Quality Recognition

Melewar Industrial Group Berhad, through its key operating sub-subsidiaries, Mycron Steel CRC Sdn Bhd ("MCRC") and Melewar Steel Tube Sdn Bhd ("MST"), is steadfast in its commitment to operational excellence and exceeding customer expectations. This dedication is evident in the Group's continuous efforts to enhance quality across all facets of its operations.

MCRC achieved its first ISO 9001 certification from SIRIM and IQ Net in 1996, followed by MST in 1997. Over the years, both MCRC and MST have built a robust and efficient Quality Management System, evolving to meet the latest global standards and industry challenges.

In September 2016, MCRC attained product certification from SIRIM, validating the compliance of its products with the Malaysian Standard (MS 2651 : 2015) and Japanese Industrial Standard (JIS G3141 : 2011). These certifications confirm that MCRC's products meet stringent quality parameters, providing customers with confidence in both the reliability and performance of the products. The certifications are not only advantageous for MCRC, but also beneficial to the industry, reinforcing the company's mission to be the leading manufacturer of high-quality Cold Rolled Steel Sheets in Malaysia.

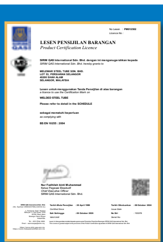
Quality Recognition

On the environmental front, both MCRC and MST are proactive in enhancing their environmental performance, embedding sustainable practices throughout their operations. MCRC first achieved ISO 14001 : 2004 Environmental Management System certification in June 2014, followed by the updated ISO 14001 : 2015 certification in June 2017. In 2020, MCRC was further recognised with the SIRIM Eco-Label Licence, and since February 2021, has proudly held the right to display the MyHIJAU Mark on its products. Similarly, MST earned the SIRIM Eco-Label Licence for its three manufacturing plants in August 2022, followed by the MyHijau Mark in September 2022, as well as the ISO 14001: 2015 Environmental Management System certification in December 2023. Adding to its environmental accolades, MCRC also obtained the ISO 50001 : 2018 Energy Management System certification from SIRIM and IQ NET, underscoring its commitment to energy efficiency and sustainability.

Quality Recognition

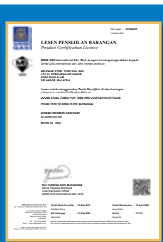
MST continues to elevate the quality of its products and processes, holding various prestigious certifications including the UK Factory Production Control Certification, EC Factory Production Control Certification and CE Marking from LRQA. MST's products comply with a wide range of international standards, reinforcing its commitment to quality. It also holds the Perakuan Pematuhan Standard (Bahan Binaan) from CIDB Malaysia and the EMAL certification from Cawangan Kejuruteraan Elektrik, Jabatan Kerja Raya Malaysia. These certifications, alongside periodic internal and external audits, ensure that MST's products conform to the highest standards. In 2019, MST received the LOGO BUATAN MALAYSIA certification from the Ministry of Domestic Trade and Consumer Affairs for its AURORA Conduits and cold rolled products.

INTERNATIONAL STANDARDS

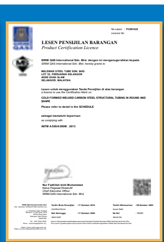


British Standard
BS EN 10255 : 2004 for Welded Steel Tube

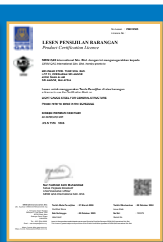
British Standard
BS 31 : 1940 for Steel Conduit for Electrical Wiring



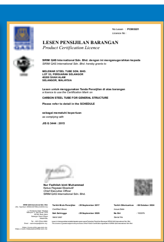
British Standard
BS 39 : 2001 for Loose Steel Tubes for Tube and Coupler Scaffolds



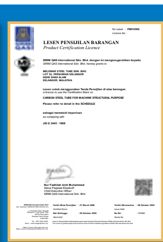
American Standard
ASTM A 500/A 500M : 2013 for Cold Formed Welded Carbon Steel Structural Tubing in Round and Shape



Japanese Standard
JIS G 3350 : 2009 for Light Gauge Steel for General Structure



Japanese Standard
JIS G 3444 : 2015 for Carbon Steel Tube for General Structure



Japanese Standard
JIS G 3445 : 1988 for Carbon Steel Tube for Machine Structural Purpose

Japanese Standard
JIS G 3452 : 2010 for Carbon Steel Pipe for Ordinary Piping

Quality Recognition

MALAYSIAN STANDARDS

MS 61386-21 : 2010 for Rigid Steel Conduit for Cable Management

MS 863 : 2010 for Welded Steel Pipe

SPAN TS 21827 : PART 2: 2013 for Non Alloy Steel Tube for Water and Sewerage

MS EN 10219-1 : 2015 for Cold Formed Welded Structural Hollow Sections of Non-alloys Steel

MS 1462-2-1 : 2010 for Steel Tubes for Tubular Scaffolding

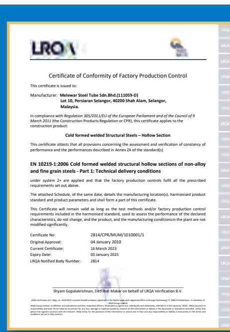
OTHER CERTIFICATIONS

CIDB Registered Products
- Cold Formed Welded Structural Hollow Sections

CIDB Registered Products
- Rigid Steel Conduit for Cable Management
- Steel Conduit for Electrical Wiring
- Steel Pipes for Water and Sewerage
- Steel Tube for Metal Scaffolding
- Welded Steel Pipes

Ministry of Domestic Trade and Consumer Affairs LOGO BUATAN MALAYSIA Certificate for AURORA Conduits and Cold Rolled products

UK Factory Production Control Certificate EN 10219-1:2006 for Cold Formed Welded Structural Hollow Sections of Non-Alloy Steels



EC Factory Production Control Certificate EN 10219-1:2006 for Cold Formed Welded Structural Hollow Sections of Non-Alloy Steels

Profile of Directors

01 TUNKU DATO' YAACOB KHYRA

Executive Chairman

Date of Appointment:

7 October 2002

Age:	Gender:	Nationality:
64	Male	Malaysian

Board Committee Membership

- Chairman of the Executive Committee

Tunku Dato' Yaacob Khyra was appointed to the Board of Directors of the Company on 7 October 2002. He was redesignated as the Executive Chairman on 26 August 2008. He currently holds the position of Executive Chairman of MAA Group Berhad ("MAAG") and Mycron Steel Berhad ("MSB") and Non-Executive Chairman of KNM Group Berhad ("KNM").

Tunku Dato' Yaacob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

Tunku Dato' Yaacob started his career as an Auditor with Price Waterhouse in London from 1982 to 1985 and subsequently, employed by the same firm in Kuala Lumpur from 1986 to 1987. Tunku Dato' Yaacob joined Malaysian Assurance Alliance Berhad (now known as Zurich Life Insurance Malaysia Berhad) in 1987 until October 2006.

Currently, Tunku Dato' Yaacob is a Board Member of MAAG, MSB, KNM, Melewar Group Berhad, Khyra Legacy Berhad ("KLB"), Yayasan Khyra, MAA Bancwell Trustee Berhad, Ithmaar Holding B.S.C. (listed in Bahrain), Ithmaar Bank B.S.C. (Closed), Altech Batteries Limited (listed in Australia), Chase Perdana Sdn Bhd and several other private limited companies.

Tunku Dato' Yaacob is the Chairman of the Board of Trustees of Yayasan Amal Maaedicare, The Budimas Charitable Foundation and Registered Trustees of the Joseph William Yee Eu Foundation.

Tunku Dato' Yaacob is the brother to Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah. Tunku Dato' Yaacob is deemed interested in the Company by virtue of him being a beneficiary of a trust known as KLB, being the holding company of Melewar Equities (BVI) Ltd and Melewar Khyra Sdn Bhd who are the major shareholders of the Company. Tunku Dato' Yaacob is also deemed to have interest in Avenue Serimas Sdn Bhd ("ASSB"). ASSB is a wholly owned subsidiary of Melewar Equities Sdn Bhd who in turn is a wholly owned subsidiary of KLB. His shareholding in the Company is disclosed on page 70 of the Annual Report.

Tunku Dato' Yaacob does not have any personal interest in any business arrangements involving the Company nor any conflict of interest with the Company except for common directorships with those companies disclosed in the Circular to Shareholders dated 30 October 2024 in relation to RRPTs and he has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors

02 AZLAN BIN ABDULLAH

Non-Independent Non-Executive Director

Date of Appointment:

23 September 2002

Age:	Gender:	Nationality:
66	Male	Malaysian

Board Committee Membership

- Nil

En Azlan bin Abdullah was appointed to the Board of Directors of the Company on 23 September 2002 as an Independent Non-Executive Director of the Company. Subsequently, he was appointed as an Executive Director of the Company on 10 June 2003. On 1 June 2011, he was redesignated to Managing Director/Group Chief Executive Officer of the Company.

On 11 August 2018, he was redesignated as Managing Director of the Company. Subsequently, on 11 February 2019, he was redesignated to Non-Independent Non-Executive Director of the Company. He currently sits on the Boards of the Company's subsidiaries, Mycron Steel Berhad, MIDF Amanah Investment Bank Berhad, Langkawi Yacht City Bhd and several other private limited companies.

En Azlan holds a Bachelor of Science Degree in Business Administration from Trinity University, San Antonio, Texas, USA and a Masters Degree in Business Administration from Morehead State University, Kentucky, USA.

He started his career in 1983 with Citibank N A and in 1987, he joined United Asian Bank ("UAB") where he started and headed the Treasury Marketing Unit. After UAB merged with Bank of Commerce, he was subsequently promoted to Head of Priority Banking Division and Branch Manager of the KL Main Branch in 1992. In 1994, he rejoined Citibank Berhad as Vice President and Head of Public Sector Division. En Azlan was the Deputy President of the Malaysian Iron and Steel Industry Federation (MISIF) from 2008 until October 2018 and was one of MISIF's representatives on the ASEAN Iron and Steel Council from 2012 until May 2018.

En Azlan has no family ties with any of the Directors and/or major shareholders of the Company. His shareholding in the Company is disclosed on page 70 of the Annual Report.

En Azlan does not have any personal interest in any business arrangements involving the Company.

En Azlan does not have any conflict of interest with the Company and he has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors

03

TUNKU YAHAYA @ YAHYA BIN TUNKU TAN SRI ABDULLAH

Non-Independent Non-Executive Director

Date of Appointment:

18 December 2003

Age:	Gender:	Nationality:
63	Male	Malaysian

Board Committee Membership

- Nil

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah was appointed to the Board of Directors of the Company on 18 December 2003 as a Non-Independent Non-Executive Director. He currently sits on the Boards of MAA Group Berhad, Khyra Legacy Berhad, Melewar Group Berhad, MAA Credit Berhad, MAA Bancwell Trustee Berhad, Mithril Berhad and several other private limited companies.

Tunku Yahaya graduated in 1983 with a Bachelor of Science (Hons) Degree in Economics and Accountancy from City University, London. Upon completion, he joined Peat Marwick Mitchell & Co in London that same year. In 1986, he obtained his Masters of Science in Economics from Birkbeck College, University of London.

Upon returning to Malaysia in 1986, he joined the advertising company, MZC-Saatchi & Saatchi. In 1988, he joined the management of the refurbished Central Market (KL) as Executive Director. In 1994, he was appointed to put into operation and manage the television station, Metro Vision as Managing Director. In 1997, he started the music recording label, Melewar Parallax Sdn Bhd.

Tunku Yahaya is the brother to Tunku Dato' Yaacob Khyra, the Executive Chairman of the Company.

Tunku Yahaya also sits on the Board of Trustees of Yayasan Amal Maaedicare and The Budimas Charitable Foundation.

Tunku Yahaya does not have any personal interest in any business arrangements involving the Company nor any conflict of interest with the Company except for common directorships with those companies disclosed in the Circular to Shareholders dated 30 October 2024 in relation to RRPTs and he has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors

04 KWO SHIH KANG

Senior Independent Non-Executive Director

Date of Appointment:

23 August 2019

Age:	**Gender:**	**Nationality:**
64	Male	Malaysian

Board Committee Membership

- Chairman of the Audit and Governance Committee
- Chairman of the Risk and Sustainability Committee
- Member of the Nomination and Remuneration Committee

Mr Kwo Shih Kang was appointed to the Board of Directors of the Company on 23 August 2019 as an Independent Non-Executive Director. He currently sits on the Boards of Mycron Steel Berhad and several other private limited companies.

Mr Kwo is a qualified actuary with more than 30 years of experience in the insurance industry which include stints in various South East Asian countries, in positions such as Chief Executive Officer, Appointed Actuary and Chief Financial Officer in a number of multinational insurers, such as AXA Affin Life Insurance Berhad, Allianz Life Insurance Malaysia Berhad, Aetna Universal Insurance Berhad, Gibraltar BSN Life Berhad and American International Assurance Berhad. Mr Kwo was also the Chief Operating Officer of Malaysian Assurance Alliance Berhad.

