and safety standards and policies are always updated to reflect the latest developments and that our employees are kept informed. We also adhere to all relevant regulatory requirements, which include compliance to the provisions of the Occupational Safety and Health (Noise Exposure) Regulations 2019 in order to curb excessive noise exposure of our assembly line workers that may otherwise lead to hearing disorders and other impairments. This is in addition to maintaining necessary fire precautionary equipment and certifications year-on-year. We will closely monitor and continuously review the adequacy of existing precautionary and safety measures to negate occupational risks and hazards at our place of work.

Health and Safety	2023	2024
Number of work-related fatalities	0	0
Lost time incident rate	0	0
Number of employees trained on health and safety standards	1	1

TRAINING & DEVELOPMENT

We believe in empowering our employees by having a standard operating procedure in place for training and personnel development. Providing appropriate training to our employees results in upscaling their skills and competencies, leading to better customer service, improved productivity, increased efficiency, and enhanced workplace safety practices. In addition to on-the-job training, we also organize in-house training for our employees and send selected employees to attend courses and seminars organized by third parties. These external programs offer specialized knowledge, industry trends, and networking

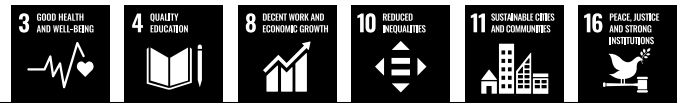
opportunities that may not be available internally. This helps broaden our employees’ perspectives and keep them updated with the latest advancements in our industry.

To retain our talented workforce, we provide opportunities for high-potential employees to develop and progress into senior positions within the group. Priority is given to existing employees for promotions rather than hiring from outside. In the financial year 2024, we spent 177 hours on training in external learning and development programmes.

Employee Management	Management	Executive
Total hours of training attended	71	106
Percentage of employees that are contractors or temporary staff	0	0
Total number of employee turnover	0	0
Number of substantiated complaints concerning human rights violations	0	0

Sustainability Statement

SOCIAL SUSTAINABILITY MATTERS (Cont'd)

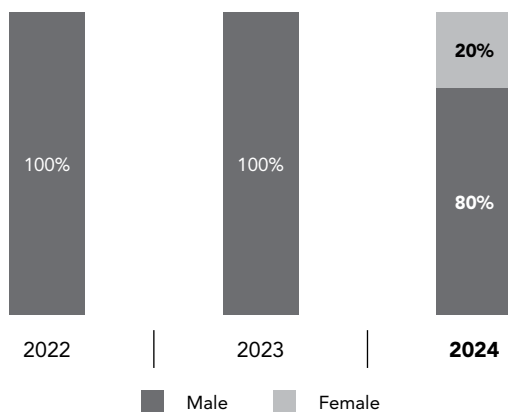


DIVERSITY AND EQUAL OPPORTUNITY

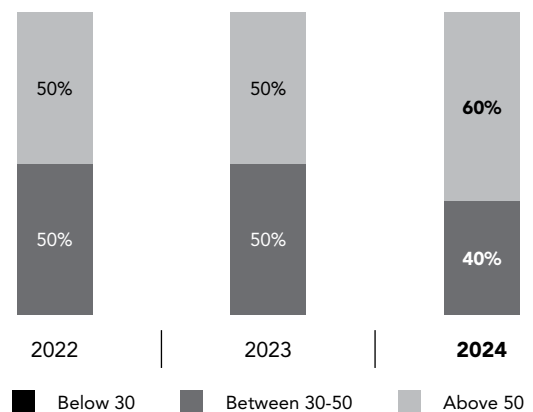
Diversity is becoming an important aspect of our business. As an equal opportunity employer, we do not discriminate against any employee based on race, belief, gender, or sexual orientation. The remuneration of an employee is strictly based on skill, merit, and qualifications, and is governed by the pay scale associated with their particular grade.

Board Diversity

Board Diversity by Gender

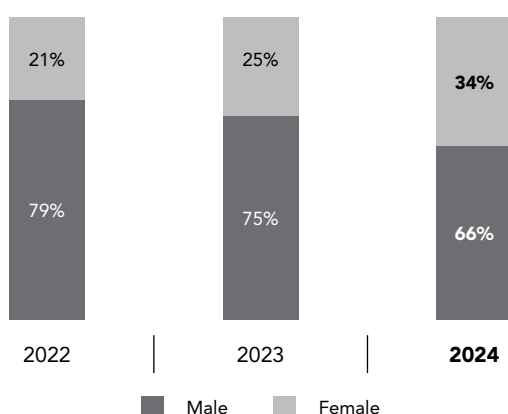


Board Diversity by Age

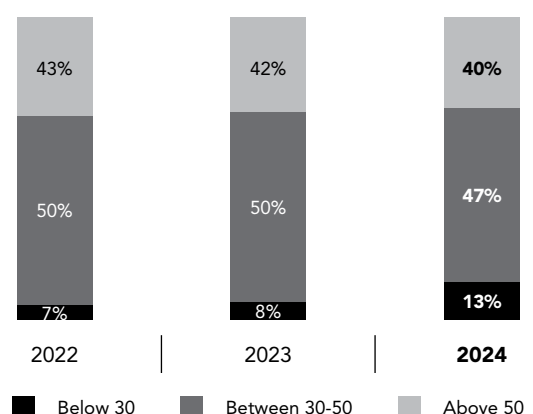


Workforce Diversity

Gender Diversity



Age Diversity

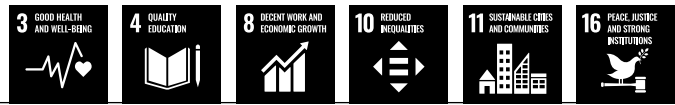


Employees by gender and age group, for each employee category for financial year 2024:

Workforce Diversity Employee Category	Gender (%)			Age (%)			Total
	Male	Female	Total	< 30	30 - 50	>50	
Management	53	7	60	7	20	33	60
Executive	13	27	40	6	27	7	40
Total	66	34	100	13	47	40	100

Sustainability Statement

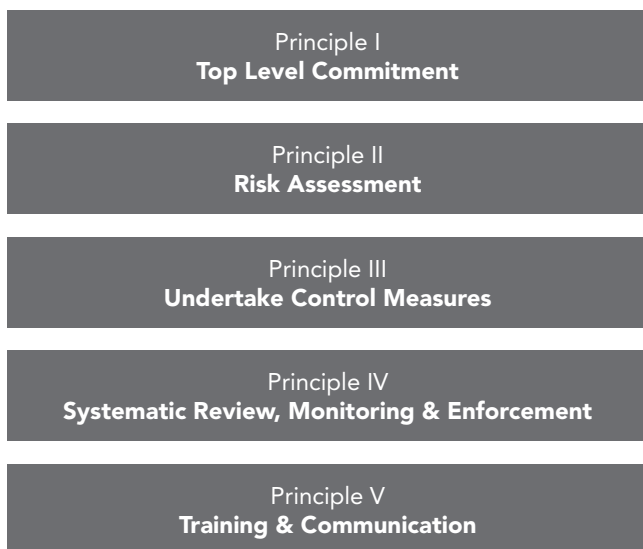
SOCIAL SUSTAINABILITY MATTERS (Cont'd)



ETHICAL CONDUCT OF BUSINESS

We always strive to achieve the best in all that we do. Likewise, holding ourselves to the highest level of ethical standards is equally important as continually growing our operations. Our core values support and guide our leadership in framing the strategic direction of ACME. Inherently, our employees and representatives are expected to conduct their business in accordance with the values defined in our Code of Ethics & Code of Conduct.

Aligned with the adequate procedures issued by the Prime Minister Office in the formation of our Anti-Bribery Management System ("ABMS"), our Code of Ethics & Code of Conduct has been streamlined to highlight our Group's stance and commitment towards combating the corruption risks within our business environment. The following TRUST principles have been incorporated during the designation and implementation of our ABMS:-



Our ABMS includes the review on the adequacy of our existing system in combating and preventing bribery or corruption offences by benchmarking our existing practice against the ISO 137001: 2016 which provides guidance to an organisation in designing an effective system to prevent, detect and respond to bribery and anti-bribery laws and voluntary commitments applicable to our activities.

Subsequent to our review, we maintained a set of comprehensive policies and procedures (termed as "Anti-Bribery and Corruption Policy" or "ABC Policy") within the Group to guide our employees and business associates while representing ACME in its business affairs. The chart below summarises the key areas particularised in our ABC Policy:-



Sustainability Statement

SOCIAL SUSTAINABILITY MATTERS (Cont'd)



ETHICAL CONDUCT OF BUSINESS (Cont'd)

Incorporated within our preventive measures is the due diligence exercise conducted on our business associates. Our methodology includes screenings of our business associates to discover any red flags and to assess their level of integrity against our pre-determined criteria.

Cohesive with the practices outlined in Bursa Malaysia’s Main Market Listing Requirement (“MMLR”), Malaysia Code of Corporate Governance (“MCCG”), Sustainability Reporting Guide and other related guidelines, we encourage our stakeholders to report any potential or actual malpractice or misconduct committed by our representatives (e.g. employees & business associates) via our whistleblowing channel.

The valuable feedbacks raised by our stakeholders assist the Group in preventing, detecting and mitigating the risks associated with our existing business environment. Having said that, we did not receive any reports in FYE2024 from the whistleblowing channel.

We keep abreast of the latest development on the laws and regulations which may impact our operations by maintaining regular communication and consultation with the relevant authorities. Our pro-active actions in ensuring compliance undoubtedly minimises unwarranted disruptions to our operations.

In FYE2024, we did not incur any fines from regulatory authorities for non-compliance or misconduct in environmental, socio-economic, corporate governance, or anti-corruption matters. Additionally, we reported zero incidents of corruption, customer data breaches, or regulatory non-compliance. As part of company policy, all employees participated in briefing sessions and were required to sign a declaration form annually. This process was completed across all employee categories during FYE2024.

Anti-fraud, bribery and corruption		2023	2024
Percentage of employees who have received training on anti-corruption	Management (%)	100	100
	Executive (%)	100	100
	Non-executive (%)	0	0
	General Workers (%)	0	0
Percentage of operations assessed for corruption-related risks (%)		100	100
Confirmed incidents of corruption and action taken		0	0

EMPLOYEE WELFARE

To ensure safe and conducive living environment, we provided monetary and non-monetary benefits for all our staff in compliance with all the requirements of employment law which includes paid leave, allowances and safe working environment.

At the heart of our operations are our employees who are undoubtedly the key driving force of ACME’s enduring organisational success. As such, we continually seek to build and sustain a robust workforce that has a diversified mix of skills and technical competencies. We ensure that our manpower planning, engagement and development activities are free of bias and prejudice to promote equal opportunities for all our employees’ personal and professional development. On the whole, the Group promotes a conducive working environment and culture through the following means:-

	Maintain an open door policy		Motivate employees with realistic goals		Identify and groom future leaders
	Reward employees based on merit		Train and upskill according to needs		

Sustainability Statement

SOCIAL SUSTAINABILITY MATTERS (Cont'd)



EMPLOYEE WELFARE (Cont'd)

Open communication in the workplace between management and other levels of employees has always been ACME's approach at improving overall productivity and stirring up employee confidence and morale. Fundamentally, we understand our employees' capabilities and needs through consistent two-way dialogue sessions that includes feedback sharing and collective discussions aimed at brainstorming fresh ideas and addressing impediments faced by individuals and work groups.

We also conduct merit-based annual performance appraisals and rewards for the purpose of giving due recognition and appreciation of the contributions of our employees, effectively empowering them to take greater charge of their careers while being cognisant of overarching organisational objectives. Our people who have a desire to assume leadership roles shall be able to work closely with their superiors and be provided with tools and support systems.

Primarily, the Group supports continual upskilling and development of all personnel through programmes that are specifically tailored to the training needs and present proficiency levels of our employees. This year, our employees have undergone several training programs including the following:-

- Group Treasury & Global Markets
FX & Economic Outlook 2023**
- Simplifying e-Invoicing**
- IFCA The Future of
Construction Tech Unveiled**
- Making Monthly Reports
Worth Reading**

Having undergone such development programmes, our employees are encouraged to share the newfound knowledge and skills that they have gained with their team members. As training needs evolve over time, we will continue to gauge the knowledge, skills and abilities mix of our workforce to come up with better training resources for all.

CONTRIBUTION TO COMMUNITY

We are committed to fostering sustainable development and making a positive impact on the communities and societies where we operate. We believe in creating shared value through inclusive practices that empower individuals and enhance the quality of life.

During the financial year, we contributed RM50,000 as a Gold Sponsor for PERKESO's annual Run and Ride 2023 program, demonstrating our dedication to promoting health and wellness within the community. Additionally, we have built several affordable housing projects to provide quality homes to those in need, reflecting our commitment to supporting local communities.

Our initiatives extend to education, healthcare access, and local economic support through job creation and fair labor practices. We engage with stakeholders to ensure our efforts are impactful, aiming to build resilient communities for future generations.

Community Investment	2024
Total amount invested in the community	RM 50,000
Total number of beneficiaries of the investment in communities	1

MOVING TOWARDS A SUSTAINABLE FUTURE

As our business continues to evolve along with changing times, ACME shall continue to envisage meaningful and feasible sustainability opportunities by constantly reassess our material sustainability matters while ultimately holding ourselves accountable for our EES conduct and progress. We believe that by doing so, our organisation will grow in strategic and tactical proficiencies that will set us in the right direction for the foreseeable future.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of ACME Holdings Berhad (“ACME” or “the Company”) recognises the importance of good corporate governance and is committed to ensure that good corporate governance is being practised by the Group in order to safeguard stakeholders’ interests as well as enhancing shareholders’ value.

The ensuing paragraphs in this Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG” or “the Code”).

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1 Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group’s business operations whilst providing effective oversight of Management’s performance, risk assessment and controls over business operations.

The Board delegates and confers some of its authorities and discretion on the Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising solely Independent Non-Executive Directors as at Financial Year Ended 31 March 2024 (“FYE2024”). The role of Management is to support the Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Company and the Group.

The Board Committees are made up of the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”); and are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference (“TOR”).

The Chairman of the relevant Board Committees reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the roles of Independent Non-Executive Directors are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company’s business and operations.

Key matters reserved for the Board’s approval include the annual business plan and budget, capital management and investment policies, authority limits/levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposition of assets.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1 Board's Leadership on Objectives and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

In discharging its stewardship, the Board is constantly mindful of safeguarding the interests of the Group's stakeholders and is ultimately responsible for the performance of the Group. The Board assumes the following core responsibilities:

- (a) reviewing and adopting a strategic plan for the Group and to institute a regular and formal board strategy review to ensure that the strategic plan support long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability of its business and Group operations;
- (b) overseeing the conduct of the Group's Business, supervise and assess management's performance to evaluate whether the business is being properly managed and that the Group's performance is skewed towards achieving its strategy notwithstanding that some of the subsidiaries have separate Board of Directors;
- (c) anticipate changes in the market and ensuring that the Group's capabilities and resources are sufficient to manage uncertainties;
- (d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- (e) succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board members and senior management;
- (f) developing and implementing an investor relations programme or shareholder communications policy for the Group;
- (g) reviewing the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems / reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- (h) ensuring that the Company's financial statements are true and fair and other conform with the laws; and
- (i) ensuring that the Company adheres to high standards of ethics and corporate behaviour.

In order for the Board to clearly execute its duties and responsibilities along with the roles played by the Board Committees and Management, the Board adopted a Board Charter which sets out the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management, taking into consideration principal responsibilities.

The Board Charter is subject to periodic review to ensure that it continues to be relevant and applicable as a reference to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. In addition, the Board Charter also contains formal schedule of matters reserved by the Board for deliberation and decision.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1 Board's Leadership on Objectives and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings.