Mr Kwo was the President of the Life Insurance Association of Malaysia (LIAM) from 2012 to 2015. He was also the President of the Malaysian Financial Planning Council (MFPC) and was the President of the Actuarial Society of Malaysia.

Mr Kwo holds a Bachelor's degree in Actuarial Science from City University London and a Master of Business Administration, majoring in Finance, from CASS Business School, London. He is a Fellow of the Society of Actuaries, USA, and is also a Registered Financial Planner (RFP).

Mr Kwo has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr Kwo does not have any personal interest in any business arrangements involving the Company.

Mr Kwo does not have any conflict of interest with the Company and he has had no convictions for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors

05 DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN

Independent Non-Executive Director

Date of Appointment:

8 April 2019

Age:	Gender:	Nationality:
62	Female	Malaysian

Board Committee Membership

- Member of the Risk and Sustainability Committee
- Member of the Audit and Governance Committee
- Member of the Nomination and Remuneration Committee

Datin Seri Raihanah Begum binti Abdul Rahman was appointed to the Board of Directors of the Company on 8 April 2019 as an Independent Non-Executive Director. She currently sits on the Boards of MAA Group Berhad, Mycron Steel Berhad, Tuju Setia Berhad and several other private limited companies.

Datin Seri Raihanah is an Associate of the Chartered Insurance Institute (UK) and the Malaysian Insurance Institute. As a scholar of American Malaysian Insurance Sdn Bhd (later known as CIMB Bank Insurance) she started her insurance career with the company immediately after successfully completing her course in 1984 and has held various positions in the Underwriting and Marketing Departments before leaving in 1988 to join Malene Insurance Brokers Sdn Bhd ("Malene").

During her 10-year service at Malene, she was exposed to various aspects of the oil and gas industry and was involved in the Insurance programmes for Petronas, Shell, Exxon-Mobil and various other oil and gas-related companies such as Gas Malaysia Sdn Bhd and MISC Berhad. Her experience also included an attachment with a London-based Lloyds broker.

She left Malene in 1997 when she was the Acting Chief Executive Officer, to dedicate more time in bringing up her three young children. To ensure that she was in touch with the insurance industry and coupled with her experience and knowledge in insurance underwriting and broking, she made time, from 1998 to 1999, while being a homemaker, to be a part-time lecturer with the Malaysian Insurance Institute for insurance industry practitioners to obtain a more in-depth knowledge of the business.

In August 2005, Datin Seri Raihanah was appointed as a Non-Executive Director to the board of a public-listed fibre-based manufacturing company called Wang Zheng Berhad ("Wang Zheng"). She served as an active board member at Wang Zheng for 8 years.

She was also appointed as a member of the Board of Trustees for the Malaysian Medical Association ("MMA") Foundation for a three-year term from 2007. MMA Foundation is a non-profit organization which provides financial assistance for undergraduate medical students, continuing professional development, public health education and donations to charities.

Datin Seri Raihanah has no family ties with any of the Directors and/ or major shareholders of the Company nor any shareholding in the Company.

Datin Seri Raihanah does not have any personal interest in any business arrangements involving the Company.

Datin Seri Raihanah does not have any conflict of interest with the Company and she has had no conviction for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Directors

06 DATO' DR. KILI GHANDHI RAJ A/L K R SOMASUNDRAM

Independent Non-Executive Director

Date of Appointment:

3 September 2019

Age:	Gender:	Nationality:
69	Male	Malaysian

Board Committee Membership

- Chairman of the Nomination and Remuneration Committee
- Member of the Audit and Governance Committee
- Member of the Risk and Sustainability Committee

Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram was appointed to the Board of Directors of the Company on 3 September 2019 as an Independent Non-Executive Director. He currently sits on the Boards of MAA Group Berhad and several other private limited companies.

Dato' Dr. Ghandhi is currently a Senior Consultant Cardiothoracic Surgeon for Prince Court Medical Centre and Head of Department of Cardiothoracic Surgery of Gleneagles Hospital Kuala Lumpur. He is also a recognised member of the Society of Thoracic Surgeons of U.S.A., European Association for Cardiothoracic Surgery, Association of Thoracic and Cardiovascular Surgeons of Asia and the Malaysian Association for Thoracic and Cardiovascular Surgery.

Dato' Dr. Ghandhi is the Chairman of Medical Advisory Committee of MAA Medicare Cardiac Diagnostic Centre at Kuala Lumpur. He is also a member of the Board of Trustees of Yayasan Amal Maaedicare and a member of the Malaysian Alliance of Corporate Directors.

Dato' Dr. Ghandhi holds a MBBS degree from Mysore University, India. In addition, he was trained and accredited in Cardiothoracic surgery in the United Kingdom. He was also trained in the University of Vienna, Austria and had received a Diploma in Cardiovascular Surgery. He had worked as a Consultant Cardiothoracic Surgeon in the UK before returning to Malaysia. Dato' Dr. Ghandhi also holds a Primary Fellowship from the Royal College of Surgeons of Edinburgh and a Diploma of Fellowship from the Royal College of Surgeons of Glasgow. In addition to his credentials, he holds a Certificate of Achievement in Improving Global Health awarded by Harvard University, and also holds a Certificate of Specialist Training in Cardiothoracic Surgery (U.K.).

In the past he has served as Chairman of the Medical and Dental Advisory Committee of Gleneagles Hospital and as the Clinical Director at Prince Court Medical Centre, Kuala Lumpur to establish the cardiac services.

He has also served in the past as a Committee member of the Editorial Board of the Asian Cardiovascular and Thoracic Annals and continues to be an active reviewer of manuscript publications in the reputed peer-reviewed journal.

Dato' Dr. Ghandhi has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Dato' Dr. Ghandhi does not have any personal interest in any business arrangements involving the Company.

Dato' Dr. Ghandhi does not have any conflict of interest with the Company and he has had no convictions for any offences within the past five (5) years, other than traffic offences, if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

01 TUNKU DATO' YAACOB KHYRA
Executive Chairman

Age:	Gender:	Nationality:
64	Male	Malaysian

Tunku Dato' Yaacob Khyra is the Executive Chairman of the Company and was appointed to the Board of Directors of the Company on 7 October 2002. He was the Group Managing Director/Chief Executive Officer of the Company since 11 October 2002 before being re-designated as the Executive Chairman on 26 August 2008. His personal profile is listed in the Profile of Directors on page 59 of this Annual Report.

02 CHAN LOO LING
Chief Financial Officer

Age:	Gender:	Nationality:
42	Female	Malaysian

Ms Chan Loo Ling was appointed as the Chief Financial Officer of Melewar Industrial Group Berhad on 1 October 2021.

Ms Chan has more than 15 years of working experience. She started her career as an auditor having served various capacities in audit firms, the last with PricewaterhouseCoopers before leaving in 2011 to join the commercial world. She was formerly the Senior Finance and Risk Manager for Sapura Energy Berhad from 2011 to 2015 and Assistant Financial Controller for Yinson Holdings Berhad from 2015 to 2019. Prior to joining the Company, she was the Group Finance and Accounting Manager for Shangri-La Hotels (Malaysia) Berhad.

Ms Chan holds a Bachelor of Business in Accounting and Finance from the University of Technology Sydney, Australia. She is also a member of the Institute of International Auditors (IIA) with Certification in Risk Management Assurance (CRMA), a chartered member of the Malaysian Institute of Accountants (MIA), and a member of the Certified Public Accountants, Australia (CPA).

Ms Chan has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Ms Chan does not have any personal interest in any business arrangements involving the Company.

Ms Chan does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

03

MOHD SILAHUDDIN BIN JAMALUDDIN

Chief Business Development Officer

Age:	Gender:	Nationality:
64	Male	Malaysian

Encik Silahuddin has been with Melewar Industrial Group Berhad since 1 April 2008 and is currently the Chief Business Development Officer.

Encik Silahuddin heads a team in trading and distribution in selected markets in the international arena, through Melewar Imperial Limited (Labuan) and 3Bumi Sdn Bhd, wholly owned subsidiaries of MIGB. Encik Silahuddin is also responsible for the Group's venture into steel modular structures through Ausgard Quick Assembly Systems Sdn Bhd, another wholly owned subsidiary, whose purpose is to penetrate the modular building segment of the construction industry by introducing a quick and efficient building method while offering considerable cost savings to the potential client. Both these companies are at the early stages of their overall business models. His other functions include exploring business opportunities for the Group across a variety of Industries from mining to infrastructure to renewable energies to food industries.

Encik Silahuddin has more than 30 years of work experience in developing business in the Local Corporate World that started in 1994, after returning to Malaysia from the United States of America. He has been in the Building Materials Sector since then. During the initial 10 years of his working experience, he was in Regional Management in the Retail Industry and the Medical Insurance Industry in the United States. Moving on to the Building Materials sector, Encik Silahuddin was involved in the Brick and Timber industries before joining the Steel industry and Melewar Industrial Group Berhad.

Encik Silahuddin holds Bachelor of Business Administration in Information Systems from Georgia State University, USA. He has attained numerous certificates in the areas of Marketing, Management and Planning throughout his working experience.

Encik Silahuddin has no family ties with any of the Directors and/or major shareholders of the Company and currently has a minor shareholding in the Company.

Encik Silahuddin does not have any personal interest in any business arrangements involving the Company.

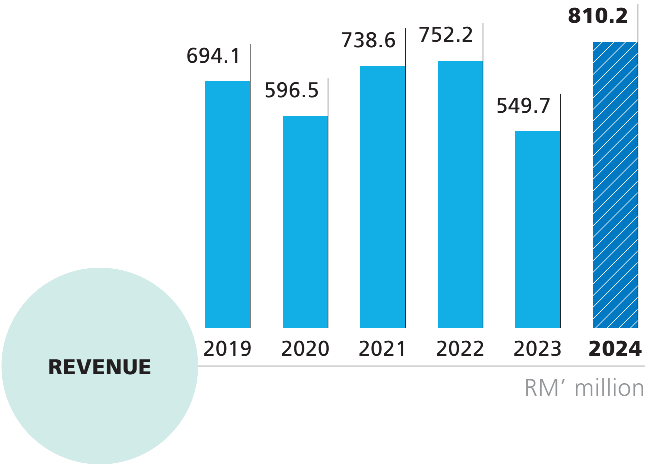
Encik Silahuddin does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

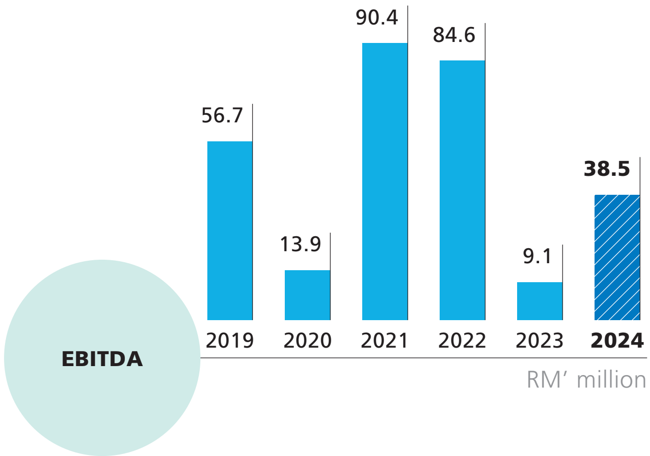
Group Financial Highlights

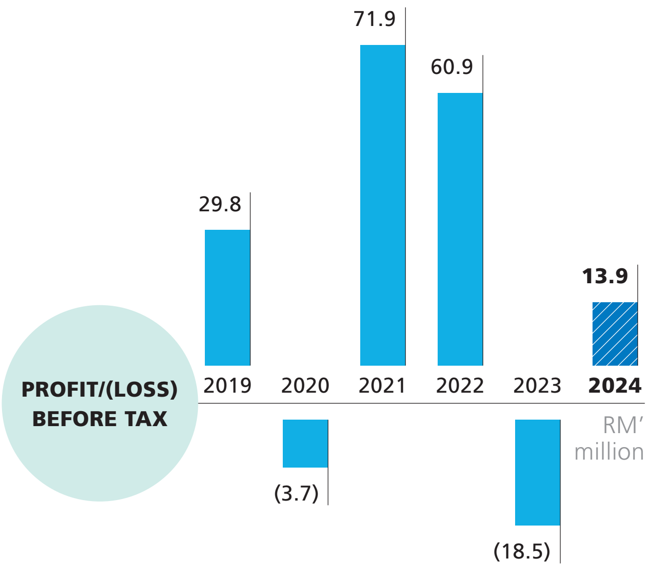
	2019	2020	2021	2022	2023	2024
Results of Operations						
Revenue (RM mil)	694.1	596.5	738.6^	752.2	549.7	**810.2**
Profit/(Loss) Before Tax (RM mil)	29.8	(3.7)	71.9^	60.9	(18.5)	**13.9**
Profit/(Loss) After Tax (RM mil) Attributed to Shareholders	30.8*	(1.4)*	44.7*^	35.0*	(13.3)*	**5.2***
Balance Sheet						
Share Capital (RM mil)	250.2	250.2	250.2	250.2	250.2	**253.8**
Shareholders' Fund (RM mil)	325.4	325.5	370.8	410.0	409.6	**416.3**
Total Assets (RM mil)	732.6	692.5	780.0	889.0	751.6	**862.8**
Financial Ratio						
Return on Equity (%)	9.5	(0.4)	12.1^	8.5	(3.2)	**1.2**
Debts#/Equity (Times)	0.37	0.31	0.24	0.28	0.32	**0.42**
Current Assets/Current Liabilities (Times)	1.4	1.5	1.8	1.8	2.4	**1.9**
Pre-Tax Profit/(Loss)/Average Shareholders' Fund (%)	10.4	(1.1)	20.7^	15.6	(4.5)	**3.4**
Pre-Tax Profit/(Loss)/Revenue (%)	4.3	(0.6)	9.7^	8.1	(3.4)	**1.7**
Per Share						
Gross Earnings/(Loss) Per Share (Sen)	8.3	(1.0)	20.0^	17.0	(5.1)	**3.9**
Net Earnings/(Loss) Per Share (Sen)	8.6	(0.4)	12.4^	9.8	(3.7)	**1.4**
Net Assets Per Share (RM)	0.91	0.91	1.03	1.14	1.14	**1.16**
Dividends						
Ordinary Dividend (Sen)	-	-	2.23	-	-	**-**

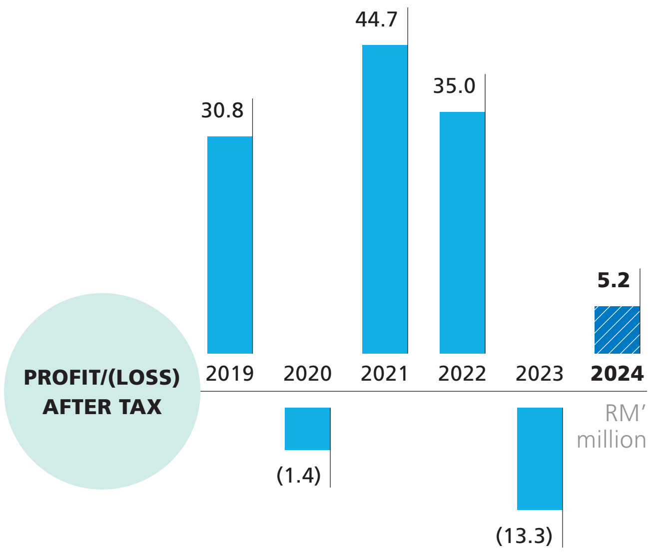
* *Profit After Tax and After Non-Controlling Interests*
^ *Include both continuing and discontinued operations*
\# *Debts include interest bearing trade payables*

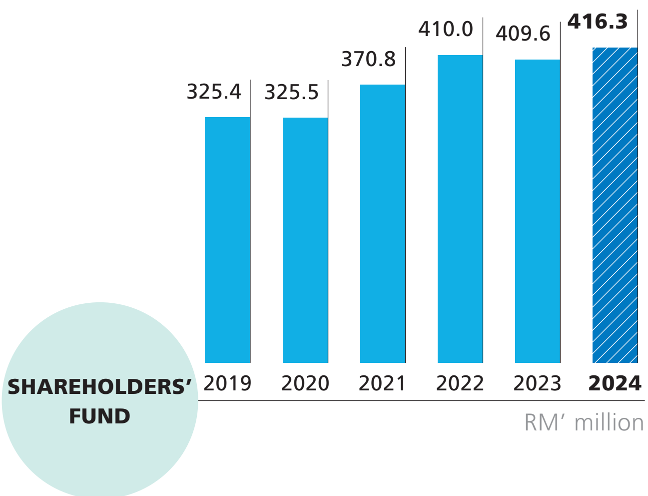
Group Financial Highlights

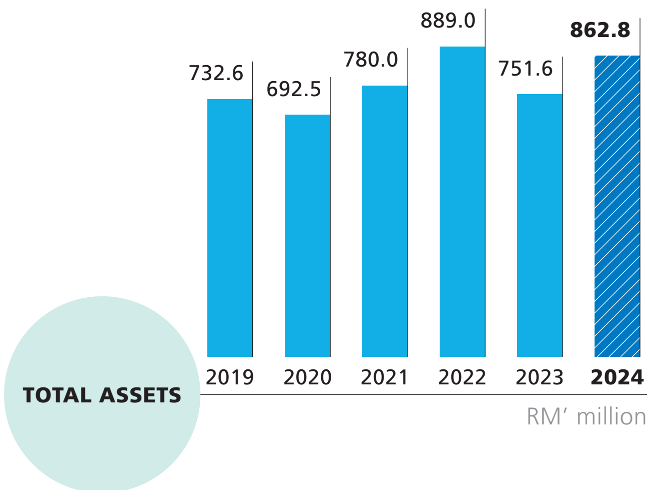












Analysis of Shareholdings

As at 30 September 2024

Total Number of Issued Shares	-	359,456,103
Class of Shares	-	Ordinary Shares
No. of Shareholders	-	8,762
Voting Rights	-	One (1) vote per ordinary share

No. of Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	930	10.61	31,240	0.01
100 - 1,000	935	10.67	553,734	0.15
1,001 - 10,000	4,222	48.19	21,477,190	5.97
10,001 - 100,000	2,365	26.99	77,951,527	21.69
100,001 and below 5% of issued shares	308	3.52	95,062,679	26.45
5% and above of issued shares	2	0.02	164,379,733	45.73
TOTAL	**8,762**	**100.00**	**359,456,103**	**100.00**

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2024

No.	Name	No. of Shares Held	(a)% of Shares
1.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Melewar Khyra Sdn Bhd	104,000,000	28.93
2.	Melewar Equities (BVI) Ltd	60,379,733	16.80
3.	Avenue Serimas Sdn Bhd	3,810,300	1.06
4.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd	2,663,700	0.74
5.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Ooi Chat	2,010,100	0.56
6.	Er Soon Puay	1,565,900	0.44
7.	Maybank Nominees (Tempatan) Sdn Bhd Adrian Kueh Chin Loong	1,400,000	0.39
8.	Ho Yit Lin @ Ho Yuet Ling	1,400,000	0.39
9.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kam Fut	1,350,000	0.38
10.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Macrovention Sdn Bhd	1,320,000	0.37
11.	Choo Ghee Sek	1,275,000	0.35
12.	CIMB Group Nominees (Asing) Sdn Bhd Exempt an for DBS Bank Ltd	1,246,300	0.35
13.	Ting Siik Siew	1,087,400	0.30
14.	Ong Teck Peow	1,053,000	0.29
15.	Cartaban Nominees (Asing) Sdn Bhd Exempt an for Barclays Capital Securities Ltd	1,009,000	0.28
16.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kah Weng	1,000,000	0.28
17.	Leow Soon Seng	1,000,000	0.28
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bluebros E&C Sdn Bhd	1,000,000	0.28
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeoh Joey Keng	927,900	0.26

Analysis of Shareholdings

As at 30 September 2024

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2024 (Cont'd)

No.	Name	No. of Shares Held	[a]% of Shares
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Yiew On	913,400	0.25
21.	Yeoh Phek Leng	874,000	0.24
22.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Razif bin Mohd Shah	869,900	0.24
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kim Ong	850,000	0.24
24.	Lim Swee Ing	821,500	0.23
25.	Tan Ah Sim @ Tan Siew Wah	800,000	0.22
26.	Lim Joo Kiat	800,000	0.22
27.	Kingsley Lim Fung Wang	800,000	0.22
28.	Tan Tee Soo	780,000	0.22
29.	Thong Weng Tim	716,700	0.20
30.	Yap Chin Teik	702,000	0.20
	TOTAL	**198,425,833**	**55.21**

Note :

[a] The percentages of thirty largest shareholders are calculated by dividing the shares held by the respective shareholders with the total number of issued shares.

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2024

Name	Number of Shares Held			
	Direct	%[a]	Indirect	%[a]
Khyra Legacy Berhad ("KLB")	-	-	168,572,764	46.90[1]
Tunku Dato' Yaacob Khyra ("TY")	-	-	168,572,764	46.90[2]
Melewar Equities (BVI) Ltd ("MEBVI")	60,379,733	16.80	-	-
Melewar Khyra Sdn Bhd ("MKSB")	104,382,731	29.04	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2024

Name	Number of Shares Held			
	Direct	%[a]	Indirect	%[a]
TY	-	-	168,572,764	46.90[2]
Azlan bin Abdullah	133,333	0.04	-	-

Notes :

[a] The percentages of substantial shareholders and Directors' shareholdings are calculated by dividing the shares held by the respective substantial shareholders and Directors with the total number of issued shares.

[1] Deemed indirect interest by virtue of it being the holding company of MEBVI and MKSB who are the Major Shareholders of the Company. KLB is also deemed to have indirect interest in Avenue Serimas Sdn Bhd ("ASSB") by virtue of it being the ultimate holding company of ASSB.

[2] Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of the Company. TY is also deemed to have indirect interest in ASSB by virtue of KLB being the ultimate holding company of ASSB.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Melewar Industrial Group Berhad ("MIG" or "the Company") recognises and acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance. The Board is fully committed to maintaining high standards of corporate governance practices throughout the Company and its subsidiaries ("the Group") to sustain the performance and protect and enhance long-term shareholders' value and stakeholders' interest.

This Corporate Governance Overview Statement ("CG Overview Statement") describes how the Group has adopted and applied the principles and best practices as set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016 ("CA"), and the Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year ended 30 June 2024.

This CG Overview Statement is also prepared in compliance with Paragraph 15.25(1) of the MMLR of Bursa Securities and should be read together with the Corporate Governance Report ("CG Report") of the Company which is published on the Company's website at https://www.melewar-mig.com/investorsinfo_annualrep.html as well as on Bursa Securities website. It should also be read in conjunction with other statements in this Annual Report such as the Statement on Risk Management and Internal Control and the Audit and Governance Committee Report.

The overview of the CG practices, which made reference to the three (3) key CG principles as set out in the MCCG throughout the financial year 2024 ("FY2024") are as follows:

Principle A	**Principle B**	**Principle C**
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationships with stakeholders
• Board responsibilities • Board composition • Remuneration	• Audit and Governance Committee • Risk management and internal control	• Engagement with stakeholders • Conduct of general meetings

The Board has assessed that the Group has complied with the provisions and applied the main principles of MCCG except for:

(i) Practice 1.3 (The positions of Chairman and Chief Executive Officer ("CEO") are held by different individuals)

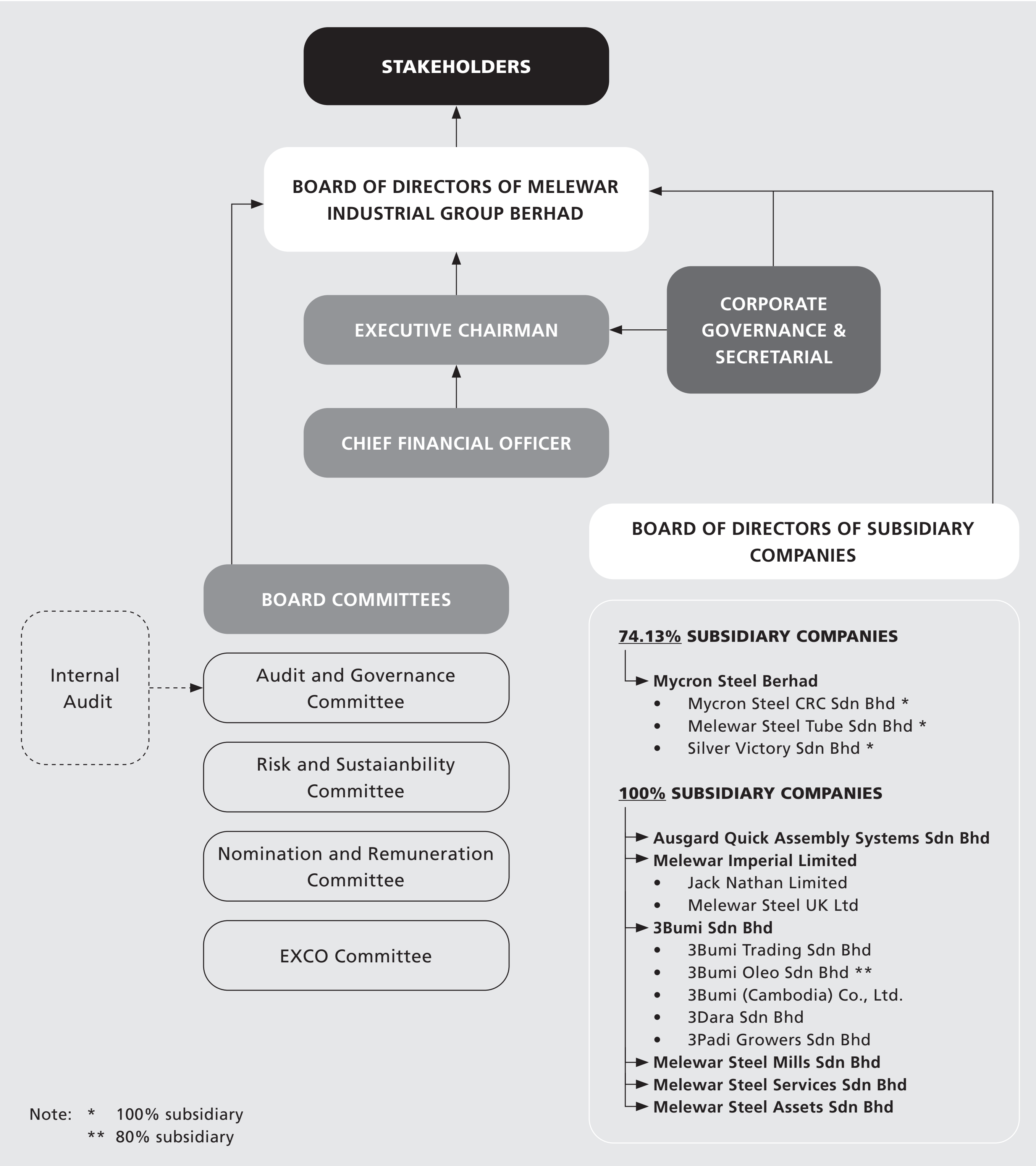
(ii) Practice 8.2 (The Board discloses on a named basis the top 5 senior management's remuneration in bands of RM50,000)

with the reasons explained in the CG Report.