The listing of the Board members and their attendance at Board and Board Committees' meetings held during the financial year under review are as tabulated below:

Name of director	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Lee Chiong Meng	4/4	4/4	1/1	1/1	1/1
Lim Shiou Ghay	4/4	4/4	1/1	1/1	1/1
Tan Chee Keong	4/4	4/4	1/1	1/1	1/1
Lee Thean Yew	4/4	-	-	-	-
Loh Keow Lin	3/3	-	-	-	-

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively and in line with the Listing Requirements ("LR"), a Director of the Company must not hold directorships of more than five (5) Public Listed Companies and must be able to commit sufficient time to the Company.

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission of Malaysia accordingly.

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

The details of training attended by the rest of the Directors during FYE2024 are as follows:

Name of Director	Course Title	Date
Lee Chiong Meng	Seminar Keselamatan Kebakaran	27 July 2023
	Seminar Undang-Undang Kecil Bangunan Seragam 1984	1 November 2023

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1 Board's Leadership on Objectives and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

The details of training attended by the rest of the Directors during FYE2024 are as follows: (Cont'd)

Name of Director	Course Title	Date
Tan Chee Keong	ACCA Beyond the Ledger: Elevating Accountants as Strategic Decision Makers	26 October 2023
	ACCA LinkedUp webinar series : Build confidence & beat imposter syndrome at work	24 August 2023
	Improving Your Emotional Intelligence in the Workplace	15 September 2023
	14th ACCA Asia Pacific Thought Leadership Forum: Geopolitics, Stagflation and Deterioration of 'the Commons': considerations in your Business Planning for 2023 and beyond	12 October 2023
	Green finance: have you got the knowledge every accountant needs? by ACCA	18 April 23
	Power BI basics for finance professionals by ACCA	25 May 23
	16th Asia Pacific Thought Leadership Forum by ACCA	25 May 23
Lee Thean Yew	Essential of Sustainability and ESG by MIA	17 July 2023
	Making Monthly Report Worth Reading	16 November 2023
Loh Keow Lin	Certificate in Fundamental Islamic Financing Documentation	21 June 2023
	MyTax e-CKHT	9 August 2023
	Islamic Finance & Conveyancing Conference	17 November 2023
	Northern Region Seminar on Conveyancing Matter	17 January 2024

The NC will continue to evaluate training needs amongst the Directors and recommend to the Directors as and when required.

1.2 Chairman of the Board

The Board is led by an Independent Non-Executive Chairman supported by an experienced Board, comprising members with wide ranging experience in relevant fields such as general management, accounting and finance industry and information technology. The Chairman is responsible for leading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.

He provides leadership and governance of the Board in order to create a conducive condition geared towards building and growing Directors' effectiveness and ensure that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates discussion and that appropriate discussions take place with relevant opinions among members forthcoming.

Other roles of the Chairman include leading the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintain regular dialogue with top management over operational matters and seek opinion of fellow Board members over any matters that give cause for major concerns.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1 Board's Leadership on Objectives and Goals (Cont'd)

1.3 Separation of the position of Chairman and the Managing Director

The Chairman of the Board is Mr Lim Shiou Ghay, the Independent Non-Executive Director of the Company, the role of the Managing Director is assumed by an Executive Director, Mr Lee Thean Yew. There is clear division of responsibilities between the Chairman of the Board and the Managing Director. This division of responsibilities between the Chairman and the Managing Director ensures an appropriate balance of roles and responsibilities and accountability. The Chairman leads the Board to ensure its smooth and effective functioning.

1.4 The Chairman of the Board should not be a member of Audit Committee, Nomination Committee and/ or Remuneration Committee

The Chairman of the Board is not a member of any Board Committees and does not participate in their meetings. This arrangement ensures that the Board Committees can operate independently and make decisions without the influence or presence of the Chairman. The Committees are able to carry out their specific responsibilities and functions autonomously. This separation helps to maintain objectivity and promotes diversity of perspectives within the Committees.

1.5 Qualified and competent Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and deliberations at the Board and Board Committee meetings are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Bursa Malaysia Securities Berhad ("Bursa Securities") LR and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board.

1.6 Access to information and advice

The Company Secretaries are competent, qualified and capable of providing the needful support to the Board in discharging its fiduciary duties.

The Company Secretaries, or their assistants, are present at all meetings to record deliberation, issues discussed and conclusions in discharging their duties and responsibilities and also provide advice in relation to relevant guides and legislations. Other roles of the Company Secretaries included coordinating the preparation of Board papers with Management, ensure Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

The Directors, whether as full Board in their formal capacity, may upon approval from the Board seek independent advice when required, in furtherance of their duty, at the Group's expense.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

2. Demarcation of responsibilities

2.1 Board Charter

The Board has made available its Board Charter on the corporate website. The document clearly sets out the roles and responsibilities of the Board and Board Committees and the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insights into the fiduciary and leadership functions of the Directors of the Company. The Board reviews its charter regularly, to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives. The Board reviewed its Charter on 30 March 2024 and the revised Board Charter is available on its corporate website.

3. Good business conduct and corporate culture

3.1 Code of Conduct and Ethics

The core values of Quality, Branding, Social Obligations, Shareholders and Human Resource as observed by everyone from Directors down to employees and are integral in driving the Group's direction and sustainability. The Work Ethics of the Group and the Employee Handbook are available and serve as guide for the employees and Management on professional and ethical behavior to safeguard the reputation of the Group. The Collective Agreement and the Employee Handbook detailed, among others, general employment terms and conditions, compensation and benefits and discipline. There is a formalised Board Code of Conduct which reflects the Board's commitment to ethics and compliance with applicable laws and regulations. The Board Code of Conduct provides guidance to its Directors on ethical standards which the Directors shall adhere to in carrying out their fiduciary duties and responsibilities. It sets out the principles that Directors need to observe particularly in respect of conflict of interest and no improper use of assets. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always taken into consideration. It is also a way of providing tangible evidence of their commitment to diligence, probity and fairness in exercising their duties and responsibilities to make informed decisions in the best interest of the Group.

3.2 Whistleblowing Policy

In line with good corporate governance practice, the Company has set out a Whistle Blowing Policy which delineates whistleblowing procedures as an independent feedback avenue for the employees and stakeholders to raise genuine concern on unethical behaviour such as fraud, corruption, criminal offences and miscarriage of justice or endangerment of an individual's health and safety that is taken place to the Board. Multiple channels of reporting are set up to encourage stakeholders to report directly to the Head of Department or the Chairman of AC of the Company. Reports made shall be scrutinised promptly and appropriate course of action shall be implemented accordingly.

3.3 Anti-Bribery & Corruption Policy

The Anti-Bribery & Corruption Policy had been established to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. It is our policy to conduct all of our business in an honest and ethical manner, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or reenactments that may be made by the relevant authority from time to time. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

3.4 Directors' Fit and Proper Policy

The Company has adopted a Directors' Fit and Proper Policy to ensure that individual who possesses the right qualification, expertise, competence and integrity is appointed as Director in the Group. All candidates to be appointed and seeking for re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy. The policy is available on the Company's website.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION

4. Governing Sustainability

4.1 Setting the Company's sustainability strategies, priorities and targets

The Board is mindful to ensure sustainability is embedded in the strategic plan and operations of the Group.

4.2 Communicating the Company's sustainability strategies, priorities and targets to its internal and external stakeholders

The Company's sustainability strategies, priorities and targets are set out in the Company's Sustainability Report in this Annual Report.

4.3 Understand the sustainability issues relevant to the company and its business

The Board encourages their Directors and senior managers to keep abreast with sustainability issues that are relevant to the Company's business and operations.

4.4 Board and Senior Management performance to link with capability to address the Company's material sustainability risks and opportunities

The Board will review the performance in addressing the Company's material sustainability risks and opportunities for the Board and their Senior Management in the next financial year.

5. Board Objectivity

5.1 Board composition

As at FYE2024, the Board comprise of five (5) Directors which consist of four (4) Independent Directors and one (1) Executive Director. In line with this, the Board composition complies with the LR of Bursa Malaysia that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The Board of the Company currently has majority of Independent Directors. Further, the current composition of all Board Committees, which made up of only Independent Directors affirmed the Board's commitment towards independence to provide strong check and balance in the Board's functioning.

With the Independent Directors, being 80% of the Board composition, the Board has exceeded the composition recommendation for Independent Directors to comprise half (50%) of the Board. The Board is of the view that the present Independent Directors, with the breadth of professional and business background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, independent and unbiased opinion and viewpoints.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.

5.2 The tenure of an independent director

The Board is mindful of the recommendation of the Code for the tenure of an Independent Director not exceed a cumulative or consecutive term of nine (9) years. However, an Independent Director who has exceeded the prescribed nine (9) years may continue to serve the Board subject to re-designation as Non-Independent Non-Executive Director. As at to-date, none of the Independent Directors have served on the Board for a cumulative or consecutive term of nine (9) years.

5.3 Limit of tenure of independent director to 9 years

The Group has yet to adopt the policy to limit the tenure of independent directors to 9 years without further extension.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

5. Board Objectivity (Cont'd)

5.4 Diverse Board and Senior Management Team

The Board is supportive of diversity on the Board and in Senior Management team. Appointment of members of the Board and Senior Management team are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.

5.5 Diverse sources for new candidate(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors.

All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

5.6 Information of independent directors who stand for appointment or re-appointment

The information of the independent director who stands for re-appointment as independent director is stated in the notice of general meeting.

5.7 Gender diversity

At present, the Company maintains a gender diversity policy which encapsulates the objectives, principles and measures of the Group's diversity culture. The Board is supportive in upholding gender diversity within the boardroom and the Management with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates.

Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined. Additionally, the Board will look into the scope and measures of the policy on a regular basis, in ensuring its on-going effectiveness and applicability.

The Board currently comprised of 20% woman director and the Group's female staff made up 34% of the total staff.

5.8 Diverse sources for new candidate(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

5.9 Nomination Committee

The NC comprised solely of Independent Directors and its present composition is as follows:

Chairman	:	Loh Keow Lin, Independent Non-Executive Director
Members	:	Lee Chiong Meng, Independent Non-Executive Director Tan Chee Keong, Independent Non-Executive Director

The NC would meet at least once annually with additional meetings convened on as and when needed basis.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

5. Board Objectivity (Cont'd)

5.9 Nomination Committee (Cont'd)

The NC key duties encompassed the following:-

- (a) To make recommendations to the Board with regard to any appointment of Directors considering their skills, knowledge, education, qualities, expertise and experience; professionalism; integrity, time commitment, contribution, Boardroom diversity including gender diversity and other factors that will best qualify a nominee to serve on the Board; and for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/ functions as expected;
- (b) To consider, in making its recommendations, candidates for Directorships proposed by the Group MD/ CEO and within the bounds of practicability, by any other senior executive or any other Director or shareholder;
- (c) To assist the Board to review regularly the Board structure, size and composition and the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- (d) To assess the effectiveness of the Board, any other committees of the Board and the contributions of each individual Director, including the independence of Independent Non-Executive Directors, as well as the Group CEO and Group Chief Financial Officer (where these positions are not Board members), based on the process and procedures laid out by the Board; and to provide the necessary feedback to directors in respect of their performance;
- (e) To ensure proper documentation of all assessments and evaluations so carried out;
- (f) To recommend to the Board, the Directors to fill the seats on any committees of the Board;
- (g) To propose to the Board the responsibilities of non-executive directors, including membership and Chairmanship of Board Committees;
- (h) To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- (i) To recommend to the Board, Directors who are retiring by rotation to be put forward for re-election;
- (j) To evaluate training needs for directors annually;
- (k) To arrange induction programmes for newly appointed directors to familiarize themselves with the operations of the Group through briefings by the relevant management teams;
- (l) To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities; and
- (m) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

5. Board Objectivity (Cont'd)

5.9 Nomination Committee (Cont'd)

During the year under review, key activities undertaken by the NC are summarised as follows:

- (a) Reviewed the composition, mix of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.
- (b) Reviewed the level of independence of the Independent Directors.
- (c) Discussed the character, experience, integrity and competency of the Directors, chief executive or chief financial officer and ensured that they have the time to discharge their respective roles.
- (d) Discussed and recommended the re-election of Directors, as applicable at AGM.
- (e) Reviewed the term of office and performance of the AC and its members pursuant to para 15.20 of the MMLR of Bursa Securities. The assessment was carried out by way of a discussion in the Board and self-evaluation by the AC given that the composition of the NC is the same with AC.
- (f) Conducted annual assessment on Board, Board Committees and individual Directors.

The TOR of the NC is published on the Company's website.

6. Board Assessment

6.1 Overall Effectiveness of the Board and Individual Director

It is the responsibility of the NC for the overall board effectiveness evaluation process, which includes an assessment of the Board, Board Committees and individual Directors. The appraisal which was carried out through documented questionnaires that comprises quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee was being circulated at the Meeting for assessment.

The NC, upon conclusion of the exercise carried out on 27 May 2024, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. Additionally, independent Directors were assessed to be objective in exercising their judgement.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION

7. Level and composition of Remuneration

7.1 Remuneration Policy

It is vital for the Group to attract and retain Directors of the necessary caliber to run the Group successfully. The Group has established RC to develop remuneration strategies that drive performance and provide levels of reward which reflect the performance of the Executive Directors and key Management personnel.

Procedures, such as establishing the remuneration framework of the Company, assessing and recommending the remuneration packages for Directors and Senior Management, and other relevant tasks are currently carried out by the RC prior to the necessary reporting to the Board. The RC recommends to the Board, the remuneration framework and package of the Executive Director, taking into consideration of the experience, level of responsibilities undertaken and the performance of each Executive Director. Directors' fees are recommended by the Board for approval by the shareholders of the Company at Annual General Meetings.

A remuneration policy in stipulating guidance over the administration of matters related to remuneration within the Company is in place.

The current remuneration policy of the Group is summarised as follows:

- (a) The Directors' salary for Executive Directors are set at a competitive level for similar roles within comparable markets, reflects the performance of the director, skills and experience as well as responsibility undertaken.
- (b) Fees and benefits payable to Non-Executive Directors are subject to approval by its shareholders at the AGM.
- (c) Meeting allowance – All the Directors are entitled to a fixed amount of allowance paid in accordance with the number of meeting attended during the year.
- (d) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

7.2 Remuneration Committee

At present, the RC consists solely of Independent Directors as below:

Chairman	: Lee Chiong Meng, Independent Non-Executive Director
Members	: Loh Keow Lin, Independent Non-Executive Director Tan Chee Keong, Independent Non-Executive Director

The RC reviews and recommends matters relating to the remuneration of Board and Senior Management. The RC has established a written TOR to encompass authorities and duties of the RC. The said TOR is published on the Company's website.

The key duties of the RC included the following:

- (a) To determine and recommend to the Board the framework for the remuneration, in all forms, of the Executive Director and/or any other persons as the Committee is designated to consider by the Board, drawing from outside advice as necessary; and
- (b) To implement/maintain a reward system for Executive Director based on individual performance and the Group's results. The following factors shall be taking into consideration in determining the quantum of remuneration: position and scope of work, long term objectives of the Group, complexities of Group activities, individual performance, length of service, experience and mark-to-market salary.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

8. Remuneration of Directors and Senior Management

8.1 Details of Directors' remuneration

In order to enable stakeholders to assess whether the remuneration of Directors commensurate with their individual performance, the detailed disclosure on named basis for the remuneration of Directors during FYE2024 is as disclosed below:-

A. Detailed Remuneration

Directors	Remuneration					Total (RM)
	Fees (RM)	Salaries (RM)	Other Allowances (RM)	Bonus (RM)	Benefit -in-kind (RM)	
Received from Company & Group Level						
Mr Lee Thean Yew	30,000	315,000	55,089	135,000	-	535,089
Received from Company Level						
Mr Lee Chiong Meng	30,000	-	-	-	-	30,000
Mr Lim Shiou Ghay	30,000	-	-	-	-	30,000
Mr Tan Chee Keong	30,000	-	-	-	-	30,000
Ms Loh Keow Lin	25,000	-	-	-	-	25,000
Total	145,000	315,000	55,089	135,000	-	650,089

8.2 Details of top five senior management's remuneration on name basis

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

9. Effective and independent Audit Committee

9.1 The Chairman of the AC is not the Chairman of the Board

The Chairman of the AC is Mr Tan Chee Keong who is an Independent Director whereas the Chairman of the Board is Mr Lim Shiou Ghay. Presently, the AC are comprised solely of Independent Directors.

9.2 Policy requiring former key audit partner to observe 3-year cooling off period

As at to-date, the Company has not appointed any former audit partner as a member of the AC.

Nevertheless, the Board has updated within its External Auditor Assessment Policy to stipulate that no former key audit partner shall be appointed as a member of the AC unless he/she has observed a cooling-off period of at least three (3) years before the appointment.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

I. AUDIT COMMITTEE (Cont'd)

9. Effective and independent Audit Committee (Cont'd)

9.3 Policy and procedures to assess the suitability, objectivity and independence of the external auditor

The AC has formalised a policy which stipulates the procedures to assess the suitability, objectivity, and independence of external auditors which encompasses consideration of the nature and extent of non-audit services provided external auditors alongside the appropriateness of the level of fees.

During the year, the AC conducted an annual assessment of the external auditors based on the following conditions:-

- the quality of audit procedures and work provided;
- the adequacy of experience, technical support and resources;
- the independence and objectivity of external auditors;
- the internal communication quality of external auditors with the Board and/or AC; and
- any other criteria deemed fit by the AC and/or the Board.

Additionally, the said policy stipulated circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors. During the year, the external auditors reported the details of the non-audit services rendered which includes tax compliance and the review of the Statement on Risk Management and Internal Control.

Furthermore, the external auditors provided a confirmation to the AC 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.

On 27 May 2024, an annual assessment on the suitability and independence of external auditors was conducted by the AC. The AC, having assessed the independence of external auditors as well as reviewed the level of non-audit services rendered by them for FYE2024, was satisfied with their competency, suitability and independence. The AC has recommended their re-appointment to the Board, upon which shareholders' approval will be sought at the Thirty-Fourth AGM.

In addition to the above, the AC meets with external auditors at least twice a year to discuss their audit plans, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. Also, the AC meets with the external auditors additionally whenever the need arises. Two discussion sessions between the AC and the external auditors were held on 23 February 2024 and 27 May 2024, respectively. Furthermore, the external auditor attends every annual general meeting whereby the financial statements of the company for a financial year are to be laid to respond according to his knowledge and ability to any question raised in regards to the financial statements' audit.

9.4 Composition of the Audit Committee

Although not required to observe this, the AC comprised solely of Independent Directors as the Board observes and values the independence of the AC.

9.5 Diversity in skills of the AC

The AC currently comprised of members with necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities and provide an effective level of challenge to the Management. On an ongoing basis, the AC members will participate in training and development sessions in order to ensure that they are updated with the latest developments in accounting and auditing standards, guidelines and practices.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Effective risk management and internal control framework

10.1 The board should establish an effective risk management and internal control framework.

In order to be effective in discharging these responsibilities, the Board is assisted by the AC which functions as an oversight body to review controls and systems in general and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control practices within the organisation.

In addition to the abovementioned, the Board is supported by the Management in developing, implementing and monitoring practices for identifying and managing risks. This is added with the role of the Management to provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.

10.2 Disclosure on the features of its risk management and internal control framework

During the year, an assurance is provided by the Executive Director that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the year under review and up to the date of this Statement to the Board. Taking into consideration this assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations.

The key elements and overall state of the internal control and risk management framework of the Group have been disclosed accordingly within the Annual Report.

10.3 Establishment of a Risk Management Committee

The RMC comprises the following members:

Chairman	:	Lee Chiong Meng, Independent Non-Executive Director
Members	:	Loh Keow Lin, Independent Non-Executive Director Tan Chee Keong, Independent Non-Executive Director Lee Thean Yew, Executive Director

The RMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. Its primary roles include ensuring the implementation of the objectives outlined in the Risk Management Policy and compliance with them, working with the Chief Financial Officer and Internal Auditor in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approval of the AC and Board.

Other ad hoc roles and responsibilities include proposing to the Board the monetary threshold and nature of proposed investments that require the RMC's evaluation and endorsement before submission to the Board and reviewing proposals/feasibility studies prepared by project sponsor which meet the requisite threshold before recommending to the Board for their final decision.

The TOR of RMC is published on the Company's corporate website.

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

11. Effective governance, risk management and internal control

11.1 Effective of internal audit function

As disclosed within the TOR of the AC, one of the primary responsibilities of the AC is to administer the review and assessment of the Company's internal audit function.

The internal audit function is currently outsourced to an external professional firm/ service provider who reports directly to the AC by providing independent and objective reports on the state of internal control of the various operations within the Group and the extent of compliance on established policies and procedures.

On an annual basis, the AC carries out an assessment on the performance of the outsourced internal audit function and reports such assessment to the Board.

Details of the internal audit function and activities relevant to the discharge of the AC's responsibilities are set out in the Statement on Risk Management and Internal Control and the AC Report of the Company's Annual Report 2024.

11.2 Disclosure on the internal audit function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm which is sufficiently resourced to provide the services that meet with the Group's required service level. The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system. The activities of the internal auditors during the financial year are set out in the AC Report in this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

12. Continuous Communication between the Company and stakeholders

12.1 Effective, transparent and regular communication with its stakeholders.

The Board believes that effective communication fosters better understanding of the Group's objectives and financial performance. In order to promote effective communication with the Company's stakeholders, information/results are made available through timely announcements and disclosure, executed via the Bursa Securities website, the Company's webpage, press releases and annual reports in line with the disclosure requirements of LR.

In addition, the Company emphasises on providing a principal platform for dialogue and interactions with stakeholders, i.e. primarily its shareholders, through its Annual General Meeting. The Annual General Meeting serves as a principal forum for dialogues with individual shareholders as it provides shareholders the opportunity to ask questions about the proposed resolutions or about the Company's operations in general.

12.2 Integrated Reporting

Integrated Reporting is not applicable to the Group presently as the Company does not fall within the definition of "Large Company".

Corporate Governance Overview Statement

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II. CONDUCT OF GENERAL MEETINGS

13. Encourage Shareholder Participation at General Meetings

13.1 Notice for an Annual General Meeting

The notice to the upcoming AGM in 2024 will be provided with more than twenty-eight (28) days in advance to enable stockholders to make adequate preparation.

13.2 All directors to attend General Meetings

All the Directors of the Company attend General Meetings in order to engage directly with shareholders and to take up any relevant questions which are related to matters that fall under the purview of the Board Committees or Board, unless unforeseen circumstances preclude them from attending General Meetings.

All Directors attended the Thirty-Third AGM of the Company held on 29 August 2023.

The shareholders present at the AGM were invited to ask questions about the resolutions being proposed at the AGM before putting them to vote by poll.

13.3 Leveraging on technology for voting in absentia and remote shareholders' participation

The Thirty-Third AGM of the Company was conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities either in person or by corporate representatives, proxies or attorneys.

The Company will try to continue to hold AGM on a virtual basis in the future and allow shareholders to actively participate and vote in absentia in the future AGMs.

Announcement of the detailed results of the poll voting had been made to the public via Bursa LINK on the same day for the benefit of all shareholders.

13.4 Engagement between Board, Senior Management and Shareholders

Questions for the Thirty-Third AGM was submitted through the online portal at <https://agm.digerati.com.my/pasb-online> before commencement of that AGM. A question and answer session was also held during that AGM. Shareholders used the query box to submit their questions during that meeting in real time.

13.5 Real-time interaction with Shareholders

The Management had tried to respond to all questions posed before and during Thirty-Third AGM. For questions not answered during that meeting due to time constraint, the Management responded to the respective shareholder via email.

13.6 Circulation of minutes of AGM

The minutes of Thirty-Third AGM (including the questions raised at the meeting and the answers thereto) were also made available on the Company's website.

Audit Committee Report

COMPOSITION

The present members of the Audit Committee ("AC" or "Committee") comprise:-

Chairman

Tan Chee Keong (*Independent Non-Executive Director*)

Members

Lee Chiong Meng (*Independent Non-Executive Director*)

Lim Shiou Ghay (*Independent Non-Executive Chairman*) (*Resigned as member on 18 July 2024*)

Loh Keow Lin (*Independent Non-Executive Director*) (*Appointed on 18 July 2024*)

This composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Bursa Securities Main Market Listing Requirements ("Main LR"). Mr. Tan Chee Keong is a member of Association of Chartered Certified Accountants (ACCA United Kingdom). Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Main LR.

ATTENDANCE OF MEETINGS

The detail of attendance of each member at the AC meetings held during the financial year ended 31 March 2024 ("FYE2024") are as follows:

Name of director	Number of meetings	
	Held	Attended
Tan Chee Keong	4	4
Lee Chiong Meng	4	4
Lim Shiou Ghay (resigned as member on 18 July 2024)	4	4
Loh Keow Lin (appointed on 18 July 2024)	-	0

Summary of work of the Audit Committee

The summary of work carried out by the Committee during the FYE2024 in the discharge of its duties and responsibilities are as follows:-

1. Financial Reporting

In overseeing the Company's financial reporting, the Committee reviewed the interim financial reports for the fourth quarter of FYE2023 at its meeting on 31 May 2023.

The interim financial reports for the first, second and third quarters of FYE2024, which were prepared in accordance with requirements of Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Main LR, were reviewed at the Committee meetings on 29 August 2023, 24 November 2023 and 23 February 2024 respectively. On 27 May 2024, the Committee reviewed the interim financial reports for the fourth quarter of FYE2024. The Committee's recommendations were presented for approval at the subsequent Board meeting.

2. External Audit

The Committee has on 23 February 2024 and 27 May 2024 respectively met with the External Auditors without the presence of the Executive Members.

During the meeting on 23 February 2024, the External Auditors tabled the Audit Planning Memorandum prior to the commencement of audit of financial statements for FYE2024, more particularly outlined the audit timeline, key areas of audit focus, audit engagement team and financial reporting standards update to the Committee. The Committee took note on the key changes in the financial reporting standards and updates which are applicable to the Group.

Audit Committee Report

ATTENDANCE OF MEETINGS (Cont'd)

Summary of work of the Audit Committee (Cont'd)

2. External Audit (Cont'd)

During the meeting on 27 May 2024, the Committee reviewed the status of the audit for the FYE2024 with the External Auditors. The External Auditors briefed the Committee on issues discussed with management and informed the Committee:-

- that they had substantially completed their audit and is at finalisation stage pending certain matters which were communicated to the Committee
- the External Auditors have not identified any non-compliance of laws and regulations and fraud related matter
- there were no significant changes to the scope or audit approach as compared to the audit plan
- review of other matters and points on internal control

The Committee reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the External Auditors, it was satisfied that management had co-operated fully and the External Auditors were able to obtain information requested to carry out their work.

Accordingly, the Committee recommended the re-appointment of the External Auditors at the forthcoming Annual General Meeting.

3. Internal Audit Function

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn Bhd ("BDO") to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDO reports directly to the Committee on its activities based on the approved annual Internal Audit Plan. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The annual cost for the Group's internal audit function is RM14,000.

The Internal Auditors presented its findings together with recommendation and management action plan to the Committee for review on 24 November 2023.

During the FYE2024, the Internal Auditors have conducted review on internal control of one of its subsidiaries focusing on the following area:-

Company	Audit Area	Reporting Date
Welcome Properties Sdn Bhd	Information Technology General Controls	8 Nov 2023

Information pertaining to the Company's internal control is shown in the Statement on Risk Management and Internal Control set out on pages 39 to 40 of this Annual Report.

Unfortunately, BDO had on 21 December 2023 informed the Committee that it had decided not to renew its internal audit services due to internal resource constraints. Accordingly, the Board has appointed a new independent professional consulting firm, KFF Advisory Sdn Bhd on 4 April 2024.

At the meeting held on 27 May 2024, the Committee approved the Group Internal Audit Plan 2025 as tabled by the new Internal Auditors.

The Committee is pleased to report that neither Internal Auditors nor External Auditors have reported any significant weaknesses in internal control which resulted in material loss or potential material loss to the Group.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of ACME Holdings Berhad (“Board”) is pleased to provide the following Statement of Risk Management and Internal Control (“Statement”), which is made pursuant to the Main Market Listing Requirements and the Malaysian Code on Corporate Governance with regards to the nature and scope of risk management and internal control of the Group during the financial year.

RESPONSIBILITY FOR RISK MANAGEMENT

The Board recognises its overall responsibility for the Group’s systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the guidelines promulgated by the “Statement on Risk Management and Internal Control – Guidelines for Director of Listed Issuers” (“Internal Control Guidance”).

The Board has received assurance from the Executive Director who also assumes the role of Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board together with the management practice proactive risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment which may entail different risks, and assess the appropriate risk response strategies and controls. Daily risk management of operations are delegated to assigned key management staff and head of departments.

Periodic meetings attended by key management staff and head of departments and are held to discuss key operational issues, business performance matters and appropriate mitigating controls, when necessary.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional consulting firm, BDO Governance Advisory Sdn Bhd (“BDO”) as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out in accordance with the annual audit plan approved by the Audit Committee. Unfortunately, BDO had on 21 December 2023 informed the Audit Committee that it had decided not to renew its internal audit services due to internal resource constraints. Accordingly, the Board has appointed a new independent professional consulting firm, KFF Advisory Sdn Bhd on 4 April 2024.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors’ report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

Based on the internal auditors’ reports for the financial year ended 31 March 2024, there is reasonable assurance that the Group’s systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group’s annual report.

Statement on Risk Management and Internal Control

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to business units by members of the Board;
- Monitoring of the daily operations by the senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

CONCLUSION

The Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 March 2024. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its risk management and internal control environment.

This statement is issued in accordance with a resolution of the Directors dated 23 July 2024.

Directors' Responsibility Statement

The Directors acknowledge their responsibility in ensuring that the financial statements of the Group and of the Company give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of their results and cash flows for the financial year then ended. The Directors have also ensured that the requirements of the Companies Act and those applicable approved accounting standards in Malaysia have been complied with. In preparing the financial statements, the Directors have:-

- applied consistently the appropriate accounting policies adopted;
- made reasonable and prudent judgments and estimates; and
- maintained proper accounting records to enable the preparation of the financial statements with reasonable accuracy.

In addition, the Directors are also responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect frauds and other irregularities.

The Directors approved the financial statements for the financial year ended 31 March 2024 on 23 July 2024.

This statement was made in accordance with a resolution of the Directors dated 23 July 2024.

Additional Compliance Information

The following information are provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

a) Disposal of 1,666,665 ordinary shares in Supportive Technology Sdn Bhd ("STSB"), representing 100% of the total number of issued ordinary shares in STSB

On 21 December 2021, the Company disposed 1,666,665 ordinary shares in STSB, representing 100% of the total number of issued ordinary shares in STSB, to Asia File Corporation Bhd (the purchaser) for a total cash consideration of RM21,468,000 ("Disposal").

Below are the status of utilisation of proceeds as at 23 July 2024:-

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance to be Utilised RM	Proposed Timeframe of Utilisation
Property development projects	21,218,808	21,218,808	-	Within 18 months from the completion date
Expenses related to the corporate exercise	249,192	249,192	-	Within 1 month from the completion date
Total	21,468,000	21,468,000	-	

b) Private placement of up to 59,793,100 new ordinary shares in the Company, representing 20% of the enlarged number of issued shares of the Company (excluding treasury shares), to third party investor.

On 27 December 2021, the Company completed the listing of 59,793,100 new ordinary shares to a third-party investor through private placement. The placement shares were issued at an issue price of RM0.146 per share and total proceeds of RM8,729,793 was received from the said placement.