Corporate Governance Overview Statement

MIG's Group Corporate Governance Framework

The Group Corporate Governance Framework as outlined below covers from the stakeholders to the operating subsidiaries of the Company:



Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

1.1 Effective Board Leadership and Oversight

The Board is responsible for governing, guiding and overseeing the overall management of the Group and retains full and effective control over the affairs of the Group. It reviews the Group's policies and strategies, enforces standards of accountability, actively oversees the conduct, management and business affairs of MIG and monitors the Senior Management's performance.

The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustains long-term shareholder value while safeguarding the interests of all its stakeholders. It works closely with the Senior Management to ensure that the operations of MIG are conducted prudently within the relevant laws and regulations.

All members of the Board are aware of their responsibility to take decisions objectively to promote the success of the Group and to create long-term value for shareholders and other stakeholders. In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, Board Committees and Board meeting procedures including division of responsibilities between the Board, the Board Committees and the Executive Chairman who currently assumes the role of Managing Director ("MD") as well. The key elements of governance principles embedded in the Board Charter regulate the Board's conduct and guide the strategic initiatives of the Group.

Management's role is to implement and execute the strategies adopted by the Board and has delegated authority to manage the business on a day-to-day basis. The limits of Management's authority are embedded in the Internal Control Procedure ("ICP") document, known as the Transaction Authority Limits ("TAL") which sets out the delegation of authority by our Executive Chairman to the senior leadership, generally covering approvals for operational and capital expenditure, execution of contracts, procurement and investments up to a certain monetary threshold. Any commitments outside the TAL will require the prior approval of the Board and any changes to the TAL is also subject to Board's approval.

To provide effective oversight and leadership and to facilitate the discharge of the Board's responsibility and oversight role, the Board is assisted by various Board Committees namely:

- Audit and Governance Committee ("AGC");
- Risk and Sustainability Committee ("RSC"); and
- Nomination and Remuneration Committee ("NRC").

The respective Board Committees operate within clearly defined Terms of Reference ("TOR") setting out their duties and responsibilities. All deliberations, recommendations and decisions of the Board Committees are recorded and minuted and subsequently confirmed by the Board Committees at the next Board Committee meetings. During Board meetings, the Chairman of the various Board Committees provide reports of the decisions and recommendations made at the Committee meetings and highlight to the Board any issue that requires further deliberation at Board level. The ultimate responsibility for decision making, however, lies with the Board.

These Board Committees are chaired by Independent Non-Executive Directors.

Corporate Governance Overview Statement

1.1 Effective Board Leadership and Oversight (Cont'd)

The Board will review the TOR of Board Committees from time to time to ensure that they are relevant and updated in line with the new policies or regulatory requirements.

The Board recognises the importance of identifying and retaining talent as key factor to the Group's continued growth and success. The Succession Planning Policy adopted by the Group is intended to provide a general method to help the Group develop and implement its own succession planning process. The Succession Planning Policy is also to ensure continuity of key management positions that exert critical influence on organisational activities, either operationally, strategically or both. There is a formal organisation structure for the Group with delineated lines of authority, responsibility and accountability. It fosters and promotes the continual development of key employees and ensures that key positions maintain some measure of continuity, thus enabling the Group to ensure that it is able to achieve its business objectives. The succession planning of the Group is enhanced by the policies and standard operating procedures as well as job descriptions established for key business processes within the Group.

1.2 Separation of Roles and Responsibilities of the Chairman and the CEO

(i) Chairman and CEO

The Board had adopted the recommended practice of the MCCG whereby the positions of the Chairman and the CEO are held by different individuals. As such, there is a clear and separate division of responsibility in the roles and duties of the Chairman and CEO.

(ii) Chairman

The Board has elected Tunku Dato' Yaacob Khyra as the Company's Chairman whose main role is to provide leadership and guidance to the Board as well as to achieve the Group's strategic vision and also lead the Board in its collective oversight of Management. He is to also ensure effectiveness of the Board by encouraging active participation of all Board members and allowing dissenting views to be freely expressed.

Given that the Chairman, Tunku Dato' Yaacob Khyra who has a wealth of experience in the business operations of the Group, the history of the Group, its structure, business environment and the territories globally in which the Group operates, he also assumes the position of an Executive Chairman for continuing leadership.

(iii) Managing Director

With the re-designation of En Azlan bin Abdullah from Managing Director of the Company to Non-Independent Non-Executive Director on 11 February 2019, the roles and responsibilities of the Managing Director is carried out by the Executive Chairman.

(iv) Chairman of the Board in Board Committees

The Company has adopted this Practice 1.4 of the MCCG as Tunku Dato' Yaacob Khyra is not a member of any of the Board Committees.

Corporate Governance Overview Statement

1.2 Separation of Roles and Responsibilities of the Chairman and the CEO (Cont'd)

(v) Suitably Qualified and Competent Company Secretary

The Board is assisted by a qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations.

Ms Lily Yin Kam May resigned as Company Secretary of the Company and the Group and in place thereof, Mr Kenneth Goh Kwan Weng was appointed as Company Secretary of the Group with effect from 15 April 2024.

Mr Kenneth Goh Kwan Weng is an Advocate and Solicitor of the High Court of Malaya and he holds a Practising Certificate from the Companies Commission of Malaysia and is qualified to act as company secretary under Section 235(2) of the CA.

The Company Secretary attends all Board and Committee meetings and ensures that discussions and deliberations of the Board and Committees are properly documented and recorded in a timely manner, and subsequently communicated to the Management for appropriate actions. The Company Secretary further ensures that outstanding action items are properly tracked and monitored until such items are addressed and where necessary, reported to the Board.

On an ongoing basis, the Directors have separate and independent access to the Company Secretary. The Board is regularly updated by the Company Secretary on new developments to the legislations and the MMLR of Bursa Securities and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

The Company Secretary constantly keeps himself/herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging his/her functions.

1.3 Access to Information and Meeting Materials

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. All members of the Board have full unrestricted access to any information pertaining to the Group's business and affairs.

Prior to the scheduled Board and Committee meetings, a formal and structured agenda together with a set of Board and Committee papers are forwarded to all Directors at least five (5) working days before the relevant Board or Committee meetings to allow sufficient time for the Directors to review and analyse relevant information and if necessary, obtain further information on matters to be deliberated. The Board papers provide, among others, periodic financial information, operational issues and management proposals that require Board's approval.

Senior Management staff are invited to attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board. The Directors may interact directly with Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them. In this way, the Board has full access to all information on the Company's affairs to enable them to properly discharge their duties.

Corporate Governance Overview Statement

1.3 Access to Information and Meeting Materials (Cont'd)

Technology is also used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same. The Company has in place internal procedures for the application and appointment process for the services of independent professional parties in the Board Charter.

1.4 Group Corporate Governance Framework ("CG Framework")

To ensure prudent and effective control of the operations in the Group, the Board adheres to the Group's CG Framework and works to ensure that the Group's CG Framework continues to remain appropriate and is reviewed when necessary.

The CG Framework of the Group as illustrated above demonstrates how the Company manages the Group's businesses to achieve its objectives. It also explains how the organisational structure facilitates the roles and functions at each level, with two-way interaction between the Board, the Board Committees, the Executive Chairman, down to the management and operational level. The actions, execution of plans, reporting and accountability will flow back to the Board for further evaluation and decision.

The CG Framework sets out various fundamental corporate governance principles, values and standards that shall guide the Board and Management teams within the Group and to describe the governance arrangements in place between MIG and its subsidiary companies so as to deliver efficiency, effectiveness, prudent governance and alignment across the Group which are based on the evolving corporate governance requirements instituted by the authorities. This is in line with the best practices laid out in the MCCG.

The CG Framework also acts as a source of reference and primary induction literature to Board members and Senior Management as it contains the Group CG Framework, the Board Charter, the TOR of the various Committees and the other Policies adopted by the Company.

This CG Framework will be reviewed and updated in accordance with the needs of the Company and/or if required by any new regulations. Any amendments to the CG Framework shall be approved by the Board.

- **Board Charter**

  In compliance with Practice 2.1 of the MCCG, the Board has established a Board Charter as a point of reference for Board activities. The Board Charter clearly delineates the roles, duties and responsibilities of the Board, Board Committees, Directors and Senior Management in order to provide a structured guidance regarding their responsibilities, duties, roles, functions and powers.

  The Board endeavours to comply at all times with the principles and practices as set out in the Board Charter. The Board will review the Board Charter from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law and practices.

  The Board Charter and TOR of the Board Committees can be viewed on the Company's website at www.melewar-mig.com.

Corporate Governance Overview Statement

1.4 Group Corporate Governance Framework (“CG Framework”) (Cont’d)

- **Code of Conduct and Ethics**

  The Board has adopted a Code of Conduct and Ethics (“Code”) which is to instil and inculcate, amongst Directors, management and employees of the Group, a corporate culture which engenders ethical conduct to permeate throughout the Group. The Code sets out broad standards to guide the Directors, management and employees to carry out their duties and responsibilities in an ethical manner covering various elements from, among others, human rights, health and safety, environmental care, company’s assets, records and controls to confidentiality, gifts and business courtesies and integrity and professionalism.

  An Employee Handbook, which contains various human resources policies, serves as a guide for Management and employees of the Group and is communicated to all the employees, both new and existing, through training, HR portal and induction programme.

  The Company’s Code of Conduct is available on the Company’s website.

- **Whistleblowing Policy**

  The Whistleblowing Policy and Procedures were established to provide an avenue for all Directors, Employees, Suppliers, Customers, Shareholders, Vendors or any parties with a business relationship of the Group to raise genuine concerns about any suspected fraud, malpractices, illegal acts, improper conduct, corruption and other acts or omissions which are against the interest of the Group.

  The Policy sets out the procedures for dealing with any complaints lodged by whistle-blowers. The Policy helps the Board to protect the interest of the Company and its stakeholders by identifying and investigating complaints and suspected misconducts (if any) on an independent basis and helps the Board to maintain a culture of openness and honesty within the Group.

  The AGC is committed to investigate and address all cases of reported misconduct and determine the channel for investigation and follow-up action. Further details of the Whistleblowing Policy are available on the Company’s website.

  On 31 May 2024, the Board reviewed and approved the revised Whistleblowing Policy and Procedures to further enhance and improve the effective implementation of the policy within the Group.

  For financial year 2024, the Company did not receive any report or complaint of misconduct from employees, Management, public or stakeholders.

- **Conflict of Interest and Related Party Transactions**

  To assure accountability and prevent conflict of interest in relation to issues that come before the Board, the Company has put in place a Conflict of Interest Policy which applies to all Directors and Employees of MIG and its subsidiaries (including employees on contract terms, temporary staff, and those on internship or secondment). The Group expects all employees to conduct themselves with integrity, impartiality, and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of their duties.

Corporate Governance Overview Statement

1.4 Group Corporate Governance Framework ("CG Framework") (Cont'd)

- **Conflict of Interest and Related Party Transactions (Cont'd)**

  In the case of Directors, these are enshrined in the Board Charter. Directors are reminded by the Company Secretary of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, the AGC reviewed on a quarterly basis related party transactions and possible conflict of interest situations that may arise within the Group including any transactions, procedure or course of conduct that may give rise to questions on management integrity to ensure all transactions are at arm's length basis.