Below are the status of utilisation of proceeds as at 23 July 2024:-

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance to be Utilised RM	Proposed Timeframe of Utilisation
Property development projects	7,622,028	7,622,028	-	Within 12 months from the listing date of placement shares
Working capital	1,000,000	1,000,000	-	Within 12 months from the listing date of placement shares
Expenses related to the corporate exercise	107,765	107,765	-	Within 1 month from the listing date of placement shares
Total	8,729,793	8,729,793	-	

Additional Compliance Information

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 March 2024 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follow:-

Category	Audit Fees (RM)	Assurance Related and Non-Audit Fees (RM)^
Company	36,000.00	10,000.00
Subsidiaries	78,000.00	17,400.00
Total	114,000.00	27,400.00

^ Assurance related and non-audit fees consist of review of Statement on Risk Management and Internal Control, Housing Development Accounts audit and tax compliance services.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS OR MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Directors or major shareholders either still subsisting as at 31 March 2024 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

Other than as disclosed in Note 33 to the financial statements, there was no recurrent related party transaction of a revenue or trading nature entered into by the Group during the financial year ended 31 March 2024.

5. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") of the Company was approved by shareholders at the Extraordinary General Meeting held on 10 November 2021. The effective date of implementation of the ESOS is on 24 November 2021 and will be in force for a period of five (5) years.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 15% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 23 July 2024 are as follows:-

	Total	Directors	Senior Management	Other Employees
Number of options granted	24,932,200	9,506,400	7,192,700	8,233,100
Number of options exercised	-	-	-	-
Number of options forfeited	-	-	-	-
Number of options outstanding	24,932,200	9,506,400	7,192,700	8,233,100

Directors' Report

For the financial year ended 31 March 2024

The directors have pleasure in submitting their report together with 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 in the course of the financial year remain unchanged and consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	<u>6,841,924</u>	<u>1,095,049</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 March 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividends declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any final dividend payment for the 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.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture.

TREASURY SHARES

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

As at 31 March 2024, the Company held 8,784,500 treasury shares out of the total 367,543,100 issued ordinary shares. Further relevant details are disclosed in Note 16 to the financial statements.

WARRANTS

The salient features of the warrants are disclosed in Note 37 to the financial statements.

The details of the warrants issued to the directors are disclosed in the section of Directors' Interests in this report.

Directors' Report

For the financial year ended 31 March 2024

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the ESOS By-Laws and was approved by shareholders on 10 November 2021. The ESOS will be in force for a period of five years until 23 November 2026 and may be extended for a further period of up to five years, but will not in aggregate exceed 10 years from the implementation of the ESOS.

The salient features of the ESOS are disclosed in Note 38 to the financial statements.

The movement of the share options during the financial year is as follows:

Grant date	Exercise price RM	----- Number of share options over ordinary shares -----			
		Balance at 1.4.2023	Granted	Exercised	Balance at 31.3.2024
27.4.2022	0.2368	24,932,200	-	-	24,932,200

The details of the share options granted to the directors are disclosed in the section of Directors' Interests in this report.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

* Lee Thean Yew
 Lim Shiou Ghay
 Lee Chiong Meng
 Tan Chee Keong
 Loh Keow Lin (appointed on 31.5.2023)

Directors of the subsidiaries:

Ooi Soon Hong
 Dato' Tean Kok Pin @ Teng Kok Pin
 Ugene Ooi-U Jin
 Roszalanhisham Bin Rosdi

* The director is also director of the Company's certain subsidiaries.

Directors' Report

For the financial year ended 31 March 2024

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares, warrants and options of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.4.2023	Bought	Sold	Balance at 31.3.2024
The Company				
Direct Interest:				
Lee Thean Yew	1,561,400	-	-	1,561,400
Lim Shiou Ghay	5,098,000	-	-	5,098,000
Lee Chiong Meng	1,000,000	-	-	1,000,000
Tan Chee Keong	3,000,000	-	(3,000,000)	-
Deemed Interest:				
¹ Lim Shiou Ghay	6,136,000	-	(3,844,600)	2,291,400

	Number of warrants			
	Balance at 1.4.2023	Granted	Exercised	Balance at 31.3.2024
The Company				
Lee Thean Yew	15,350	-	-	15,350
Lim Shiou Ghay	974,500	-	-	974,500
Deemed Interest:				
¹ Lim Shiou Ghay	1,534,000	-	-	1,534,000

	Number of share options over ordinary shares			
	Balance at 1.4.2023	Granted	Exercised	Balance at 31.3.2024
The Company				
Lee Thean Yew	2,376,600	-	-	2,376,600
Lim Shiou Ghay	2,376,600	-	-	2,376,600
Lee Chiong Meng	2,376,600	-	-	2,376,600
Tan Chee Keong	2,376,600	-	-	2,376,600

Note:

¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Epic Paradigm Sdn. Bhd.

Other than the above, none of the other directors holding office at the end of the financial year has any interests in shares, warrants and options in the Company and its related corporations during the financial year.

Directors' Report

For the financial year ended 31 March 2024

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	145,000	-	145,000
Salaries, bonus and allowances	-	450,000	450,000
EPF	-	54,000	54,000
SOCSO	-	990	990
EIS	-	99	99
	145,000	505,089	650,089

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM23,330.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Directors' Report

For the financial year ended 31 March 2024

OTHER STATUTORY INFORMATION (Cont'd)

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

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

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 March 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	114,000	36,000
Assurance related and non-audit services	<u>27,400</u>	<u>10,000</u>
Total	<u>141,400</u>	<u>46,000</u>

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Lee Thean Yew

Penang,

Date: 23 July 2024

.....
Lim Shiou Ghay

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 54 to 108 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 cash flows for the financial year then ended.

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

.....
Lee Thean Yew

Date: 23 July 2024

.....
Lim Shiou Ghay

Statutory Declaration

I, **Lee Thean Yew**, the director primarily responsible for the financial management of **Acme Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 54 to 108 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **23rd**)
day of **July 2024**.)

.....
Lee Thean Yew
(MIA No. 6990)

Before me,

.....
Goh Suan Bee (P125)
Commissioner for Oaths

Independent Auditors' Report

To the members of Acme Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Acme Holdings Berhad**, which comprise the statements of financial position as at **31 March 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 54 to 108.

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 Malaysian Financial Reporting Standards, IFRS Accounting 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 judgment, 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.

Independent Auditors' Report

To the members of Acme Holdings Berhad

Key Audit Matters (Cont'd)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Revenue and cost of sales in respect of property development activities (Notes 22 and 23 to the financial statements)</p> <p>The Group's revenue mainly arises from the property development revenue (96% of total revenue) while the Group's cost of sales mainly arises from the property development costs (94% of total cost of sales).</p> <p>We focus on revenue and cost of sales in respect of property development activities as a key audit matter due to the Group's property development revenue and property development costs are recognised based on the percentage of completion ("POC") which is measured using the stage of completion by reference of survey of work performed. Such measurement involves management estimates in determining the stage of completion, extent of property development costs incurred to date and estimated total property development costs.</p>	<p>Our audit procedures in relation to the revenue and cost of sales in respect of property development activities included, amongst others, the following:</p> <ul style="list-style-type: none"> • Checked the reasonableness of the estimated total property development costs by agreeing to approved budgets, letter of awards, contracts and variation orders, if any, with contractors; • Examined the actual costs incurred to date to the supporting evidences such as contractors' progress claims and architect certificates; • Corroborated the certified POC with the level of completion based on actual costs incurred to date over the estimated total property development costs; • Reviewed the sale and purchase agreements entered into with the customers and obtained an understanding of the specific terms and conditions; • Assessed the timing of revenue recognition based on the understanding of the specific terms and conditions; • Performed test of details on revenue from property development revenue to signed sale and purchase agreements; and • Checked the mathematical accuracy of POC and percentage of sales which will be applied to the revenue and cost of sales in respect of property development activities.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report

To the members of Acme Holdings Berhad

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 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 Acme Holdings Berhad

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.

Other Matter

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

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Date: 23 July 2024

Loo Wei Teng
No.03487/03/2026 J
Chartered Accountant

Statements of Financial Position

As at 31 March 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,457,089	638,041	-	-
Investment properties	5	5,707,715	5,985,234	5,707,715	5,985,234
Right-of-use asset	6	49,720	116,652	-	-
Investment in subsidiaries	7	-	-	48,777,660	48,777,660
Investment in a joint venture	8	-	82,734	-	150,000
Trade and other receivables	9	-	-	3,135,611	-
		<u>7,214,524</u>	<u>6,822,661</u>	<u>57,620,986</u>	<u>54,912,894</u>
Current assets					
Inventory properties	10	66,085,626	73,208,495	-	-
Trade and other receivables	9	37,955,322	15,371,863	25,378,708	24,985,535
Contract assets	11	27,880,954	7,404,041	-	-
Contract cost	12	3,582,176	157,842	-	-
Other investment	13	175,050	162,850	175,050	162,850
Tax recoverable		161,445	196,306	-	-
Cash and bank balances	14	7,916,631	18,014,966	174,458	2,094,809
		<u>143,757,204</u>	<u>114,516,363</u>	<u>25,728,216</u>	<u>27,243,194</u>
TOTAL ASSETS		<u>150,971,728</u>	<u>121,339,024</u>	<u>83,349,202</u>	<u>82,156,088</u>

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

Statements of Financial Position

As at 31 March 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	91,448,465	91,448,465	91,448,465	91,448,465
Treasury shares	16	(13,873,523)	(13,873,523)	(13,873,523)	(13,873,523)
Share options reserve	17	2,302,039	2,302,039	2,302,039	2,302,039
Retained profits	18	33,615,277	26,773,353	2,299,545	1,204,496
Total equity		113,492,258	106,650,334	82,176,526	81,081,477
Non-current liabilities					
Borrowings	19	4,116,753	-	-	-
Lease liability	6	-	52,936	-	-
Trade and other payables	20	2,959,130	1,063,545	-	-
Deferred tax liabilities	21	1,362,513	1,555,213	411,836	411,836
		8,438,396	2,671,694	411,836	411,836
Current liabilities					
Trade and other payables	20	23,569,251	9,816,246	752,453	615,770
Borrowings	19	4,540,900	1,907,795	-	-
Lease liability	6	52,936	67,686	-	-
Contract liabilities	11	56,800	174,400	-	-
Tax payable		821,187	50,869	8,387	47,005
		29,041,074	12,016,996	760,840	662,775
Total liabilities		37,479,470	14,688,690	1,172,676	1,074,611
TOTAL EQUITY AND LIABILITIES		150,971,728	121,339,024	83,349,202	82,156,088

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

Statements of Comprehensive Income

For the financial year ended 31 March 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	61,085,765	12,139,972	1,198,440	1,198,440
Cost of sales	23	(48,239,716)	(9,227,715)	-	-
Gross profit		12,846,049	2,912,257	1,198,440	1,198,440
Other income	24	534,464	2,996,729	21,650	10,744
Administrative expenses		(4,132,736)	(5,446,096)	(980,098)	(1,711,982)
Operating profit/(loss)		9,247,777	462,890	239,992	(502,798)
Finance costs	25	(300,497)	(67,833)	-	-
Finance income	26	254,798	581,038	1,290,926	759,486
Share of results of a joint venture		(35,423)	(33,302)	-	-
Profit before tax	27	9,166,655	942,793	1,530,918	256,688
Taxation	29	(2,324,731)	(717,172)	(435,869)	(340,036)
Profit/(Loss) for the financial year		6,841,924	225,621	1,095,049	(83,348)
Total other comprehensive income, net of tax:					
Items that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		-	12,290	-	-
Realisation of foreign currency translation reserve upon disposal of a subsidiary		-	45,622	-	-
Total comprehensive income/(loss) for the financial year		6,841,924	283,533	1,095,049	(83,348)
Earnings per share attributable to owners of the Company (sen)	30				
- Basic		1.91	0.06		
- Diluted		1.91	0.06		

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2024

	Attributable to Owners of the Company					Total Equity RM
	Share Capital RM	Treasury Shares RM	Share Options Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	
2024						
Balance at beginning	91,448,465	(13,873,523)	2,302,039	-	26,773,353	106,650,334
Total comprehensive income for the financial year	-	-	-	-	6,841,924	6,841,924
Balance at end	91,448,465	(13,873,523)	2,302,039	-	33,615,277	113,492,258
2023						
Balance at beginning	251,448,465	(13,873,523)	-	(57,912)	(133,452,268)	104,064,762
Total comprehensive income for the financial year	-	-	-	57,912	225,621	283,533
<i>Transactions with owners of the Company:</i>						
Share capital reduction	(160,000,000)	-	-	-	160,000,000	-
Grant of employees' share options to employees	-	-	2,302,039	-	-	2,302,039
Total transactions with owners	(160,000,000)	-	2,302,039	-	160,000,000	2,302,039
Balance at end	91,448,465	(13,873,523)	2,302,039	-	26,773,353	106,650,334

Transactions with owners of the Company:

15

Share capital reduction
Grant of employees' share options to employees

Total transactions with owners

Balance at end

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

Statement of Changes in Equity

For the financial year ended 31 March 2024

	----- Attributable to Owners of the Company -----					Total Equity RM
	NOTE	Share Capital RM	Treasury Shares RM	Non- distributable Share Options Reserve RM	Retained Profits RM	
2024						
Balance at beginning		91,448,465	(13,873,523)	2,302,039	1,204,496	81,081,477
Total comprehensive income for the financial year		-	-	-	1,095,049	1,095,049
Balance at end		91,448,465	(13,873,523)	2,302,039	2,299,545	82,176,526
2023						
Balance at beginning		251,448,465	(13,873,523)	-	(158,712,156)	78,862,786
Total comprehensive loss for the financial year		-	-	-	(83,348)	(83,348)
<i>Transactions with owners of the Company:</i>						
Share capital reduction	15	(160,000,000)	-	-	160,000,000	-
Grant of employees' share options to employees		-	-	2,302,039	-	2,302,039
Total transactions with owners		(160,000,000)	-	2,302,039	160,000,000	2,302,039
Balance at end		91,448,465	(13,873,523)	2,302,039	1,204,496	81,081,477

The accompanying notes form an integral part of 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
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	9,166,655	942,793	1,530,918	256,688
Adjustments for:				
Accretion of interest on lease liability	4,314	7,480	-	-
Deposit forfeited	(3,900)	-	-	-
Depreciation of:				
- investment properties	277,519	277,519	277,519	277,519
- property, plant and equipment	372,545	54,657	-	-
- right-of-use asset	66,932	66,932	-	-
Dividend income	(8,700)	(9,500)	(8,700)	(9,500)
Equity-settled share-based payments	-	2,302,039	-	658,309
Fair value (gain)/loss on other investment designated at fair value through profit or loss ("FVTPL")	(12,200)	21,950	(12,200)	21,950
Gain on disposal of investment in a joint venture	(102,689)	-	-	-
Gain on disposal of investment in a subsidiary	-	(206,627)	-	(1)
Interest expenses	246,123	-	-	-
Interest income	(254,798)	(581,038)	(1,290,926)	(759,486)
Share of results of a joint venture	35,423	33,302	-	-
Unwinding discount on retention sum payables	(387,593)	(148,971)	-	-
Operating profit before working capital changes	9,399,631	2,760,536	496,611	445,479
Changes in:				
Inventory properties	7,122,869	(4,913,216)	-	-
Receivables	(22,471,975)	(5,868,873)	2,813,774	(490,634)
Contract assets	(20,476,913)	(6,813,982)	-	-
Contract cost	(3,424,334)	(157,842)	-	-
Payables	16,040,083	798,289	136,683	(2,486,323)
Contract liabilities	(117,600)	174,400	-	-
Cash (used in)/generated from operations	(13,928,239)	(14,020,688)	3,447,068	(2,531,478)
Income tax paid	(2,039,699)	(334,607)	(474,487)	(306,250)
Income tax refunded	327,447	12,350	-	-
Interest paid	(246,123)	-	-	-
Net cash (used in)/from operating activities	(15,886,614)	(14,342,945)	2,972,581	(2,837,728)