  The AGC had ensured that the Company is in compliance with the MMLR and these related party transactions are not detrimental to minority shareholders. The AGC also did not detect any issue that warrants specific disclosure.

  The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened.

  In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

  Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

  The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Group's monitoring on a quarterly basis or as and when required.

  A director is also required to make an annual declaration of Conflict of Interest via the Annual Declaration Form.

  The above guidelines are encapsulated in the Conflict of Interest Policy and Related Party Transactions Policy which were approved by the Board of Directors on 28 February 2024 and 25 February 2021 respectively.

- **Anti-Fraud/Corruption Policy**

  The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships (including its supply chain), free from acts of bribery or corruption in upholding high standards of ethics and integrity.

  The Group Anti-Fraud/Corruption Policy provides information and guidance to the Directors and employees on their actions and decisions made for and on behalf of the Company to prevent practices against the Group Anti-Fraud/Corruption Policy. It also elaborates the accepted best practice guidelines to combat bribery and corruption in furtherance of the Group's commitment to lawful and ethical behaviour at all times.

  The Group takes a zero-tolerance approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.

  The Group Anti-Fraud/Corruption Policy is applicable to Directors, employees, suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives and other representatives acting for or on behalf of the Group.

Corporate Governance Overview Statement

1.4 Group Corporate Governance Framework ("CG Framework") (Cont'd)

- **Anti-Fraud/Corruption Policy (Cont'd)**

  The Group educates all new employees on the Company's Anti-Fraud/Corruption Policy as well as Code of Conduct and Ethics, during the in-house orientation programme. Any updates to the Employee Handbook are done through the internal network and all employees sign off on the Company's policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group's internal briefings.

  All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Codes/Policies, and agreed to observe and adhere to the Codes/Policies with complete professionalism and integrity throughout their employment or tenure with the Company.

  The Board had on 31 May 2024 reviewed and approved the revised Group Anti-Fraud/Corruption Policy of the Company to further enhance and improve the effective implementation of the policy within the Group.

  The details of the Group Anti-Fraud/Corruption Policy are available on the Company's website a www.melewar-mig.com.

  For financial year 2024, there was no incident of bribery and corruption that were reported to the Group.

1.5 Strategic Management of Sustainability Matters

The Board recognises the importance of sustainable development and is committed to embedding sustainability principles and values into the Group's strategic plans, targets, business processes and risk management.

To ensure the Group has an effective system to govern sustainability matters, the Board has adopted a Sustainability Framework & Policy and established a Sustainability Working Committee, which is headed by the CFO and comprises members from the key business divisions of the Group.

Further details of the Group's sustainability framework and activities undertaken by the Group for the financial year ended 30 June 2024 are set out in the Sustainability Report of this Annual Report.

The Group also has a Sustainability Framework and Policy to oversee the implementation of sustainable practices across all the operations of the Group.

The details of the Group's sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Report of this Annual Report.

The Management Committee ("MANCO"), which comprises heads of the Company's business units and divisions, will oversee all aspects of operational and sustainability risks with the initiation and identification of the risk issues. MANCO will then raise these issues to the Executive Committee who meets on a monthly basis to ensure that the matters are discussed in depth for the next course of actions. These issues will then be encapsulated in the Risk Report and reported to the RSC.

In order to ensure the Board is kept abreast with sustainability issues and have sufficient understanding in sustainability matters relevant to the Group and its businesses, Directors are expected to attend sustainability related programmes including conferences, seminars and trainings. This is to enable the Board to stay abreast and understand the sustainability issues, including climate-related risks and opportunities.

Corporate Governance Overview Statement

PART 2 - BOARD COMPOSITION

2.1 Composition

The NRC oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NRC on an annual basis.

The Board composition is in compliance with Paragraph 3.04(1) and Paragraph 15.02(1) of the MMLR of Bursa Securities which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be Independent Directors and also the recommendation by the MCCG to have at least half of the Board comprises Independent Directors.

The Company's Constitution stipulates that the minimum and maximum number of Directors on the Board shall not be less than two (2) nor more than twelve (12).

As at the date of this CG Overview Statement, the Board, consists of six (6) members as follows:

- one (1) Executive Chairman;
- two (2) Non-Independent Non-Executive Directors; and
- three (3) Independent Non-Executive Directors.

The Independent Directors make up half of the Board, as recommended by the MCCG. Details of the Directors are set out in the Board of Directors' Profiles section in this Annual Report.

The current composition of the Board is as set out below:

Directors	Designation
Tunku Dato' Yaacob Khyra	Executive Chairman
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	Non-Independent Non-Executive Director
Azlan bin Abdullah	Non-Independent Non-Executive Director
Kwo Shih Kang	Senior Independent Non-Executive Director
Datin Seri Raihanah Begum binti Abdul Rahman	Independent Non-Executive Director
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Independent Non-Executive Director

The Board comprising of Executive Director and Non-Executive Directors brings valuable perspectives and expertise from various sectors. The Independent Non-Executive Directors of the Company are independent of Management and free from any business relationship which could materially interfere with the exercise of their judgement. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest probable standards of conduct and integrity are maintained by the Group.

All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board.

Overall, the Board is satisfied with the current number and composition of its members and is of the view that the members represent a diverse set of academic background, skills, knowledge and experience that are necessary to support the Group's growth and success.

Corporate Governance Overview Statement

2.2 Tenure of Independent Director

In line with the MCCG, the Board has adopted the nine (9) years policy for Independent Directors in the Procedure for the Appointment and Removal of Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director.

In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board will justify the decision and seek annual shareholders' approval through a two-tier voting process. This is also echoed in the Board Charter.

As of the date of this statement, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.

2.3 Appointment of Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Profile of Directors and the Senior Management Team are set out in this Annual Report.

2.4 Fit and Proper Policy

The Company has in place a Fit and Proper Policy ("the Policy") for Directors and key senior management to ensure a formal and transparent process for the appointment and re-election of Directors and key senior management of the Group.

This Policy is to ensure that the Directors possess the character, integrity, relevant range of skill, knowledge, competence, experience and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Fit and Proper Policy for Directors and key senior management is available on the Company's website.

2.5 Utilisation of Various Sources in Identification of Potential Candidates

The Group has in place a formal and transparent procedure for the appointment of new directors to the Board. The NRC is responsible for identifying, assessing and recommending to the Board suitably qualified candidates for directorship on the Board as well as members of the Board Committees.

In making its recommendation, the NRC will undertake an evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors' Fit and Proper Policy adopted by the Group. The NRC shall ensure that the Board has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance.

The NRC acknowledges that the selection and recommendation of suitable candidates to be appointed to the Board may also be from referrals from external independent sources available, such as Director's registry or independent search firms when necessary.

Corporate Governance Overview Statement

2.6 NRC

The Board merged the Nomination Committee and Remuneration Committee and renamed the Committee as the Nomination and Remuneration Committee since 27 February 2013.

The NRC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The members of the NRC are as follows:

Chairman: Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram
– Independent Non-Executive Director

Members : Datin Seri Raihanah Begum binti Abdul Rahman
– Independent Non-Executive Director

Kwo Shih Kang
– Senior Independent Non-Executive Director

The NRC is governed by its TOR which is available on the Company's website at www.melewar-mig.com.

2.7 Diversity Policy

The Board is supportive of the gender diversity in the boardroom as recommended by the MCCG. In considering Board appointment, the Board, through its NRC, believes in and provides equal opportunity to candidates who have the necessary skills, experience, commitment (including time commitment), core competencies and other qualities regardless of gender, ethnicity and age.

In this respect, the Board has established a Diversity Policy, which also forms part of the Board Charter to strictly adhere to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members and senior management.

Currently, Datin Seri Raihanah Begum binti Abdul Rahman is the only female Director on the Board. Her presence complies with the MMLR which mandates presence of at least one (1) female Director on board.

The Board, through the NRC, will continue to observe the female participation in the Board and the Board will strive to meet the objective of the recommendation of the MCCG.

The Diversity Policy can be found on the Company's website at www.melewar-mig.com.

2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees

The Board recognises the importance of assessing the effectiveness of individual Directors and the Board on an annual basis. During the NRC meeting held during the financial year, an evaluation was carried out through a set of questionnaires, and self-assessment with the results collated, summarised and reported to the Board by the Chairman of the NRC. The Board, through the recent review and assessment of the NRC, confidently believes that the size and composition of the Board is appropriate, with a good mix of skills, experiences and expertise as well as possess appropriate competency to discharge their duties effectively.

In line with the revised MCCG 2021 where a new section on Environmental, Social and Governance ("ESG") or Sustainability was added, the board evaluation questionnaire relating to ESG or Sustainability had been included in the annual assessment.

Corporate Governance Overview Statement

2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees (Cont'd)

In the case of Independent Directors, they had provided the NRC with written confirmation on their independence during the annual assessment exercise conducted for the financial year ended 30 June 2024. The Board was satisfied with the level of independence demonstrated by the Independent Directors and believed that the Independent Directors will continue to bring independent and objective judgment to Board deliberations.

In addition, the Directors are also being evaluated on their personal development and identified their strength and weaknesses in discharging their duties and responsibility as a member of the Board as well as continuously improving themselves to keep themselves updated to counter with the ever-changing environment. There were no major concerns from the results of the assessments.

In accordance with the Company's Constitution, newly appointed Directors shall hold office until the next following AGM. They shall then be eligible for re-election which would be put to a vote by shareholders in the next AGM subsequent to their appointment. The Constitution also provides that one-third (1/3) of the Board are required to retire at every AGM and be subjected to re-election by shareholders and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

There was no new appointment of Directors during the financial year under review.

Summary of Activities Undertaken by the NRC in respect of Financial Year Ended 30 June 2024

The NRC undertook inter-alia, the following matters in respect of financial year ended 30 June 2024:

(a) Conducted annual assessment on the effectiveness of the individual directors, the Board and Committees covering areas such as Board structure and operation, Management relationship with the Board, Board's role and responsibilities, the required mix of skills and experience of the Directors, time commitments, characters, experiences, integrity and competencies to effectively discharge the role as a Director for the financial year ended 30 June 2024 and reported the findings at the Board meeting.

    Based on the assessment, the NRC noted that the Board and its Committees are considered to be fully effective and have the right composition and sufficient knowledge of related areas. Overall the quality of the individual Directors was considered satisfactory and the Directors were found to possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the Company's business. In addition, the Directors have demonstrated a willingness to devote time and effort to the affairs of the Company while acting in good faith and with integrity at all times.

(b) As part of the annual assessment of independence, the NRC reviewed, assessed and evaluated the independence of the Board's Independent Directors and was satisfied that all the three (3) Independent Non-Executive Directors met the independence criteria as prescribed by the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgment to decisions taken by the Board. The Board was also satisfied with the level of independence of all the Independent Directors

(c) Reviewed, considered and recommended to the Board for approval, the re-election of Directors who retire by rotation pursuant to the Company's Constitution at the forthcoming 55th AGM. The Directors standing for retirement by rotation and subject to re-election at the forthcoming AGM are Azlan bin Abdullah and Datin Seri Raihanah Begum binti Abdul Rahman.

    The profile of the retiring Directors, including their nature of interest with the Company, if any, are set out at the Directors' Profile section of the Annual Report.

Corporate Governance Overview Statement

2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees (Cont'd)

Summary of Activities Undertaken by the NRC in respect of Financial Year Ended 30 June 2024 (Cont'd)

(d) Reviewed the tenure of service for Independent Non-Executive Directors.

(e) Reviewed the terms of office and performance of the AGC and its members to determine whether the AGC and its members have carried out their duties in accordance with their terms of reference.

(f) Reviewed the remuneration policies applicable to Directors, Executive Chairman and Senior Management and recommended the same to the Board for approval.

(g) Reviewed the Service Contract of the Senior Management.

(h) Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 2024 and recommended the same to the Board for approval.

(i) Reviewed the benefits payable to the Directors of the Company for the period from 1 January 2025 to 31 December 2025 and recommended the estimated quantum to the Board for approval.

(j) Reviewed attendance of Directors at Board/Board Committees, to ensure compliance to minimum attendance requirement of Board meetings of not less than fifty percent (50%) of the total meetings held during the financial year.

2.9 Time Commitment of the Board

The Board meets at least once on a quarterly basis to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be called when and if necessary.

An annual meeting calendar is planned and agreed with the Directors prior to the commencement of each new financial year which sets out the scheduled dates for meetings of the Board and Board Committees, in order to facilitate and allow the Directors to better plan their schedule to fulfill their commitment to the Company.

During the annual Board evaluation, each Director was assessed whether he/she was able to devote adequate time and attention for Board meetings, Committee meetings and activities of the Company. Overall, the Board was satisfied with the commitment of all members of the Board and the time contributed by each of them.