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

Statements of Cash Flows

For the financial year ended 31 March 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investment in a joint venture		150,000	-	150,000	-
Net cash inflow from disposal of a subsidiary		-	1	-	1
Dividend received		8,700	9,500	8,700	9,500
Interest received		143,314	476,771	15,143	381,332
Additions of property, plant and equipment		(1,191,593)	(605,985)	-	-
Additions of investment in subsidiaries		-	-	-	(2)
Withdrawal/(Placement) of fixed deposits with a licensed bank		4,143,885	(4,143,885)	-	-
Net cash from/(used in) investing activities		3,254,306	(4,263,598)	173,843	390,831
CASH FLOWS FROM FINANCING ACTIVITIES					
Net change in subsidiaries' balances		-	-	(5,066,775)	(18,671,997)
Drawdown of term loans	A	3,465,131	422,355	-	-
Repayment of lease liability	A	(72,000)	(72,000)	-	-
Net cash from/(used in) financing activities		3,393,131	350,355	(5,066,775)	(18,671,997)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,239,177)	(18,256,188)	(1,920,351)	(21,118,894)
CASH AND CASH EQUIVALENTS AT BEGINNING		13,871,081	32,127,269	2,094,809	23,213,703
CASH AND CASH EQUIVALENTS AT END		4,631,904	13,871,081	174,458	2,094,809

The accompanying notes form an integral part of 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
Represented by:				
Fixed deposits with a licensed bank	-	6,168,128	-	2,024,243
Cash in hand and at banks	7,916,631	11,846,838	174,458	70,566
Bank overdraft	(3,284,727)	-	-	-
	4,631,904	18,014,966	174,458	2,094,809
Less: Fixed deposits pledged to a licensed bank	-	(4,143,885)	-	-
	4,631,904	13,871,081	174,458	2,094,809

A. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Accretion of interest on lease liability RM	Balance at end RM
GROUP				
2024				
Borrowings excluding bank overdraft	1,907,795	3,465,131	-	5,372,926
Lease liability	120,622	(72,000)	4,314	52,936
Total liabilities arising from financing activities	2,028,417	3,393,131	4,314	5,425,862
2023				
Borrowings	1,485,440	422,355	-	1,907,795
Lease liability	185,142	(72,000)	7,480	120,622
Total liabilities arising from financing activities	1,670,582	350,355	7,480	2,028,417

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

Notes to the Financial Statements

31 March 2024

1. CORPORATE INFORMATION

General

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

The registered office of the Company is located at 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang.

The principal place of business of the Company is located at 488A-16-01, Office Tower, Kompleks Midlands Park, Jalan Burma, 10350 George Town, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 July 2024.

Principal Activities

The principal activities of the Company in the course of the financial year remain unchanged and consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

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 applicable Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for other investment that is measured at fair values.

2.3 Functional and Presentation Currency

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

2.4 Adoption of New Standard/Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following new standard/amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Notes to the Financial Statements

31 March 2024

2. BASIS OF PREPARATION (Cont'd)

2.4 Adoption of New Standard/Amendments to MFRSs (Cont'd)

Initial application of the above new standard/amendments to MFRSs did not have material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in *MFRS 101* with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. 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.

The supporting paragraphs in *MFRS 101* 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 Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in *MFRS Practice Statement 2*.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.5 Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above new standard/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

Notes to the Financial Statements

31 March 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contract with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has a lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension option period as part of the lease term for lease of office as it is not reasonably certain that the extension option will be exercised. The period covered by termination option is included as part of the lease term only when it is reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

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

(i) **Property development activities**

As revenue from ongoing property development activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the development and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

Notes to the Financial Statements

31 March 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

(ii) Lease – Estimating the incremental borrowing rate (“IBR”)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when lease is not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

(iii) Inventory properties

Inventory properties are stated at the lower of cost and net realisable value (“NRV”).

NRV for completed development units is assessed by reference to market conditions and prices existing as at the end of the reporting period and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of property development costs is assessed with reference to market prices as at the end of the reporting period for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

The carrying amount of the Group’s inventory properties as at the end of the reporting period is disclosed in Note 10 to the financial statements.

(iv) Employees’ share option

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the 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. This 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.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 38 to the financial statements.

Notes to the Financial Statements

31 March 2024

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Buildings RM	Office equipment, furniture and fittings RM	Motor vehicle RM	Capital work-in- progress RM	Total RM
2024					
At cost					
Balance at beginning	104,440	125,007	195,494	461,600	886,541
Additions	119,430	239,743	-	832,420	1,191,593
Reclassification	<u>1,294,020</u>	-	-	<u>(1,294,020)</u>	-
Balance at end	<u>1,517,890</u>	<u>364,750</u>	<u>195,494</u>	-	<u>2,078,134</u>
Accumulated depreciation					
Balance at beginning	5,802	52,370	190,328	-	248,500
Current charge	<u>309,223</u>	<u>58,156</u>	<u>5,166</u>	-	<u>372,545</u>
Balance at end	<u>315,025</u>	<u>110,526</u>	<u>195,494</u>	-	<u>621,045</u>
Carrying amount	<u>1,202,865</u>	<u>254,224</u>	-	-	<u>1,457,089</u>

Notes to the Financial Statements

31 March 2024

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP (Cont'd)

	Buildings RM	Office equipment, furniture and fittings RM	Motor vehicle RM	Capital work-in- progress RM	Total RM
2023					
At cost					
Balance at beginning	-	656,455	195,494	-	851,949
Additions	104,440	39,945	-	461,600	605,985
Disposal of a subsidiary	-	(544,848)	-	-	(544,848)
Foreign currency translation	-	(26,545)	-	-	(26,545)
Balance at end	<u>104,440</u>	<u>125,007</u>	<u>195,494</u>	<u>461,600</u>	<u>886,541</u>
Accumulated depreciation					
Balance at beginning	-	310,611	159,346	-	469,957
Current charge	5,802	17,873	30,982	-	54,657
Disposal of a subsidiary	-	(263,289)	-	-	(263,289)
Foreign currency translation	-	(12,825)	-	-	(12,825)
Balance at end	<u>5,802</u>	<u>52,370</u>	<u>190,328</u>	<u>-</u>	<u>248,500</u>
Accumulated impairment losses					
Balance at beginning	-	295,279	-	-	295,279
Disposal of a subsidiary	-	(281,559)	-	-	(281,559)
Foreign currency translation	-	(13,720)	-	-	(13,720)
Balance at end	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>98,638</u>	<u>72,637</u>	<u>5,166</u>	<u>461,600</u>	<u>638,041</u>

Notes to the Financial Statements

31 March 2024

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Material accounting policy information

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

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	33%
Office equipment, furniture and fittings	20% - 33%
Motor vehicle	20%

Capital work-in-progress represents assets under construction, and which is not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INVESTMENT PROPERTIES

GROUP AND COMPANY

	Leasehold land RM	Buildings RM	Total RM
2024			
At cost			
Balance at beginning/end	<u>1,063,509</u>	<u>12,987,888</u>	<u>14,051,397</u>
Accumulated depreciation			
Balance at beginning	587,373	7,478,790	8,066,163
Current charge	<u>17,761</u>	<u>259,758</u>	<u>277,519</u>
Balance at end	<u>605,134</u>	<u>7,738,548</u>	<u>8,343,682</u>
Carrying amount	<u>458,375</u>	<u>5,249,340</u>	<u>5,707,715</u>

Notes to the Financial Statements

31 March 2024

5. INVESTMENT PROPERTIES (Cont'd)

GROUP AND COMPANY (Cont'd)

	Leasehold land RM	Buildings RM	Total RM
2023			
At cost			
Balance at beginning/end	<u>1,063,509</u>	<u>12,987,888</u>	<u>14,051,397</u>
Accumulated depreciation			
Balance at beginning	569,612	7,219,032	7,788,644
Current charge	<u>17,761</u>	<u>259,758</u>	<u>277,519</u>
Balance at end	<u>587,373</u>	<u>7,478,790</u>	<u>8,066,163</u>
Carrying amount	<u>476,136</u>	<u>5,509,098</u>	<u>5,985,234</u>

(i) The investment properties of the Group and of the Company have an open market value of approximately **RM16,860,000** (2023: RM16,860,000). The valuations are performed by an independent professional valuer using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e., Level 3).

(ii) Group and Company as lessor

The Group and the Company have entered into operating leases on its investment properties. These leases have terms of between one to three years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP AND COMPANY	
	2024 RM	2023 RM
Rental income from income generating properties	1,198,440	1,198,440
Direct operating expenses arising from income generating properties	<u>(432,746)</u>	<u>(422,758)</u>

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	2024 RM	2023 RM
Within one year	1,108,440	1,198,440
More than one year and less than five years	<u>-</u>	<u>1,108,440</u>
	<u>1,108,440</u>	<u>2,306,880</u>

Notes to the Financial Statements

31 March 2024

5. INVESTMENT PROPERTIES (Cont'd)

Material accounting policy information

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land and buildings are depreciated on the straight-line method to write off the cost to their residual values over their lease term of 60 years and estimated useful lives at 2% per annum respectively.

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as a lessee

The Group has a lease contract for office used in its operations that has lease terms of three years. The lease contract restricts the Group from assigning and subleasing the leased asset.

Right-of-use asset

Set out below are the carrying amount of right-of-use asset and the movements during the financial year:

GROUP

	2024 RM	Office 2023 RM
Balance at beginning	116,652	183,584
Depreciation	<u>(66,932)</u>	<u>(66,932)</u>
Balance at end	<u>49,720</u>	<u>116,652</u>

Lease liability

Set out below are the carrying amount of lease liability and the movements during the financial year:

GROUP

	2024 RM	Office 2023 RM
Balance at beginning	120,622	185,142
Accretion of interest	4,314	7,480
Payments	<u>(72,000)</u>	<u>(72,000)</u>
Balance at end	<u>52,936</u>	<u>120,622</u>
Represented by:		
Non-current	-	52,936
Current	<u>52,936</u>	<u>67,686</u>
	<u>52,936</u>	<u>120,622</u>

The maturity analysis of lease liability is disclosed in Note 34.4 to the financial statements.

Notes to the Financial Statements

31 March 2024

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (Cont'd)

The following are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Depreciation of right-of-use asset	66,932	66,932
Accretion of interest on lease liability	4,314	7,480
Total amount recognised in profit or loss	71,246	74,412

The total cash outflows for lease during the financial year are **RM72,000** (2023: RM72,000).

Material accounting policy information

Right-of-use asset

The Group applies a single recognition and measurement approach for the lease.

Right-of-use asset is depreciated on a straight-line basis over its lease term of 36 months.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost		
Balance at beginning	47,133,930	47,613,387
Additions	-	2
Disposal	-	(479,459)
Balance at end	47,133,930	47,133,930
ESOS granted to employees of subsidiaries	1,643,730	1,643,730
Less: Allowance for impairment		
Balance at beginning	-	(479,459)
Disposal	-	479,459
Balance at end	-	-
	48,777,660	48,777,660

Notes to the Financial Statements

31 March 2024

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia, are as follows:

Name of entities	Effective equity interest		Principal activities
	2024 %	2023 %	
Welcome Properties Sdn. Bhd.	100	100	Property development.
Focal Products Sdn. Bhd.	100	100	Property development.
Medan Tropika Sdn. Bhd.	100	100	Property development.
Ayana Bayu Sdn. Bhd. ("ABSB")	100	100	Property development.
Lagenda Etika Sdn. Bhd. ("LESB")	100	100	Property development.

7.1 Acquisition of subsidiaries

2023

On 13 October 2022, the Company had acquired 1 ordinary share, representing 100% equity interest in ABSB and LESB for cash consideration of RM1 respectively.

7.2 Disposal of a subsidiary

2023

On 17 January 2023, the Company had entered into a Share Sales Agreement with Lee Kuang Shing to dispose of its entire equity interest in Supportive Information Technology Development (Hunan) Co. Ltd. ("SITD") for cash consideration of RM1. The disposal transaction had been completed in the prior financial year.

The effects of the disposal transaction on the financial position of the Group as at the end of the reporting period are as follows:

	SITD RM
Other payables, representing net liabilities disposed of and Group's share of net liabilities	(252,248)
Realisation of foreign currency translation reserve	45,622
Disposal proceeds settled by cash	<u>(1)</u>
Gain on disposal to the Group (Note 24)	<u>(206,627)</u>
<u>Net cash inflow arising from disposal of a subsidiary</u>	
Proceeds from disposal, representing net cash inflow from disposal	<u>(1)</u>

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

Notes to the Financial Statements

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8. INVESTMENT IN A JOINT VENTURE

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares, at cost	-	150,000	-	150,000
Share of post-acquisition results	-	(67,266)	-	-
	<u>-</u>	<u>82,734</u>	<u>-</u>	<u>150,000</u>

The details of the joint venture, which was incorporated and principal place of business in Malaysia, are as follows:

Name of entity	Effective equity interest		Principal activity
	2024 %	2023 %	
Sky mind Intelligent Systems Sdn. Bhd. ("SIS")	-	30	Manufacturing of hardware devices for artificial intelligence solutions.

On 19 March 2024, the Company has entered into a Share Sales Agreement with a third party to dispose of its entire equity interest in SIS for cash consideration of RM150,000. The disposal transaction has been completed during the financial year.

The following table summarises the financial information of SIS, reconciles the information to the carrying amount of the Group's interest in the joint venture, which is accounted for using the equity method.

GROUP

	2024 RM	2023 RM
As at 31 March		
Assets and liabilities		
Current assets excluding cash and bank balances	-	2,996,197
Cash and bank balances	-	1,883
Current liabilities	-	<u>(2,722,301)</u>
Net assets	-	<u>275,779</u>
Reconciliation of net assets to carrying amount		
Group's share of net assets	47,311	82,734
Proceeds from disposal	(150,000)	-
Gain on disposal (Note 24)	102,689	-
Carrying amount in the statements of financial position	<u>-</u>	<u>82,734</u>

Notes to the Financial Statements

31 March 2024

8. INVESTMENT IN A JOINT VENTURE (Cont'd)

GROUP (Cont'd)

	2024 RM	2023 RM
Year ended 31 March		
Results		
Interest income	80	3
Other expenses	(6,669)	(6,739)
Finance costs	<u>(111,484)</u>	<u>(104,268)</u>
Loss before tax	(118,073)	(111,004)
Taxation	<u>(2)</u>	<u>(1)</u>
Loss for the financial year, representing total comprehensive loss for the financial year	<u>(118,075)</u>	<u>(111,005)</u>
Group's share of total comprehensive loss	<u>(35,423)</u>	<u>(33,302)</u>

Contingent liabilities and capital commitments

The joint venture has no contingent liabilities or capital commitments as at the end of the reporting period.

Material accounting policy information

The Group's investment in a joint venture is accounted for using the equity method. In the Company's separate financial statements, investment in a joint venture is measured at cost less impairment losses.

Notes to the Financial Statements

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9. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Other receivables					
Amount due from subsidiaries	9.1	-	-	3,135,611	-
Current					
Trade receivables					
Third parties	9.2	4,767,685	274,116	-	-
Retention sum receivables		249,900	394,800	-	-
		<u>5,017,585</u>	<u>668,916</u>	<u>-</u>	<u>-</u>
Other receivables					
Sundry receivables	9.3	1,289,723	2,787,977	1,065	2,710,502
Amount due from subsidiaries	9.1	-	-	22,041,347	18,945,884
Deposits	9.4				
- Refundable		29,062,823	8,981,304	3,254,105	3,254,105
- Non-refundable		2,500,000	2,500,000	-	-
Prepayments		85,191	433,666	82,191	75,044
		<u>32,937,737</u>	<u>14,702,947</u>	<u>25,378,708</u>	<u>24,985,535</u>
Total current trade and other receivables		<u>37,955,322</u>	<u>15,371,863</u>	<u>25,378,708</u>	<u>24,985,535</u>
Total trade and other receivables		<u>37,955,322</u>	<u>15,371,863</u>	<u>28,514,319</u>	<u>24,985,535</u>

9.1 Amount due from subsidiaries

The amount due from subsidiaries are unsecured, interest bearing at **5.34%** (2023: 5.13%) per annum and classified based on the expected timing of realisation.