The Board met five (5) times during the financial year ended 30 June 2024. The attendance of each Director at the Board Meetings held during the financial year ended 30 June 2024 was as follows:

Executive Director	No. of Attendance	%
1. Tunku Dato' Yaacob Khyra (Chairman)	5/5	100
Non-Independent Non-Executive Directors	**No. of Attendance**	**%**
1. Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	5/5	100
2. Azlan bin Abdullah	4/5	80
Independent Non-Executive Directors	**No. of Attendance**	**%**
1. Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
2. Kwo Shih Kang	5/5	100
3. Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	5/5	100

Corporate Governance Overview Statement

2.9 Time Commitment of the Board (Cont'd)

To fulfil Directors' roles and responsibilities, each Director should hold no more than five (5) directorships in listed corporations pursuant to Paragraph 15.06 of the MMLR of Bursa Securities. All Directors of the Company currently adhere to this requirement. All Directors are also required to provide immediate notification when accepting any new external board appointments and seek guidance from the Board Chairman on any potential conflicts of interest if necessary. Any changes to their directorships will be tabled at the quarterly Board meetings.

None of the Directors was absent for more than 50% of the total Board meetings held under the financial year under review, hence complying with Paragraph 15.05(3) of the MMLR of Bursa Securities.

2.10 Continuing Education and Training of Directors

Directors are committed to devote sufficient time to carry out and to regularly update their responsibilities, develop their knowledge and enhance their skills through appropriate continuing education and life-long learning to sustain their active participation in Board deliberations and effectively execute their duties.

On 6 June 2023, Bursa Securities reviewed and enhanced the scope of the Mandatory Accreditation Programme ("MAP") for directors.

The MAP will now be conducted in 2 parts as follows:

(a) the existing training for directors in relation to corporate governance and a director's roles, duties and liabilities will remain as Part I (MAP Part I); and

(b) a new Part II which will focus substantively on sustainability will be introduced (MAP Part II).

The Board acknowledges that continuous education is vital for Board members to gain insight on latest regulatory development. As the sustainability continues to evolve and develop, directors are now expected to possess current and essential sustainability knowledge to facilitate the effective discharge of their roles, particularly in setting the Group's sustainability strategies, priorities and targets. This targeted approach by Bursa Securities will ensure that adequate emphasis is given to sustainability matters to aid directors in discharging their roles.

As at the date of this CG Overview Statement, all the Directors have completed the MAP Part I in relation to a Director's roles, duties and liabilities as required by Bursa Securities.

Besides completing MAP Part I, all Directors of the Company have also attended the MAP Part II in May 2024.

The Directors are also encouraged to continuously evaluate their own training needs and determine the relevant programmes, seminars, briefings or dialogues that would best enable them to enhance their knowledge and contributions to the Board as well as stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

As such, all Directors have complied with the Continuous Training Programme prescribed by Bursa Securities.

Corporate Governance Overview Statement

2.10 Continuing Education and Training of Directors (Cont'd)

During the financial year ended 30 June 2024, the following training programmes and seminars were attended by the Directors:

Members of the Board	List of Training Programmes/ Seminars/ Conferences Attended
Tunku Dato' Yaacob Khyra	(i) Impacts of USA Banking Crisis on Bahrain & GCC (ii) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (iii) Information Security Awareness (iv) What Amounts to a Conflict of Interest by Directors? (v) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Azlan bin Abdullah	(i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	(i) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Datin Seri Raihanah Begum binti Abdul Rahman	(i) Sustainability Governance, Management & Reporting – Implications of the Environmental, Social & Governance (ESG) Agenda to the Board & Management (ii) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (iii) SC's Audit Oversight Board Conversation with Audit Committees (iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Kwo Shih Kang	(i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) What Amounts to A Conflict of Interest by Directors (iii) SC's Audit Oversight Board Conversation with Audit Committees (iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	(i) Data Breach and Cyber Fraud Prevention (ii) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (iii) Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers (iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

In addition, the Directors are briefed/updated by the Senior Management, the Company Secretary, the External Auditors and Internal Audit Consultants on any changes to the statutory, corporate and regulatory requirement relating to Directors' duties and responsibilities or the discharge of their duties as Directors at Board and AGC Meetings. The External Auditors had also briefed the Board on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

Corporate Governance Overview Statement

PART 3 – REMUNERATION

3.1 Remuneration Policy

In compliance with Practice 7.1 of the MCCG, the Board has adopted a Remuneration Policy. The Group's Remuneration Policy sets out the procedure of determining the remunerations of Directors (Executive and Non-Executive), Group Managing Director/Group CEO and Key Senior Officers which takes into account the demands, complexity and performance of the Group as well as skills and experience required for the position.

The objectives of this Remuneration Policy are to ensure that the Directors and Senior Management are offered an appropriate level and composition of remuneration and other benefits by taking into account the Group's desire to attract and retain the right talent and expertise with the aim to motivate the Directors and Senior Management to achieve the Group's long-term business objectives.

The remuneration package also takes into account the scope of duty and responsibilities; the conditions and experience required; the ethical values and strategic targets of the Company; the corporate and individual performances; and the current market rate within the industry and in comparable companies.

3.2 Remuneration of Directors and Senior Management

The NRC has developed a fair and transparent policy and procedure for determining the remuneration of Directors and Senior Management of the Group. The NRC is tasked to develop a remuneration package that is competitive and in line with current market practice to attract, retain and reward talented Directors and Senior Management, and is aligned with the Group's strategy. The remuneration package is determined by taking into account the short-term and long-term objectives and growth of the Group.

The determination of remuneration packages of the Non-Executive Directors including the Executive Chairman as well as Senior Management, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration. All recommendations of the NRC are subject to endorsement of the Board.

In compliance with the provisions of the CA, the fees and any benefits payable to Directors are subject to annual approval at General Meetings. The process of reviewing and recommending matters relating to the remuneration of the Board is undertaken by the NRC.

The Non-Executive Directors are remunerated based on fixed annual Director's fees and fixed meeting allowances. All Non-Executive Directors are paid Directors' Fees of RM60,000 per annum each for serving as members of the Board. The Directors who serve on the AGC and RSC will also receive additional RM6,000 per annum for each committee that they serve in, in recognition of their commitment and additional time contributed. The Directors' fees are appropriate to their contribution, taking into consideration the effort, commitment and time spent as well as the responsibilities of the Directors.

The Non-Executive Directors are paid a meeting allowance of RM500 for each meeting attended. The Executive Directors are not entitled to any meeting allowance.

Each of the Executive Director abstained from deliberating and voting on his/her own remuneration. For the FY2024, the NRC had performed its duty to assess the remuneration package of its Executive Directors and Senior Management.

Remuneration packages for Senior Management/Executive Directors are structured so as to link rewards to corporate and individual performance. The remuneration of Senior Management/Executive Directors includes salary, bonus, allowance and benefits-in-kind.

Corporate Governance Overview Statement

3.2 Remuneration of Directors and Senior Management (Cont'd)

In addition, the Directors are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as Directors and Officers of the MIG Group as their benefit, provided that such Director or Officer has not acted negligently, fraudulently or dishonestly, or is in breach of his/her duty of trust.

The relevant resolutions in relation to the Directors' fees and benefits payable to the Directors will be presented to the shareholders for approval at the forthcoming 55th AGM.

The Company notes that payments made to Executive Director pursuant to a service contract need not be approved by shareholders as it is governed by Section 231 of the CA. As such, the Company will not be tabling any resolution on payment to Executive Chairman at the AGM of the Company.

The remuneration details of the individual Directors for FY2024 are also disclosed in Practice 8.1 of the CG Report.

Received from Company

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Others** (RM'000)	Total (RM'000)
Executive Director							
Tunku Dato' Yaacob Khyra	705	120	14.2	-	-	123.8	963
Non-Independent Non-Executive Directors							
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	-	-	3	48.6	3	-	54.6
Azlan bin Abdullah	-	-	3	48.6	2.5	-	54.1
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	3	60.6	8	-	71.6
Kwo Shih Kang	-	-	3	60.6	8	-	71.6
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	-	-	3	60.6	8	-	71.6

3.2 Remuneration of Directors and Senior Management (Cont'd)

Received from Group

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Others** (RM'000)	Total (RM'000)
Executive Director							
Tunku Dato' Yaacob Khyra	2,115	360	26.1	-	-	371.2	2,872.3
Non-Independent Non-Executive Directors							
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	-	-	-	-	-	-	-
Azlan bin Abdullah	-	-	-	60	2	-	62
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	-	72	8	-	80
Kwo Shih Kang	-	-	-	72	8	-	80
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	-	-	-	-	-	-	-

* Benefits-in-kind include company car, driver, club membership subscription and medical insurance benefits.
** Others include car allowance, provision for Directors' leave pay, travelling allowances and EPF.

3.3 Remuneration of Top Five Senior Management

The remuneration of the Senior Management (excluding the Executive Chairman) in bands of RM50,000 is disclosed below:

Remuneration Bands	Number of Key Senior Management
RM400,001 to RM450,000	1
RM450,001 to RM500,000	1
RM750,001 to RM800,000	1
RM850,001 to RM900,000	1
RM950,001 to RM1,000,000	1

Although the MCCG recommends full disclosure by the Company of the remuneration of its Key Senior Management on named basis, the Board is of the opinion that the disclosure of the Key Senior Management personnel names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group given the competitive human resources environment; as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted a disclosure of the Senior Management remuneration in bands of RM50,000 on an unnamed basis.

Corporate Governance Overview Statement

3.3 Remuneration of Top Five Senior Management (Cont'd)

In setting the remuneration packages for Key Senior Management, the Company keeps in mind the remuneration and employment conditions within the industry and with comparable companies. The performance of Senior Management is evaluated on an annual basis and measured against pre-determined targets including their individual responsibilities, skills, expertise and contributions to the Group's performance.

The Board ensures that the remuneration of Key Senior Management commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Key Senior Management to lead and run the Company successfully.

The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair. The Company noted that the non-disclosure of the remuneration of the top five Senior Management is a departure from Practice 8.2 of the MCCG but nevertheless will consider the application of both practices when the Company is satisfied that there are adequate rules and regulations set in place by the authorities to protect the Company from losing its invaluable human assets/talents.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT AND GOVERNANCE COMMITTEE

1.1 The Chairman of the AGC is not the Chairman of the Board

The AGC is chaired by an Independent Non-Executive Director, Mr Kwo Shih Kang, who is not the Chairman of the Board which therefore is in compliance with Practice 9.1 of the MCCG. The profile of the Chairman of the AGC is set out in the Profile of Directors of this Annual Report.

1.2 Former Key Audit Partner

The AGC has adopted a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AGC, and the said policy has been incorporated into the TOR of the AGC.

Currently, none of the AGC members were former audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate who was an audit partner of the external auditors of the Group to be appointed as a member of AGC.

1.3 Assessment of Suitability and Independence of External Auditors

The AGC assesses the suitability, objectivity, and independence of the External Auditors on annual basis based on the policies and procedures that have been established. Annual performance evaluation of the External Auditors will be undertaken by AGC. The Group has pre-set criteria to guide decisions on the appointment and re-appointment of External Auditors. The AGC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

The evaluation of the External Auditors, Messrs KPMG PLT ("KPMG"), for FY2024 was conducted in August 2024. Overall, no major concern had arisen from the assessment and the AGC was satisfied with the performance of the External Auditors in terms of their quality of service and their exercise of audit independence. Written assurance was obtained from the External Auditors confirming that they are, and have been, independent throughout the audit engagement under the terms of all relevant professional and regulatory requirements.

Corporate Governance Overview Statement

1.3 Assessment of Suitability and Independence of External Auditors (Cont'd)

Accordingly, the re-appointment of Messrs KPMG as the External Auditors of the Company for FY2024 was recommended by the AGC to the Board. The Board shall seek shareholders' approval for the re-appointment at the 55th AGM.

The AGC had also reviewed the information presented in the Annual Transparency Report 2023 of KPMG.

Details on the audit fees payable to KPMG and summary of the activities of the AGC during the financial year are set out in the AGC Report in this Annual Report.

During the financial year, the AGC met the External Auditors twice without the Executive Board members being present. In compliance with Malaysian Institute of Accountants ("MIA") by-laws, the Audit Partners are rotated every seven (7) years to ensure objectivity, independence and integrity of the audit opinions. Such assurance was also given by the External Auditors in the Audit Plan and Audit Report presented to the AGC.

1.4 Composition of Audit and Governance Committee

The Board established the AGC since 15 April 1994 to provide assistance to the Board of Directors in fulfilling its statutory and fiduciary responsibilities with regards to the accounting and financial reporting practices. The AGC also reviews the scope and results of internal and external auditing processes and monitors the effectiveness of the internal controls and risk management to ensure the Board makes properly informed decisions.

The AGC comprises solely Independent Non-Executive Directors. Details on the AGC composition and key activities undertaken during FY2024 are set out in the AGC Report in this Annual Report.