9.2 Trade receivables

The trade receivables are non-interest bearing and generally on **30 days** (2023: 30 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

31 March 2024

9. TRADE AND OTHER RECEIVABLES (Cont'd)

9.3 Sundry receivables

Included in the sundry receivables of the Group and of the Company is an amount of **RM Nil** (2023: RM2,704,623) due from a joint venture.

9.4 Deposits

Included in the refundable deposits of the Group is an amount of **RM25,645,298** (2023: RM5,579,449) paid to Pelana Tenggara Sdn. Bhd. ("PTSB") in which major shareholder of PTSB is an immediate family member of a substantial shareholder of the Company. The amount is paid to PTSB who acts in the capacity of main-contractor.

Included in the refundable deposits of the Group and of the Company are deposits paid amounting to **RM3,240,000** (2023: RM3,240,000) pursuant to the Sale and Purchase Agreement dated 28 January 2022 entered between the Company and Ramsey Properties Sdn. Bhd. in relation to the acquisition of 6 units of properties for a total consideration of RM8,000,000.

Included in the non-refundable deposit of the Group is deposit paid amounting to **RM2,500,000** (2023: RM2,500,000) pursuant to the Joint Venture Agreement dated 7 November 2022 entered between the Company and Koperasi Kampung Melayu Balik Pulau Berhad to jointly develop seven (7) pieces of land located at Balik Pulau, Pulau Pinang into a multi-phased integrated development.

10. INVENTORY PROPERTIES

	NOTE	GROUP	
		2024 RM	2023 RM
Property development costs	10.1	65,922,927	71,461,387
Completed development units	10.2	162,699	1,747,108
		66,085,626	73,208,495

10.1 Property development costs

GROUP

	Freehold land RM	Development costs RM	Total RM
2024			
Balance at beginning	46,294,402	25,166,985	71,461,387
Costs capitalised during the financial year	-	39,938,292	39,938,292
Recognised during the financial year	(6,966,125)	(38,510,627)	(45,476,752)
Balance at end	39,328,277	26,594,650	65,922,927

Notes to the Financial Statements

31 March 2024

10. INVENTORY PROPERTIES (Cont'd)

10.1 Property development costs (Cont'd)

GROUP (Cont'd)

	Freehold land RM	Development costs RM	Total RM
2023			
Balance at beginning	47,873,662	19,311,616	67,185,278
Costs capitalised during the financial year	-	14,049,548	14,049,548
Transfer to completed development units	(194,697)	(1,989,303)	(2,184,000)
Recognised during the financial year	<u>(1,384,563)</u>	<u>(6,204,876)</u>	<u>(7,589,439)</u>
Balance at end	<u>46,294,402</u>	<u>25,166,985</u>	<u>71,461,387</u>

The entire freehold land are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements.

Included in property development costs incurred during the financial year are interest expense of **RM35,255** (2023: RM172,001).

10.2 Completed development units

GROUP

The inventories recognised in profit or loss as cost of sales during the financial year amounted to **RM1,584,409** (2023: RM1,546,893).

Material accounting policy information

Inventory properties are stated at the lower of cost and net realisable value.

Property development costs comprise the cost of land, related development costs common to the project and direct building costs less cumulative amounts recognised as expense in the profit or loss. The property development costs are subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

Completed development units represent completed residential properties. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to the project and direct building costs.

Notes to the Financial Statements

31 March 2024

11. CONTRACT ASSETS/(LIABILITIES)

	NOTE	2024 RM	GROUP 2023 RM
Contract assets			
- Accrued billings in respect of property development costs	11.1	<u>27,880,954</u>	<u>7,404,041</u>
Contract liabilities			
- Deposits received from customers	11.2	<u>(56,800)</u>	<u>(174,400)</u>

11.1 Contract assets - accrued billings in respect of property development costs

	2024 RM	GROUP 2023 RM
Balance at beginning	7,404,041	590,059
Revenue recognised during the financial year	58,417,325	8,977,532
Progress billings during the financial year	<u>(37,940,412)</u>	<u>(2,163,550)</u>
Balance at end	<u>27,880,954</u>	<u>7,404,041</u>

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the end of the reporting period. The increase in contract assets in 2024 is mainly due to recognition of property development revenue based on the percentage of completion in which the progress billings have not yet been issued to the customers during the financial year.

11.2 Contract liabilities - deposits received from customers

Contract liabilities of the Group represent deposits received from customers for the sale of completed development units.

12. CONTRACT COST

	2024 RM	GROUP 2023 RM
Cost to obtain contracts	<u>3,582,176</u>	<u>157,842</u>

Cost to obtain contracts primarily comprises incremental incentives and commissions incurred to obtain contracts and they are recoverable.

Capitalised incentives and commissions are amortised to profit or loss when the related revenue is recognised. During the financial year, the amount of amortisation is **RM1,135,922** (2023: RM37,462).

Notes to the Financial Statements

31 March 2024

13. OTHER INVESTMENT

	GROUP AND COMPANY	
	2024 RM	2023 RM
At fair value through profit or loss ("FVTPL"):		
Investment in shares quoted in Malaysia	<u>175,050</u>	<u>162,850</u>

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Unencumbered				
Fixed deposit with a licensed bank	-	2,024,243	-	2,024,243
Cash in hand and at banks	4,170,442	10,286,130	174,458	70,566
Housing Development Accounts ("HDA")	<u>3,746,189</u>	<u>1,560,708</u>	<u>-</u>	<u>-</u>
	7,916,631	13,871,081	174,458	2,094,809
Encumbered				
Fixed deposits with a licensed bank	<u>-</u>	<u>4,143,885</u>	<u>-</u>	<u>-</u>
	<u>7,916,631</u>	<u>18,014,966</u>	<u>174,458</u>	<u>2,094,809</u>

GROUP

The encumbered fixed deposits of the Group were pledged to a licensed bank as securities for bank guarantee granted to a subsidiary of the Company.

The effective interest rates per annum and maturity of the fixed deposits with a licensed bank of the Group as at the end of the reporting period were 2.50% to 3.05% per annum and 2 months respectively.

The HDA is maintained in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (Control and Licensing) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities.

COMPANY

The effective interest rate per annum and maturity of the fixed deposit with a licensed bank of the Company as at the end of the reporting period were 3.05% per annum and 2 months respectively.

Notes to the Financial Statements

31 March 2024

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	367,543,100	367,543,100	91,448,465	251,448,465
Share capital reduction	-	-	-	(160,000,000)
Balance at end	367,543,100	367,543,100	91,448,465	91,448,465

2023

In the prior financial year, the Company reduced its issued share capital from RM251,448,465 to RM91,448,465 by way of offsetting against accumulated losses of RM160,000,000.

16. TREASURY SHARES

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Extraordinary General Meeting held on 29 July 2010.

Out of the total **367,543,100** (2023: 367,543,100) issued and fully paid ordinary shares as at the end of the reporting period, **8,784,500** (2023: 8,784,500) are held as treasury shares by the Company. As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid is therefore **358,758,600** (2023: 358,758,600) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

17. SHARE OPTIONS RESERVE

Share options reserve represents the equity-settled share options granted to the employees. This reserve is made up of the cumulative value of services received from the employees recorded on the grant date of share options, and is reduced by the exercise or lapse of share options.

18. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore, there is no restrictions on the Company to distribute dividends subject to the availability of retained profits.

Notes to the Financial Statements

31 March 2024

19. BORROWINGS

	GROUP	
	2024 RM	2023 RM
Non-current		
Secured:		
<u>Term loans</u>		
Total amount repayable	5,372,926	1,907,795
Amount due within one year included under current liabilities	(1,256,173)	(1,907,795)
	4,116,753	-
Current		
Secured:		
Bank overdraft	3,284,727	-
Term loans	1,256,173	1,907,795
	4,540,900	1,907,795
Total borrowings	8,657,653	1,907,795

The borrowings are secured by way of:

- (i) Legal charges over the freehold land of certain subsidiaries as disclosed in Note 10.1 to the financial statements;
- (ii) Corporate guarantee of the Company; and
- (iii) Sinking fund.

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rates per annum %	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2024					
Bank overdraft	7.20	3,284,727	3,284,727	-	-
Term loans	5.68 to 6.02	5,372,926	1,256,173	2,599,530	1,517,223
2023					
Term loans	5.69	1,907,795	1,907,795	-	-

Notes to the Financial Statements

31 March 2024

20. TRADE AND OTHER PAYABLES

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Trade payables					
Retention sum payables		<u>2,959,130</u>	<u>1,063,545</u>	<u>-</u>	<u>-</u>
Current					
Trade payables					
Third parties	20.1	<u>543,453</u>	<u>625,364</u>	<u>-</u>	<u>-</u>
Retention sum payables		<u>265,322</u>	<u>14,041</u>	<u>-</u>	<u>-</u>
		<u>808,775</u>	<u>639,405</u>	<u>-</u>	<u>-</u>
Other payables					
Sundry payables	20.2	<u>7,357,356</u>	<u>4,548,015</u>	<u>196,952</u>	<u>135,071</u>
Accruals		<u>13,807,314</u>	<u>1,336,076</u>	<u>198,201</u>	<u>123,399</u>
Deposits received		<u>1,595,806</u>	<u>3,292,750</u>	<u>357,300</u>	<u>357,300</u>
		<u>22,760,476</u>	<u>9,176,841</u>	<u>752,453</u>	<u>615,770</u>
Total current trade and other payables		<u>23,569,251</u>	<u>9,816,246</u>	<u>752,453</u>	<u>615,770</u>
Total trade and other payables		<u>26,528,381</u>	<u>10,879,791</u>	<u>752,453</u>	<u>615,770</u>

20.1 Trade payables

The trade payables are non-interest bearing and normally settled on **30 days** (2023: 30 days) credit terms.

20.2 Sundry payables

Included in the sundry payables of the Group is an amount of **RM73,538** (2023: RM15,176) due to a corporate shareholder of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

Notes to the Financial Statements

31 March 2024

21. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance at beginning	1,555,213	1,564,870	411,836	411,836
Recognised in profit or loss	(144,700)	(9,657)	-	-
	1,410,513	1,555,213	411,836	411,836
Over provision in prior year	(48,000)	-	-	-
Balance at end	1,362,513	1,555,213	411,836	411,836

The deferred tax liabilities at the end of the reporting period are made up of the temporary differences arising from:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	(1,000)	11,000	-	-
Investment properties	411,836	411,836	411,836	411,836
Right-of-use asset	12,000	28,000	-	-
Lease liability	(13,000)	(29,000)	-	-
Property development costs	896,677	1,075,377	-	-
Other deductible temporary differences	56,000	58,000	-	-
	1,362,513	1,555,213	411,836	411,836

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses	-	115,668	-	-
Unabsorbed capital allowances	324,957	324,957	324,957	324,957
Unabsorbed reinvestment allowance	70,291	70,291	70,291	70,291
	395,248	510,916	395,248	395,248

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21. DEFERRED TAX LIABILITIES (Cont'd)

The gross amount and future availability of unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowance which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses	-	115,668	-	-
Unabsorbed capital allowances	324,957	324,957	324,957	324,957
Unabsorbed reinvestment allowance	70,291	70,291	70,291	70,291

Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

The unabsorbed reinvestment allowance will be disregarded in YA 2026.

22. REVENUE

22.1 Disaggregated revenue information

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Types of goods or services				
Property development revenue	58,417,325	8,977,532	-	-
Sale of completed development units	1,470,000	1,964,000	-	-
Total revenue from contracts with customers	59,887,325	10,941,532	-	-
Rental income, representing other revenue	1,198,440	1,198,440	1,198,440	1,198,440
Total revenue	61,085,765	12,139,972	1,198,440	1,198,440
Timing of revenue recognition				
At a point in time	1,470,000	1,964,000	-	-
Over time	58,417,325	8,977,532	-	-
Total revenue from contracts with customers	59,887,325	10,941,532	-	-

Geographical markets

The Group's revenue is derived from Malaysia only.

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22. REVENUE (Cont'd)

22.2 Contract balances

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 9)	5,017,585	668,916
Contract assets (Note 11)	27,880,954	7,404,041
Contract liabilities (Note 11)	<u>(56,800)</u>	<u>(174,400)</u>

22.3 Performance obligations

The performance obligations of the respective revenue are as follows:

(i) Property development revenue

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

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

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

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

The Group recognises property development revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

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22. REVENUE (Cont'd)

22.3 Performance obligations (Cont'd)

(ii) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially satisfied) under property development revenue to be fulfilled is as follows:

	GROUP	
	2024 RM	2023 RM
Within one year	134,286,922	34,068,245
More than one year and less than five years	<u>150,953,264</u>	<u>58,114,906</u>
	<u>285,240,186</u>	<u>92,183,151</u>

23. COST OF SALES

	GROUP	
	2024 RM	2023 RM
Property development costs	45,476,752	7,589,439
Cost of completed development units	1,584,409	1,546,893
Post completion costs	42,633	53,921
Sales incentives and commissions	<u>1,135,922</u>	<u>37,462</u>
	<u>48,239,716</u>	<u>9,227,715</u>

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24. OTHER INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Compensation received for liquidated ascertained damages	-	2,610,000	-	-
Deposit forfeited	3,900	-	-	-
Dividend income from other investment	8,700	9,500	8,700	9,500
Fair value gain on other investment designated at FVTPL	12,200	-	12,200	-
Gain on disposal of investment in a joint venture	102,689	-	-	-
Gain on disposal of investment in a subsidiary	-	206,627	-	1
Sundry income	19,382	21,631	750	1,243
Unwinding discount on retention sum payables	387,593	148,971	-	-
	534,464	2,996,729	21,650	10,744

25. FINANCE COSTS

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	4,314	7,480
Commitment fee	50,060	60,353
Interest expenses on:		
- bank overdraft	119,603	-
- term loans	161,775	172,001
Less: Capitalised in inventory properties (Note 10)	(35,255)	(172,001)
	300,497	67,833

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26. FINANCE INCOME

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income on:				
- current accounts	97,076	139,013	4,995	106,500
- fixed deposits with licensed banks	46,238	336,990	10,148	274,832
- amount due from subsidiaries	-	-	1,164,299	273,887
- amount due from a joint venture	111,484	104,267	111,484	104,267
- others	-	768	-	-
	254,798	581,038	1,290,926	759,486

27. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT				
- Current year	114,000	89,000	36,000	36,000
- Over provision in prior year	(6,500)	(6,000)	-	-
Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	13,000	7,000	5,000	5,000
- Affiliate of Grant Thornton Malaysia PLT	14,400	11,000	5,000	5,000

Notes to the Financial Statements

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27. PROFIT BEFORE TAX (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation of:				
- investment properties	277,519	277,519	277,519	277,519
- property, plant and equipment	372,545	54,657	-	-
- right-of-use asset	66,932	66,932	-	-
Directors' fees	185,000	122,000	145,000	80,000
Employee benefits expense (Note 28)	1,544,103	3,358,717	-	660,709
Fair value loss on other investment designated at FVTPL	-	21,950	-	21,950
	<u>-</u>	<u>21,950</u>	<u>-</u>	<u>21,950</u>

28. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, bonus, allowances, wages and angpow	1,386,352	930,114	-	2,400
Defined contribution plan ("EPF")	150,439	120,099	-	-
Social security contribution ("SOCSSO")	6,651	5,872	-	-
Employment insurance scheme ("EIS")	661	593	-	-
Equity-settled share-based payments	-	2,302,039	-	658,309
	<u>1,544,103</u>	<u>3,358,717</u>	<u>-</u>	<u>660,709</u>

The aggregate amount of remuneration received and receivable by the directors of the Company and the subsidiaries are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, bonus and allowances	450,000	375,000	-	-
- EPF	54,000	45,000	-	-
- SOCSSO	990	755	-	-
- EIS	99	30	-	-
- Equity-settled share-based payments	-	444,680	-	-
Balance carried forward	505,089	865,465	-	-

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28. EMPLOYEE BENEFITS EXPENSE (Cont'd)

The aggregate amount of remuneration received and receivable by the directors of the Company and the subsidiaries are as follows: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance brought forward	505,089	865,465	-	-
Non-executive directors of the Company:				
- Allowances	-	2,400	-	2,400
- Equity-settled share-based payments	-	658,309	-	658,309
	-	660,709	-	660,709
	505,089	1,526,174	-	660,709
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	450,000	315,000	-	-
- EPF	54,000	37,800	-	-
- SOCSO	743	877	-	-
- EIS	-	79	-	-
- Equity-settled share-based payments	-	438,872	-	-
	504,743	792,628	-	-
Total directors' remuneration	1,009,832	2,318,802	-	660,709
Analysed by:				
Present directors	1,009,832	2,099,366	-	660,709
Former director	-	219,436	-	-
	1,009,832	2,318,802	-	660,709

Notes to the Financial Statements

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29. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(2,459,000)	(721,764)	(439,000)	(335,000)
- Deferred tax relating to the origination and reversal of temporary differences	144,700	9,657	-	-
	(2,314,300)	(712,107)	(439,000)	(335,000)
(Under)/Over provision in prior years				
- Current tax	(58,431)	(5,065)	3,131	(5,036)
- Deferred tax	48,000	-	-	-
	(10,431)	(5,065)	3,131	(5,036)
	(2,324,731)	(717,172)	(435,869)	(340,036)

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	9,166,655	942,793	1,530,918	256,688
Add: Share of results of a joint venture	35,423	33,302	-	-
	9,202,078	976,095	1,530,918	256,688
Income tax at Malaysian statutory tax rate of 24%	(2,208,499)	(234,263)	(367,420)	(61,605)
Income not subject to tax	122,684	51,870	5,016	2,280
Expenses not deductible for tax purposes	(256,245)	(781,038)	(76,596)	(275,675)
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	27,760	251,324	-	-
	(2,314,300)	(712,107)	(439,000)	(335,000)
(Under)/Over provision in prior years	(10,431)	(5,065)	3,131	(5,036)
	(2,324,731)	(717,172)	(435,869)	(340,036)

Notes to the Financial Statements

31 March 2024

31. SEGMENTAL INFORMATION (Cont'd)

By business segments

	Property development RM	Others RM	Elimination RM	Note	Total RM
2024					
Revenue	59,887,325	1,198,440	-		61,085,765
Results					
Segment results	8,905,097	342,680	-		9,247,777
Finance costs					(300,497)
Finance income					254,798
Share of results of a joint venture					(35,423)
Profit before tax					9,166,655
Taxation					(2,324,731)
Profit for the financial year					6,841,924
Assets					
Segment assets	141,415,699	9,394,584	-		150,810,283
Tax recoverable					161,445
Total assets					150,971,728
Liabilities					
Segment liabilities	34,543,317	752,453	-		35,295,770
Deferred tax liabilities					1,362,513
Tax payable					821,187
Total liabilities					37,479,470
Other segment information					
Additions to non-current assets	1,191,593	-	-	A	1,191,593
Depreciation	439,477	277,519	-		716,996
Non-cash income other than depreciation	(387,179)	(114,889)	-	B	(502,068)

Notes to the Financial Statements

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31. SEGMENTAL INFORMATION (Cont'd)

By business segments (Cont'd)

	Property development RM	Others RM	Elimination RM	Note	Total RM
2023					
Revenue	10,941,532	1,198,440	-		12,139,972
Results					
Segment results	759,062	(296,172)	-		462,890
Finance costs					(67,833)
Finance income					581,038
Share of results of a joint venture					(33,302)
Profit before tax					942,793
Taxation					(717,172)
Profit for the financial year					225,621
Assets					
Segment assets	106,777,440	14,282,544	-		121,059,984
Investment in a joint venture					82,734
Tax recoverable					196,306
Total assets					121,339,024
Liabilities					
Segment liabilities	12,466,838	615,770	-		13,082,608
Deferred tax liabilities					1,555,213
Tax payable					50,869
Total liabilities					14,688,690
Other segment information					
Additions to non-current assets	605,985	-	-	A	605,985
Depreciation	121,589	277,519	-		399,108
Non-cash expenses other than depreciation	1,502,239	473,632	-	B	1,975,871

Notes to the Financial Statements

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31. SEGMENTAL INFORMATION (Cont'd)

- A. Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment.
- B. Other non-cash items consist of the following:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	4,314	7,480
Deposit forfeited	(3,900)	-
Equity-settled share-based payments	-	2,302,039
Fair value (gain)/loss on other investment designated at FVTPL	(12,200)	21,950
Gain on disposal of investment in a joint venture	(102,689)	-
Gain on disposal of investment in a subsidiary	-	(206,627)
Unwinding discount on retention sum payables	(387,593)	(148,971)
	<u>(502,068)</u>	<u>1,975,871</u>

By geographical segments

No information on geographical segment is presented as the Group's business is operated solely in Malaysia.

Information about major customers

Total revenue from **Nil** (2023: 1) major customer which individually contributed to more than 10% of the Group's revenue from the property development segment amounted to **RM Nil** (2023: RM1,250,000).

32. CAPITAL COMMITMENTS

	GROUP AND COMPANY	
	2024 RM	2023 RM
Contracted but not provided for:		
- Shoplots	<u>4,760,000</u>	<u>4,760,000</u>

Notes to the Financial Statements

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33. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related parties	Relationship
Nada Wangi Sdn. Bhd. ("Nada Wangi")	A corporate shareholder of the Company.
Pelana Tenggara Sdn. Bhd. ("Pelana Tenggara")	Major shareholder of Pelana Tenggara is an immediate family member of a substantial shareholder of the Company.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Net advance to subsidiaries	-	-	5,066,775	18,671,997
Interest income received from subsidiaries	-	-	1,164,299	273,887
Interest income received from a joint venture	111,484	104,267	111,484	104,267
Liquidated ascertained damages receivable from Pelana Tenggara	-	2,610,000	-	-
Progress claims received from Pelana Tenggara	26,512,143	9,490,440	-	-
Deposit paid to Pelana Tenggara who is acting in the capacity of main-contractor	26,198,737	2,817,879	-	-
Rental payable to Nada Wangi	72,000	72,000	-	-

Notes to the Financial Statements

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33. RELATED PARTY DISCLOSURES (Cont'd)

(iii) Compensation of key management personnel

Key management personnel are defined as those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The Company has no other members of key management personnel apart from the directors which compensation is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	185,000	122,000	145,000	80,000
Salaries, bonus and allowances	900,000	692,400	-	2,400
EPF	108,000	82,800	-	-
SOCSSO	1,733	1,632	-	-
EIS	99	109	-	-
Equity-settled share-based payments	-	1,541,861	-	658,309
	<u>1,194,832</u>	<u>2,440,802</u>	<u>145,000</u>	<u>740,709</u>

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2024			
Financial assets			
Trade and other receivables (excluding non-refundable deposit and prepayments)	35,370,131	35,370,131	-
Other investment	175,050	-	175,050
Cash and bank balances	7,916,631	7,916,631	-
	<u>43,461,812</u>	<u>43,286,762</u>	<u>175,050</u>
Financial liabilities			
Trade and other payables	26,528,381	26,528,381	-
Borrowings	8,657,653	8,657,653	-
	<u>35,186,034</u>	<u>35,186,034</u>	<u>-</u>

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP (Cont'd)			
2023			
Financial assets			
Trade and other receivables (excluding non-refundable deposit and prepayments)	12,438,197	12,438,197	-
Other investment	162,850	-	162,850
Cash and bank balances	<u>18,014,966</u>	<u>18,014,966</u>	<u>-</u>
	<u>30,616,013</u>	<u>30,453,163</u>	<u>162,850</u>
Financial liabilities			
Trade and other payables	10,879,791	10,879,791	-
Borrowings	<u>1,907,795</u>	<u>1,907,795</u>	<u>-</u>
	<u>12,787,586</u>	<u>12,787,586</u>	<u>-</u>
COMPANY			
2024			
Financial assets			
Trade and other receivables (excluding prepayments)	28,432,128	28,432,128	-
Other investment	175,050	-	175,050
Cash and bank balances	<u>174,458</u>	<u>174,458</u>	<u>-</u>
	<u>28,781,636</u>	<u>28,606,586</u>	<u>175,050</u>
Financial liability			
Trade and other payables	<u>752,453</u>	<u>752,453</u>	<u>-</u>

Notes to the Financial Statements

31 March 2024

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY (Cont'd)			
2023			
Financial assets			
Trade and other receivables (excluding prepayments)	24,910,491	24,910,491	-
Other investment	162,850	-	162,850
Cash and bank balances	<u>2,094,809</u>	<u>2,094,809</u>	<u>-</u>
	<u>27,168,150</u>	<u>27,005,300</u>	<u>162,850</u>
Financial liability			
Trade and other payables	<u>615,770</u>	<u>615,770</u>	<u>-</u>

34.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

34.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

34.3.1 Trade receivables

The Group and the Company do not have any significant exposure to any individual customer. The maximum exposure to credit risk of trade receivables is represented by the carrying amount as disclosed in Note 9 to the financial statements.

Credit risk of the trade receivables is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements. For those sales on a cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered upon full payments. This is the normal industry practice.

Notes to the Financial Statements

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.3 Credit risk (Cont'd)

34.3.1 Trade receivables (Cont'd)

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

	GROUP	
	2024 RM	2023 RM
Not past due	2,209,440	394,800
1 to 60 days past due	1,961,953	-
61 to 120 days past due	841,478	101,050
More than 120 days past due	4,714	173,066
	<u>2,808,145</u>	<u>274,116</u>
Total	<u>5,017,585</u>	<u>668,916</u>

Trade receivables that are neither past due nor impaired are substantially property purchasers.

The Group has trade receivables amounting to **RM2,808,145** (2023: RM274,116) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due from **Nil** (2023: 1 customer) representing **Nil** (2023: 28%) of total trade receivables.

34.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 9 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

Notes to the Financial Statements

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.3 Credit risk (Cont'd)

34.3.3 Financial guarantees

The Company has issued financial guarantees to financial institutions for banking facilities granted to certain subsidiaries.

	COMPANY	
	2024 RM	2023 RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	95,000,000	95,000,000
- Maximum exposure	18,055,769	1,907,795

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

34.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and 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 and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
GROUP				
2024				
Non-derivative financial liabilities				
Borrowings	8,657,653	9,691,604	5,124,746	4,566,858
Trade and other payables	26,528,381	27,142,591	23,569,251	3,573,340
Lease liability	52,936	54,000	54,000	-
Total undiscounted financial liabilities	35,238,970	36,888,195	28,747,997	8,140,198

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
GROUP (Cont'd)				
2023				
<i>Non-derivative financial liabilities</i>				
Borrowings	1,907,795	1,943,458	1,943,458	-
Trade and other payables	10,879,791	11,106,408	9,816,246	1,290,162
Lease liability	120,622	126,000	72,000	54,000
Total undiscounted financial liabilities	12,908,208	13,175,866	11,831,704	1,344,162
COMPANY				
2024				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	752,453	752,453	752,453	-
* Financial guarantees	-	18,055,769	18,055,769	-
Total undiscounted financial liabilities	752,453	18,808,222	18,808,222	-
2023				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	615,770	615,770	615,770	-
* Financial guarantees	-	1,907,795	1,907,795	-
Total undiscounted financial liabilities	615,770	2,523,565	2,523,565	-

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

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34. FINANCIAL INSTRUMENTS (Cont'd)

34.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instrument				
Financial asset	-	6,168,128	-	2,024,243
Floating rate instruments				
Financial asset	-	-	25,176,958	18,945,884
Financial liability	8,657,653	1,907,795	-	-

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at FVTPL, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's and the Company's profit before tax and equity by the amount shown below, and a decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(Decrease)/Increase in profit before tax	(21,644)	(4,769)	62,942	47,365
(Decrease)/Increase in equity	(16,450)	(3,624)	47,836	35,997

Notes to the Financial Statements

31 March 2024

34. FINANCIAL INSTRUMENTS (Cont'd)

34.6 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investment which are the equity securities quoted in Malaysia.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share prices of the quoted equity securities had been 5% higher/lower, with all other variables held constant, would have an insignificant impact to the Group's and the Company's profit before tax and equity.

35. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and of the Company's financial assets (other than other investment) and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

35.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP AND COMPANY					
2024					
Financial asset					
Other investment	175,050	-	-	175,050	175,050
2023					
Financial asset					
Other investment	162,850	-	-	162,850	162,850

Level 1 fair value

Level 1 fair value of the other investment is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

Notes to the Financial Statements

31 March 2024

35. FAIR VALUE MEASUREMENT (Cont'd)

35.2 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's and of the Company's investment properties based on the followings:

- (i) With reference to valuation reports by an external independent professional valuer using the market comparison method, being comparison of current price in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences; and
- (ii) Current market values with reference to the selling prices of similar properties.

Details of the Group's and of the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP AND COMPANY					
2024					
Investment properties					
- Leasehold land	-	-	9,280,000	9,280,000	458,375
- Buildings	-	-	7,580,000	7,580,000	5,249,340
2023					
Investment properties					
- Leasehold land	-	-	9,280,000	9,280,000	476,136
- Buildings	-	-	7,580,000	7,580,000	5,509,098

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Selling price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

Notes to the Financial Statements

31 March 2024

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total borrowings to be the key components of its capital structure and monitors capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2024 RM	2023 RM
Total borrowings	8,657,653	1,907,795
Less: Cash and bank balances	(7,916,631)	(18,014,966)
Net debt/(cash)	741,022	(16,107,171)
Total equity	113,492,258	106,650,334
Gearing ratio	0.01	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A – Not applicable as net cash position.

37. WARRANTS

On 22 November 2019, the Company completed its bonus issue of 57,493,372 free warrants on the basis of one (1) warrant for every four (4) ordinary shares held.

The main features of the warrants are as follows:

- (i) The warrants may be exercised at any time during the tenure of the warrants of five (5) years including and commencing from 22 November 2019 and ending on 21 November 2024. Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.25 and shall be satisfied fully in cash and subjected to adjustments in accordance with the respective Deed Polls; and
- (ii) The warrants are not entitled to any dividend, right, allotment or other distribution in the Company until and unless such warrant holders exercise their warrant.

There were no warrants exercised as at the end of the reporting period.

Notes to the Financial Statements

31 March 2024

38. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the ESOS By-Laws and was approved by shareholders on 10 November 2021. The ESOS will be in force for a period of five years until 23 November 2026 and may be extended for a further period of up to five years, but will not in aggregate exceed 10 years from the implement of the ESOS.