This is in compliance with Paragraph 15.09 (1)(b) of the Listing Requirements, which stipulates that "all the audit committee members must be Non-Executive Directors, with a majority of them being Independent Directors".

1.5 Qualification of the Audit and Governance Committee

The AGC conducts self-evaluation annually to assess the performance and skill sets of the individual AGC members and their peers. During FYE 2024, the AGC members had completed the assessment on an individual basis and the results were compiled by the Company Secretary and tabled for the AGC's review. Based on the results of the assessment, the AGC members are financially literate and understand the Group's business. The AGC as a whole, has the necessary skills and knowledge to discharge their duties.

Their performance are reviewed by the NRC annually and recommended to the Board for approval.

The qualification and experience of the individual AGC members are disclosed in the Directors' Profiles on pages 62 to 64 of this Annual Report.

The composition and summary of activities of the AGC during the financial year under review are disclosed in the AGC Report as set out on pages 111 to 119 of this Annual Report.

Corporate Governance Overview Statement

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

2.1 Establishment of Risk Management and Internal Control Framework

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Group's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group. In view of this, the RSC has adopted a Risk Management Framework for the Group in 2005.

The Group has engaged Messrs Crowe Governance Sdn Bhd ("Crowe"), an independent internal audit firm ("Internal Audit Consultants") to assist the AGC and the Board to review the existing risk management process and internal control systems in place within the various business operations, to ensure that all the policies and procedure that are established by the Group are being followed and internal control processes are operating effectively.

This function also acts as a source to assist the AGC and the Board to strengthen and improve current management and operating style in pursuit of best practices.

2.2 Features of its Risk Management and Internal Control Framework

The Group has in place an on-going process and has established a framework for identifying, evaluating, monitoring, and managing the significant risks affecting the Group. The Board reviews the adequacy and integrity of the Group's system of internal controls on a continuous basis. The RSC and AGC assist the Board in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group.

The Statement on Risk Management and Internal Control which provides an overview of the Group's risk management and internal control framework is set out on pages 100 to 110 of this Annual Report.

2.3 Effective Governance, Risk Management and Internal Control Framework

The Board acknowledges its responsibility for establishing a sound risk management framework and system of internal control to safeguard shareholders' investment and the Group's assets, and to provide reasonable assurances on the reliability of the financial statements. In addition, equal priority is given to financial controls, operational and compliance controls as well as risk management. While the internal control system is devised to cater to the particular needs of the Group and the risk, such controls by their nature can only provide reasonable assurance but not absolute assurance against unintended material misstatement or loss.

The internal audit activities of the Group are carried out according to an annual internal audit plan approved by the AGC.

Crowe reports directly to the AGC to provide assurance on the adequacy and effectiveness of risk management, internal control and governance systems. In carrying out its activities, Crowe have unrestricted access to the relevant records, personnel and physical properties.

2.3 Effective Governance, Risk Management and Internal Control Framework (Cont'd)

The internal audit function is expected to meet the standard set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

None of the internal audit personnel have any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The Internal Audit Consultants adopt a risk based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The internal audit function is guided by Internal Audit Charter which was approved by the AGC and Board of Directors on 30 May 2017. Audit engagement is focused on areas of priority according to their risk assessment and in accordance with the annual audit plans approved by the AGC.

Details of the Company and the Group's internal control system and framework are set out in the Directors' Statement of Risk Management and Internal Control and the Audit and Governance Committee Report contained in this Annual Report.

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

PART 1 – ENGAGEMENT WITH STAKEHOLDER

1.1 Effective, Transparent and Regular Communication with its Stakeholders

The Company has in place a Corporate Disclosure Policies and Procedures ("CDPP") which sets out clear procedures on corporate disclosure, designated corporate disclosure officer and appointed spokespersons for the Company to ensure that material information disclosed by the Company is accurate, timely and complete. Clear roles and responsibilities of Directors, Management and employees are provided together with levels of authority provided to designated persons in handling and disclosing material information.

The Group maintains its corporate website at www.melewar-mig.com for shareholders and the public to access information relating to its businesses, financial performance, operations and corporate development through annual reports, quarterly reports, circulars and various announcements on a timely manner. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Company's website. Written communications are attended to within a reasonable time from the day of receipt.

The Board has identified Mr Kwo Shih Kang as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed.

(i) Mr Kwo Shih Kang can be contacted as follows:
Telephone number: +603–6250 6000
Facsimile number: +603–6257 1555
Email address: vincentkwo@melewar-mig.com

Corporate Governance Overview Statement

1.1 Effective, Transparent and Regular Communication with its Stakeholders (Cont'd)

Queries or concerns regarding the Group may be also conveyed to the following persons:

(i) Ms Chan Loo Ling (Chief Financial Officer, for financial related matters)
Telephone number: +603–6250 6000
Facsimile number: +603–6257 1555

(ii) Mr Kenneth Goh Kwan Weng (Company Secretary, for shareholders' enquiries)
Telephone number: +603-6252 8880
Facsimile number: +603-6252 8080

1.2 Integrated Reporting

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

PART 2 – CONDUCT OF GENERAL MEETINGS

2.1 Notice of AGM

The Company Secretary, by order of the Board, serves a notice of AGM to all shareholders of the Company at least 28 days prior to its forthcoming AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the AGM.

2.2 Attendance at AGM

All members of the Board, the Company Secretary, External Auditors and the Senior Management had attended the fully virtual 54th AGM through video conferencing.

2.3 Leveraging on Technology to Facilitate Communication with Shareholders

The Company had leveraged on technology to facilitate voting in absentia and remote participation by shareholders at shareholders' meetings through hosting its fully virtual 54th AGM held on 30 November 2023.

2.4 Meaningful Engagement between Board, Senior Management and Shareholders

General Meeting serves as the principal platform for the Board and Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

If a member is unable to attend and vote in person at the General Meetings, the Company allows him/her to appoint proxies to attend and vote at the General Meetings on his/her behalf. A member may appoint any person, who may but need not be a member of the Company, to be his/her proxy without limitation and the proxy shall have the same rights as the member to speak at the General Meetings.

Notices of General Meetings, the related Circulars and the Annual Reports of the Company are sent to the shareholders in accordance with the regulatory and statutory provisions. Where special business items appear in the Notices of General Meetings, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on such resolution. The Notices of General Meetings are advertised in a national English newspaper within the prescribed deadlines.

Corporate Governance Overview Statement

2.4 Meaningful Engagement between Board, Senior Management and Shareholders (Cont'd)

For the AGM held in November 2023, the entire AGM proceedings were held through Remote Participation and Voting Facilities ("RPV") which is in compliance with Section 327 of the CA. The Administrative Details of the AGM as well as the e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website. All shareholders were encouraged to participate in the Company's AGM remotely to ensure a high level of accountability.

Shareholders who participated remotely via live streaming at the 54th AGM were required to login to https://www.tracemanagement.com.my e-Portal to cast his/her vote online which is opened until the close of the voting session of the 54th AGM.

The Chairman of the 54th AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer sessions during the 54th AGM. The representatives from External Auditors were also present via tele-conferencing to respond to queries raised by shareholders.

An independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote were announced at the Meeting. The poll results, confirmed by the Chairman, were instantaneously displayed on-screen which were seen by shareholders who joined the meeting via electronic means.

In line with Paragraph 8.29A of the MMLR, the Company has ensured that any resolution set out in the notice of any General Meeting, which may properly be moved and is intended to be moved at any General Meeting, is voted by poll. At the same time, the Company always appoints at least one (1) scrutineer to validate the votes cast at the General Meeting.

An announcement detailing the poll results, including the total number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK on the same day after the conclusion of the general meeting.

In accordance with the MMLR, the minutes of the AGM held in November 2023 were also posted on our website.

2.5 Publication of the Minutes of General Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders.

The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the AGM.

The Minutes of 54th AGM with the notation on the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company's website at www.melewar-mig.com within 30 business days after the conclusion of the 54th AGM, so as to provide useful information to shareholders and investors especially for the absentee shareholders in regard of the AGM.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considers that the Statement on Corporate Governance Overview provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board has considered and is satisfied that the Company has fulfilled its obligation under the MCCG, the MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year ended 30 June 2024.

Corporate Governance Overview Statement

OTHER BURSA SECURITIES COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

Other than those disclosed in the financial statements, there were no material contracts including contracts for any loans entered into by the Company and/or its subsidiaries involving the interests of the Directors or Chief Executive who is not a Director and major shareholder.

2. MATERIAL CONTRACTS RELATED TO LOAN

There were no material contracts related to loans entered into by the Company and/or its subsidiaries involving the Company's Directors and/or major shareholders' interests during the financial year under review.

3. AUDIT FEES

The amount of audit fees charged for services rendered to the Group and the Company by the External Auditors for the financial year ended 30 June 2024 amounted to RM643,000.00 and RM210,000.00 respectively.

4. NON-AUDIT FEES

The amount of non–audit fees charged for services rendered to the Group and the Company by the External Auditors for the financial year ended 30 June 2024 amounted to RM24,000.00 and RM12,000.00 respectively.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") ENTERED INTO DURING THE FINANCIAL YEAR ENDED 30 JUNE 2024

On 30 November 2023, the Company sought approval for a shareholders' mandate for MIG Group to enter into RRPTs (as defined in the Circular to Shareholders dated 31 October 2023) in their ordinary course of business with related parties ("Shareholders' Mandate") as defined in Chapter 10 of the MMLR.

The aggregate value of transactions conducted during the financial year ended 30 June 2024 in accordance with the Shareholders' Mandate obtained at the last AGM were as follows:

A. RRPTs with Trace Management Services Sdn Bhd ("Trace")

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2023 – 30/06/2024) (RM)
				Director	Major Shareholder	
1.	Trace	Provision of corporate secretarial services by the Related Party to Melewar Industrial Group Berhad ("MIG") and its subsidiaries ("MIG Group")	**Interested Directors** Tunku Dato' Yaacob Khyra ("TY") and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah ("TYY")	TY and TYY are deemed interested in Trace by virtue of their major interests in Melewar Group Berhad ("MGB"), who in turn is the holding company of Trace; MGB is the family owned investment holding company.	Nil	378,522

B. **RRPTs with MAA Group Berhad ("MAAG") and its subsidiaries, collectively**

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2023 – 30/06/2024) (RM)
				Director	Major Shareholder	
1.	MAA Corporation Sdn Bhd ("MAA Corp")	Office rental charged by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Khyra Sdn Bhd ("MKSB") and Khyra Legacy Berhad ("KLB")	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	98,731
2.	MAA Corp	Office service charged by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	27,890
3.	MAACA Legal Advisory Sdn Bhd ("MAACA Legal Advisory")	Provision of corporate consultancy services by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAACA Legal Advisory. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAACA Legal Advisory is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	Nil

Corporate Governance Overview Statement

B. RRPTs with MAA Group Berhad ("MAAG") and its subsidiaries, collectively (Cont'd)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2023 – 30/06/2024) (RM)
				Director	Major Shareholder	
4.	Maax Factor Sdn Bhd ("Maax Factor")	Factoring and Pre-Factoring Facility provided by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAAG. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	Maax Factor is a sub subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	355,507

C. Financial assistance between MIG Group and the classes of related parties

Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (01/07/2023 – 30/06/2024) (RM)
			Director	Major Shareholder	
Provision of financial assistance to the Group by the pooling of funds via a centralized treasury management function within the MIG Group on a short or medium term basis i.e. for a duration not exceeding three (3) years.	MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Nil
Provision of corporate guarantee to financial institutions, as and when required, to secure the continuing trade facilities extended to direct and indirect subsidiaries.	MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Nil

Corporate Governance Overview Statement

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Company and the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the requirements of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and of the Group so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2024.

In preparing the annual audited financial statements, the Directors have:

(a) applied the appropriate and relevant accounting policies on a consistent basis;

(b) made judgments and estimates that are reasonable and prudent; and

(c) prepared the annual audited financial statements on a going concern basis.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Melewar Industrial Group Berhad ("MIG" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2024. This Statement has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code on Corporate Governance ("MCCG") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management and internal control system to ensure the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, regulations, policies, procedures and contracts. Hence, the Board with the assurance from the Executive Chairman and the Management affirms its overall responsibility for the Group's risk management and internal control system. The oversight of these critical areas is carried out by the Audit and Governance Committee ("AGC") and the Risk and Sustainability Committee ("RSC") which are empowered by their respective terms of reference to provide oversight and perform regular reviews on the risk management and internal control systems to meet the Group's objectives and for continuous improvement thereof.

The Board acknowledges the limitations that are inherent in any risk management and internal control system. As such the systems designed are meant to manage and minimise the extent and severity of the risks, rather than completely eliminate the risks of failure of achieving the Group's objectives and strategies. Consequently, the Board recognises that a sound internal control system provides reasonable but not absolute assurance that the Group will not be hindered in achieving its business objectives in the ordinary course of business.