The main features of the ESOS are as follows:

- (i) Eligible persons are full-time employees of the Group (including directors and employees under contract for a fixed duration of not less than one (1) year) who is at the age of eighteen (18) or above on the date offer and is not bankrupt or in bankruptcy proceedings. Any other eligibility criteria may be determined by the ESOS Committee at its sole discretion from time to time.
- (ii) The maximum number of new shares of the Company, which may be available under the ESOS, shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company at any point in time during the duration of the ESOS and includes any extension thereof.
- (iii) The option price shall be determined by the board of directors upon recommendation of ESOS Committee based on the 5-day volume weighted average market price of the Company's share immediately preceding the offer date of the option with a discount of not more than 10%.
- (iv) An offer shall be accepted by an eligible person within the offer period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of RM1 only for the acceptance of the offer. If an offer is not accepted within the offer period or in the event of death or cessation of employment of the eligible person, the offer shall automatically lapse upon the expiry of the offer period. The ESOS options comprised in such offer may, at the discretion of the ESOS Committee, be re-offered to other eligible person.
- (v) The ESOS options shall not carry any right to vote at any general meeting of the Company. A grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unexercised ESOS options.
- (vi) The new shares to be allotted upon any exercise of the ESOS options will upon allotment and issuance, rank *pari passu* in all respects with the existing shares of the Company.
- (vii) The number of ESOS options and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital, if any, made by the Company while an option remains unexercised.
- (viii) The ESOS may be terminated by the ESOS Committee at any time before the date of expiry.

Movement of share options during the financial year

The following table illustrates the number and exercise price of, and movements in the share options during the financial year:

Grant date	Exercise price RM	Balance at beginning	Granted	Exercised	Balance at end
2024					
27 April 2022	0.2368	24,932,200	-	-	24,932,200
2023					
27 April 2022	0.2368	-	24,932,200	-	24,932,200

Notes to the Financial Statements

31 March 2024

38. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (Cont'd)

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The assumptions used to derive the fair value of the share options is as follows:

Grant date	27 April 2022
Fair value of share options at grant date (RM)	0.0923
Volume weighted average share price (RM)	0.2350
Exercise price (RM)	0.2368
Expected volatility (%)	40.47
Expected life of share option (years)	5.00
Risk free interest rate (% per annum)	3.91
Expected dividend yield (%)	<u>-</u>

The expected life of the share options is based on the historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share option is indicative of future trends, which may not necessarily be the actual outcome.

39. SIGNIFICANT EVENT

On 2 May 2023, Lagenda Etika Sdn. Bhd. has entered into a Joint Development Agreement with Pertubuhan Keselamatan Sosial for the development and construction of a 48-storey service apartment with 7-storey carpark and 2-storey commercial retail at Kuala Lumpur.

Analysis of Shareholdings

As at 28 June 2024

Total number of Issued shares : 358,758,600 Ordinary shares
 Voting Rights : On show of hands, 1 vote for 1 person
 : On a poll, 1 vote for 1 ordinary share

* Excluding 8,784,500 ordinary shares held as treasury shares

ANALYSIS OF SHAREHOLDINGS AS AT 28 JUNE 2024

Size of shareholdings	Number of Shareholders	% of total shareholders	Number of Shares	% of total Issues Capital
Less than 100 shares	8	0.36	412	0.00
100 to 1,000 shares	343	15.62	261,034	0.07
1,001 to 10,000 shares	740	33.70	4,671,700	1.30
10,001 to 100,000 shares	800	36.43	31,777,300	8.86
100,001 to less than 5% of issued shares	302	13.75	208,737,473	58.18
5% and above of issued shares	3	0.14	113,310,681	31.58
Total	2,196	100.00	358,758,600	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2024

Name	Number of Shares Held			
	Direct	%	Deemed	%
WWT Wellness Solutions Sdn. Bhd.	42,451,600	11.83	-	-
Goh Choon Lye	-	-	42,451,600 *	11.83
Nada Wangi Sdn. Bhd.	73,492,581	20.49	-	-
Ooi Soon Hong	-	-	73,492,581 #	20.49

Note :

* Deemed interested by virtue of his shareholdings of not less than 20% in WWT Wellness Solutions Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2024

Name	Number of Shares Held			
	Direct	%	Deemed	%
Lim Shiou Ghay	5,098,000	1.42	-	-
Tan Chee Keong	-	-	-	-
Lee Chiong Meng	1,000,000	0.28	-	-
Lee Thean Yew	1,561,400	0.44	-	-
Loh Keow Lin	-	-	-	-

Analysis of Shareholdings

As at 28 June 2024

THIRTY LARGEST SHAREHOLDERS AS AT 28 JUNE 2024

No.	Name	No. of Shares Held	%
1	NADA WANGI SDN. BHD.	44,508,077	12.41
2	WWT WELLNESS SOLUTIONS SDN. BHD.	42,409,500	11.82
3	NADA WANGI SDN. BHD.	26,393,104	7.36
4	MAYBANK NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SAN TUAN SAM	13,902,800	3.87
5	INSPIRE SENSE SDN. BHD.	13,463,700	3.75
6	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW	10,211,600	2.85
7	SUPPTECH HOLDINGS SDN. BHD.	9,072,973	2.53
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. BON ESTATES SDN. BHD.	9,000,000	2.51
9	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOW WOOI HUAT (STA 2)	8,185,000	2.28
10	H.M. WEALTH MANAGEMENT SDN. BHD.	7,450,000	2.08
11	LEE KUANG SHING	6,000,000	1.67
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW	5,158,400	1.44
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SHIOU GHAY	5,098,000	1.42
14	NUM SIEW YOKE	4,001,400	1.11
15	TEOH CHOO EE	3,113,700	0.87
16	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOHAMED FAROZ BIN MOHAMED JAKEL	2,773,800	0.77
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NADA WANGI SDN. BHD. (M01)	2,591,400	0.72
18	LEE KIAN KAH	2,501,000	0.70
19	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAM SIEW MEE	2,424,900	0.67
20	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWEE SZE	2,178,400	0.61

Analysis of Shareholdings

As at 28 June 2024

THIRTY LARGEST SHAREHOLDERS AS AT 28 JUNE 2024 (Cont'd)

No.	Name	No. of Shares Held	%
21	LIM TUAN GUAN	2,034,000	0.57
22	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KIAN KAH	2,000,000	0.56
23	OOI YONG PING	1,956,700	0.54
24	KOO YEE FONG	1,870,000	0.52
25	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MOHD TERMIZI BIN MAMAT @ MUHAMAD	1,800,000	0.50
26	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG HONG BOON	1,650,000	0.46
27	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ENG TECK SIANG	1,601,000	0.45
28	ROSZALANHISHAM BIN ROSDI	1,600,000	0.45
29	LEE THEAN YEW	1,561,400	0.43
30	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR ANDREW SAW KHAY CHIN (PB)	1,500,000	0.42
TOTAL		238,010,854	66.34

Analysis of Warrant Holdings

As at 28 June 2024

Total number of Warrant	:	57,493,372
Total number of Warrant Outstanding	:	57,493,372
Exercise Price per Warrant	:	0.25
Exercise Period of Warrant	:	22 November 2019 to 21 November 2024
Exercise Rights	:	Each Warrant entitles the registered holder to subscribe for 1 new ACME share at the Exercise Price during the Exercise Period and shall be subjected to adjustments in accordance with the provisions of the Deed Poll.

ANALYSIS OF WARRANTS HOLDINGS AS AT 28 JUNE 2024

Size of Warrant	Number of Warrant Holders	% of total Warrant Holders	Number of Warrant	% of total Issued capital
Less than 100	64	8.47	2,559	0.00
100 to 1,000	341	45.11	129,526	0.23
1,001 to 10,000	200	26.46	719,949	1.25
10,001 to 100,000	99	13.09	4,031,150	7.01
100,001 to less than 5% of issued warrants	50	6.61	51,620,338	89.79
5% and above warrants	2	0.26	989,850	1.72
Total	756	100.00	57,493,372	100.00

DIRECTORS' WARRANT HOLDINGS AS AT 28 JUNE 2024

Name	Number of Warrants Held			
	Direct	%	Deemed	%
Lim Shiou Ghay	974,500	1.70	1,534,000 [^]	2.67
Lee Thean Yew	15,350	0.03	-	-

Note:

[^] Deemed interested by virtue of his shareholdings of not less than 20% in Epic Paradigm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Warrant Holdings

As at 28 June 2024

THIRTY LARGEST WARRANTS HOLDERS AS AT 28 JUNE 2024

No.	Name	No. of Warrants Held	%
1	NADA WANGI SDN. BHD.	11,627,019	20.22
2	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW	7,075,200	12.31
3	NADA WANGI SDN. BHD.	6,598,276	11.48
4	SUPPTECH HOLDINGS SDN. BHD.	3,643,243	6.34
5	H.M. WEALTH MANAGEMENT SDN. BHD.	2,180,000	3.79
6	AB MALIK BIN ABDULLAH	2,027,000	3.52
7	NUM SIEW YOKE	2,005,200	3.49
8	EPIC PARADIGM SDN. BHD.	1,534,000	2.67
9	LEE KUANG SHING	1,499,100	2.61
10	LIM TUAN GUAN	1,215,000	2.11
11	SAHROI BIN LAARI	1,185,000	2.06
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SHIOU GHAY (M01)	974,500	1.69
13	OH EWE FATT	950,000	1.65
14	TEOH CHOO EE	909,300	1.58
15	CHAN POU LU	700,000	1.22
16	KOO YEE FONG	600,000	1.04
17	TAN KEAT SEANG	500,000	0.87
18	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR TAN KHAI TECK	500,000	0.87
19	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE WAN CHUN (E-TCS)	400,000	0.70
20	WAN AI LING	400,000	0.70
21	LIM CHOON LENG	400,000	0.70
22	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. KUA SONG TUCK	365,000	0.63
23	CHAN KOK WAI	355,000	0.62
24	GOOI BOON YIEW	349,500	0.61
25	KOH JING HAN	321,100	0.56
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN HENG CHIA	295,000	0.51
27	ONG SEE WAH	293,500	0.51
28	NG WEN PING	292,300	0.51
29	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAI JENG YANG	233,800	0.40
30	LOW KIAN SING	214,000	0.37
TOTAL		49,642,038	86.34

List of Properties

Title	Description/ Existing Use	Tenure	Total Land Area/ Floor area (square meter)	Approximate age of building	Net Book Value as at 31.03.2024 (RM'000)
Lot 5805 H.S. (D) 5828, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	Industrial Building	Leasehold for 60 years (Expiry on 7 Nov 2049)	23,708.50 (land) 10,231.65 (building)	35 years	428 (land) 3,323 (building)
Lot PT 3699, Mukim Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 24 Apr 2058)	2,394.67 (land)	33 years	30 (land) 1,926 (building)
Lot PT 3700, Mukim Sik Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 24 Apr 2058)			
Lot PT 3701, Mukim Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 24 Apr 2058)			
Lot PT 3702, Mukim Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 24 Apr 2058)			
Lot PT 3723, Bandar Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 23 Mar 2054)	2,394.67 (land)	33 years	30 (land) 1,926 (building)
Lot PT 3724, Bandar Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 23 Mar 2054)			
Lot PT 3725, Bandar Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 23 Mar 2054)			
Lot PT 3726, Mukim Sik, Pekan Sik, Kedah Darul Aman	Industrial Building	Leasehold for 60 years (Expiry on 23 Mar 2054)			
H.S. (D) 36411, Lot No. 10711, Mukim 7, Seberang Perai Utara, Pulau Pinang	Development Land	Freehold	44,471 (land)	-	12,070
H.S. (M) 3702, PT 4150 Lot No. 336, Tempat Thean Teik, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	Freehold	11,416 (land)	-	32,382
H.S. (M) 3703, PT 4151 Lot No. 337, Tempat Thean Teik, Mukim 13, Daerah Timor Laut, Pulau Pinang	Development Land	Freehold	399 (land)	-	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 34th Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis via the online meeting platform at www.registrar-braxton.com.my on Friday, 30 August 2024 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

1.	To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2024 and the Reports of the Directors and Auditors thereon.	Please refer to the Explanatory Notes
2.	To approve the payment of Directors' fees and Directors' benefits of up to RM200,000.00 for the financial year ending 31 March 2025.	Ordinary Resolution 1
3.	To re-elect Mr Lee Chiong Meng who retires in accordance with the Company's Constitution pursuant to Article 111 of the Company's Constitution.	Ordinary Resolution 2
4.	To re-elect Mr Lim Shiou Ghay who retires in accordance with the Company's Constitution pursuant to Article 111 of the Company's Constitution.	Ordinary Resolution 3
5.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4

As Special Business :

6. To consider and if thought fit, to pass with or without modifications the following resolution :-

ORDINARY RESOLUTION

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (the "Act") and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being.

Ordinary Resolution 5

AND THAT the Directors 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 AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier."

7. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

WONG YEE LIN (MIA15898)
SSM Practicing No: 201908001793
HING POE PYNG (MAICSA 7053526)
SSM Practicing No: 202008001322
 Joint Company Secretaries

Date: 31 July 2024

Notice of Annual General Meeting

Notes :

- (1) A member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak in his stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. The proxy so appointed shall be entitled to vote on any matter which may properly come before the meeting.
- (2) A Member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (3) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (4) Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- (6) The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s). Proxy form via facsimile or electronic mail will not be accepted.
- (7) For the purpose of determining a Member who shall be entitled to attend the meeting, the Company shall be requesting the Depository to issue a General Meeting Record of Depositors ("ROD") as at 22 August 2024. Only Depositors whose name appears on the ROD shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.
- (8) All resolutions as set out in this notice of 34th AGM are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits

The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year ending 31 March 2025 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees and benefits to meet the shortfall.

Notice of Annual General Meeting

Explanatory Note on Special Business

Ordinary Resolution 5 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 is for the purpose of granting a renewed general mandate (the “Mandate”), if passed, will give authority to the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisitions.

As at the date of this Notice, there were no new shares issued pursuant to the Mandate granted to the Directors at the 33rd AGM held on 29 August 2023 and which will lapse at the conclusion of the 34th AGM.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders’ approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the explanatory note on the proposed Ordinary Resolution 6 as stated in the Notice of AGM of the Company for details.

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No. of ordinary shares held	CDS Account No.

*I / We _____ *NRIC / Company No. _____
(Full Name in Block Letters)

of _____ being a *Member / Members of
(Full Address)

ACME Holdings Berhad, hereby appoint (Proxy 1) _____
(Full Name in Block Letters)

*NRIC / Passport No. _____ of _____
(Full Address)

and* / or failing him/ her *(Proxy 2), _____
(Full Name in Block Letters)

*NRIC / Passport No _____ of _____
(Full Address)

_____ and*/or failing him*, the Chairman of the Meeting,

as *my / our proxy / proxies to attend and vote for *me/ us and on *my/ our behalf at the 34th Annual General Meeting ("AGM") of the Company to be held on a fully virtual basis via the online meeting platform at www.registrar-braxton.com.my on Friday, 30 August 2024 at 10:30 a.m. and at any adjournment thereof to vote as indicated below :

AGENDA

To receive the Audited Financial Statements for the year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon		
Ordinary Resolution	For	Against
1. Approval of payment of Directors' fees and Directors' benefits for the financial year ending 31 March 2025		
2. Re-election of Mr Lee Chiong Meng as Director		
3. Re-election of Mr Lim Shiou Ghay as Director		
4. Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration		
5. Authorise Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		

Please indicate with an "X" in the spaces provided above as to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

The proportion of *my/our holding to be represented by *my/our proxies are as follows:-

Proxy 1	_____	%
Proxy 2	_____	%
	_____	100%

In the case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

As witness my hand this _____ day of _____, 2024.

* Strike out whichever is inapplicable

Signature of Member (s)/ Common Seal

Notes :

- A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
- For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 64(3) of the Company's Articles of Association (Constitution) and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 22 August 2024 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
- All resolutions as set out in this notice of 34th AGM are to be voted by poll.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.



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STAMP

The Secretaries

ACME HOLDINGS BERHAD

Registration No.: 198901012432 (189740-X)

Registered Office
51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Pulau Pinang, Malaysia.

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ACME HOLDINGS BERHAD

Registration No.: 198901012432 (189740-X)
(Incorporated in Malaysia)

488A-16-01 Office Tower, Kompleks Midlands Park,
Jalan Burma, 10350 George Town,
Penang, Malaysia.
Tel: (604) 210 9911



www.acmeholdings.com.my