The risk management and internal control system is subject to the Board's regular review via the independent Internal Audit function with a view towards appraising and ascertaining the relevancy, adequacy and effectiveness of the controls in place in key operational and business areas as identified in the annual Audit Plan.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for implementing the Group's policies and procedures on risk management and internal controls by identifying and evaluating risks faced and monitoring the achievement of business goals and objectives within the risk appetite parameters. Its roles include:

- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effective implementation of risk management framework and internal control system;
- Implementing the policies approved by the Board; and
- Reporting in a timely manner to the RSC/AGC any changes to the risks and the corrective actions taken.

Statement on Risk Management and Internal Control

RISK AND SUSTAINABILITY COMMITTEE

The RSC was established by the Board on 18 December 2003. The members of the RSC as at the date of this Annual Report are as follows:

Chairman	:	Kwo Shih Kang
Members	:	Datin Seri Raihanah Begum binti Abdul Rahman
		Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram

During the financial year ended 30 June 2024, four (4) RSC meetings were held. The details of attendance of each Committee member are as follows:

Name of Committee Members	Total Meetings Attended
Kwo Shih Kang (Chairman, Senior Independent Non-Executive Director)	4/4
Datin Seri Raihanah Begum binti Abdul Rahman (Independent Non-Executive Director)	4/4
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Independent Non-Executive Director)	4/4

RISK MANAGEMENT AND RISK GOVERNANCE STRUCTURE

The Company has established a corporate governance structure with clear lines of defence to ensure all business risks are prudently identified, assessed and managed to meet its business strategies and objectives within a reasonable control environment.

The main components of the Group's risk governance and structure consist of the Board, the AGC and the RSC. The adequacy and effectiveness of risk management and internal controls are reviewed by the AGC and RSC through internal audits conducted. During the financial year, the internal audits were outsourced to external service provider, Messrs Crowe Governance Sdn Bhd ("Crowe") ("the Internal Audit Consultants"). Internal control issues as well as actions taken by Management to address these issues are tabled by the outsourced service providers for deliberation during the AGC meetings.

The Group has also in place Standard Operating Policies ("SOP") and Internal Control Procedures ("ICP") for its main business highlighting the control objectives, policies, procedures, authority and responsibility. The Chief Business Development Officer ("CBDO"), Senior Management, Division Heads and Departmental Heads are responsible for identifying, assessing and managing the risks of their respective business units, operational units and departments. The specific business risks identified encompass risks on finance, operations, regulatory compliance and cyber security, including respective internal controls in place to manage the risks. It assures the Board that the Group's risks are effectively managed based on the Risk Management Framework adopted by the Group and that the Internal Controls Systems are operating adequately and effectively, in all material aspects. Monthly management and operational meetings are held to deliberate key risks and the appropriate mitigating controls. This ongoing process is undertaken by all active subsidiaries of the Group.

On a quarterly basis, Management reports to the AGC and RSC on all risk areas faced by the Group and findings identified from the internal audit reviews conducted by the Internal Audit Consultants as well as the actions taken by the Management to address those high risks areas and audit findings. Minutes of the meetings of the AGC and RSC which recorded these deliberations were presented to the Board.

Statement on Risk Management and Internal Control

In compliance with the Guidelines for Directors of Listed Issuers which was issued by the Bursa Securities, the Board shall re-evaluate on a regular basis the Group's existing risk management process to ensure it is appropriate for the Group's requirements.

RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management framework which incorporates, amongst others, a structured process in identifying, evaluating, prioritising and reporting the major business risks of the Group with the objective of maintaining a reasonably sound system of internal control. Quarterly reviews, evaluations and updates of the risk profile and the corresponding action plans have been reported to the Board.

The risk management process adopted by the Group are as follows: -

(a) Risk Identification Process

This process involves the identification of key risks that may have a material negative impact on MIG's ability to achieve its objective. During this process, risks are considered from strategic, operational, financial, compliance, information technology and sustainability perspectives, as well as through various sources such as business operations, internal and external audit findings, customer complaints and incidents occurred.

(b) Risk Assessment

Risks identified are then assessed and ranked based on a set of prescribed measures which involves the consideration of the following:

- Likelihood of each of the risks that may occur.
- Potential impact/consequence of each of the risks, should it occur.

Assessment of risk is undertaken by combining estimates of impact and likelihood within the context of existing control environment and measures.

(c) Risk Treatment Process

Risk treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable level.

(d) Monitor & Reporting Review

Key risks identified are monitored to ensure the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans devised with a view to realign the risk rating to an acceptable level.

The identified key risks will be entered into the Risk Register, which details description of the risks, impact and its causes, rating based on the risk parameters, details of the controls in place, as well as the risk owners and risk delegates involved to manage the risks will be reviewed on a regular basis to monitor and mitigate the identified risks.

The Group has also put in place related policy, sustainability targets, implementation strategies and performance target/indicators for each of the Common Sustainability Matter to drive continuous improvement.

The Chief Financial Officer ("CFO") has been designated to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as well as reporting.

The details of the Group's sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Report of this Annual Report.

Statement on Risk Management and Internal Control

The primary risks that the Group is currently facing in its business operations are, among others, listed below:

Principal Risks	Description	Mitigation Measures
Market competition risk	Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability.	• The Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. • The Group is also working on expanding its customer base, including a focus on the export market, in order to entrench its position as one of the largest market players in the industry.
Materials Supply	The risk to material supply arises from the unforeseen shortage or lack of materials which may cause disruption to the production and delivery schedule.	• Negotiate and make arrangements with suppliers to ensure the availability of critical raw materials at reasonable prices. • Increase raw materials and finished goods inventory to buffer for supply or shipment interruptions. • Negotiate with customers for price adjustments to mitigate rising costs of materials and productions. • Co-ordinate with customers on production and delivery schedules to manage orders and backlogs, shortage of containers and other logistic disruptions.
Business Risks	The Group recognises business risks with regards to economic volatility, political instability, foreign policy uncertainty, government policies that could affect market trends and prices and cost of materials among other things that may adversely affect profits.	• Continuous efforts to maintain close rapport with customers and offer competitive pricing without jeopardising the Group's bottom line. • Take proactive action to maintain good relationships with local and global customers. To work closely with customers to take advantage of developing trends within existing markets and explore growth opportunities in new markets. • Strive to build long-term sustainable relationships with the customers. • Actively exploring export markets to diversify our market presence and reduce reliance on single domestic market.

Statement on Risk Management and Internal Control

Principal Risks	Description	Mitigation Measures
Financial Risks	Exposure to fluctuation of foreign currency exchange rates, commodity price and credit risks.	• The Group diligently monitors the volatility/movement of the foreign exchange rate and adopts the approved hedging as the need arises. • Consider including a tolerance limit on currency fluctuation when quoting or pricing to customers. • Forward production planning to enable forecast purchases to be made in advance when prices and exchange rates are favourable. • Keep abreast of world market developments that influence the forex market.
Operational Risk	Operational risk encompasses potential disruptions to manufacturing and processing operations stemming from factors such as equipment breakdowns, supply chain interruptions, natural disasters, regulatory issues, labour disputes, quality control problems, energy supply disruptions, and safety, environment & health incidents. These risks can result in production stoppages, delays, compromised quality, and financial losses.	• Regular preventive maintenance and timely upgrades of equipment and machines to prevent breakdowns. • Diversifying suppliers and maintaining optimal inventory levels. • Developing emergency plans and conducting training drills. • Monitoring regulatory changes • Fostering open communication and implementing engagement programs with all relevant parties. • Conducting rigorous inspections and audits, and adhering to quality standards. • Installing backup systems and adopting energy-efficient practices. • Install rooftop solar PV systems on the premises and the rooftop of the carpark for renewable energy. • To take proactive action to upgrade the efficiency of machines and equipment for reduction in production cost. • To increase the productivity via automation in order to enhance efficiency, consistency, cost savings and competitiveness by streamlining processes and reducing manual labor. • To review and ensure better management and planning of all critical process in the operations.

Statement on Risk Management and Internal Control

Principal Risks	Description	Mitigation Measures
Health and Safety Risk	The Group is exposed to a wide range of health and safety risks including food safety. Failure to implement and maintain robust risk management systems and internal controls to safeguard the health and safety of customers and employees could result in damage to the Group's reputation as well as legal liability risks.	• Organising safety campaigns and offering regular training for all employees on health and safety awareness, covering fire, security, food safety and hygiene. • Regular workplace inspections at the manufacturing facilities are conducted by the Safety & Health Committee. • Prompt delivery and reliable customer service. • All the food products are Halal certified and complied with the requirements of Malaysia Standard (MS1500:2019) and Halal Manual Certification by JAKIM. • To ensure transparency in product information and labelling. • From food processing through to packaging, great emphasis is placed on food cleanliness/hygiene, product freshness and packaging appearance. • Implementing strong food safety management systems, such as Hazard Analysis and Critical Control Point (HACCP) programs at the factories.
Inventory Overhang Risk	The risk of inventory overhang emanates from deficient inventory management planning, giving rise to elevated storage expenditures, potential inventory obsolescence, constraints on cash flow, and reduced profit margins necessitated by the need to liquidate surplus inventory at discounted rates to free up space.	• Gradually reduce prices for sales based on new retailer partners. • Maximising sales channels by offering or promoting other products to both existing retail and non-retail customers. • Improve product attractiveness by transforming raw material into other new products.

Statement on Risk Management and Internal Control

The Risk Coordinator coordinates with the risk owners to identify and document major risks, assess the potential impact and likelihood of occurrence and mitigating controls including sustainability issues through the adoption of risk management framework. Under the risk management framework, the Group aims:

(a) To provide guidance to the Group and facilitate a structured approach in identifying, evaluating and managing significant risks covering both operational and environmental, social and governance ("ESG") issues.

(b) To manage and monitor the Group's day-to-day operational risks which includes those relating to supply chain, production, marketing, safety & health and compliance with laws and regulations and various certifications and quality accreditations at the business unit level and guided by standard operating procedures.

(c) To manage and monitor the Group's exposure to various financial risks relating to credit, liquidity, interest rates and foreign currency exchange rates. The Group's risk management objectives and policies, coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 5 to the Financial Statements of this Annual Report.

The framework is reviewed and revised as and when necessary to ensure it remains relevant and adequate to manage the MIG Group's risks, which continue to evolve along with the changing business environment.

The following are initiatives undertaken by the RSC during the year:

- Risk review and update by the respective Heads of Departments, where key risks identified were rated in terms of likelihood of the risk occurring and its impact should the risk occur;

- Reviewed the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group including the ESG issues;

- Monitored the action plans derived by the "Risk Owners" to address principal risks of the Group;

- Discussed and identified other key areas of improvement to be implemented for better optimisation of the facilities, equipment and machinery used by the Group;

- Reviewed and recommended the adoption of Personal Data Protection Policy of the Company and its subsidiaries which outlines the Group's policies and practices to ensure compliance with the Personal Data Protection Act 2010; and

- Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group which would be reviewed by the External Auditors prior to the Board's approval for inclusion in the Annual Report.

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group has been adequately addressed by Management. For the financial year under review, no major weaknesses in the system of internal controls were identified, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the internal and external auditors during the period have been, or are being addressed.

Statement on Risk Management and Internal Control

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

The key features of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system during the financial year ended 30 June 2024 are summarised as follows:

(a) Organisation Structure and Authorisation Procedures

The Board has set an organisational structure to govern and manage the decision process in the MIG Group. The Authority Limits are set out to govern the approvals and authorisation by the Board and the different levels of Management to ensure accountability, segregation of duties and control over the Group's financial commitments.

The Authority Limits and authorisation levels are built into the internal control systems to ensure proper checks and authorisation of transactions at each control area throughout the process chain.

The operating structure of the MIG Group is aligned to business requirements. It has defined lines of responsibilities to ensure that component tasks are handled by different employees. With segregation of duties, employees' accountability can be enhanced and the risk of error and fraud can be minimised.

(b) Internal Control Procedures

To ensure the uniformity and consistency of practices and controls within the Group, ICPs have been formalised and documented which were endorsed by both the Management and the Board which cover:

- Internal Control Procedure
- Petty Cash Procedure
- Staff Transport Allowances
- Organisation's Motor Vehicles
- Staff Expense Reimbursement
- Outstation and Overseas Travel
- Employee Advance Control Procedure
- Capital Asset Acquisition Procedure
- Capital Asset Disposal Procedure
- Investment Procedure
- Credit Control Procedure
- Purchase Procedure
- Raw Material Purchase and Sub-Contractor Procedure
- Sub-raw Materials, Tooling, Hardware, Consumable, Equipment, Fuel, Lubricants, General Procurement and Miscellaneous Items Purchase Procedure
- Sales Procedure
- Internal Security Procedure
- Intercompany Transactions/Loans/Advances Procedure
- FX Risk Management
- Manual Journal Transaction Procedure
- Miscellaneous Payments Procedures
- Site Pre-Qualification Process
- Project Monitoring Mechanism
- Cash Handling Procedure
- Stock Management Procedure

The ICPs are subject to review on a need basis along with the internal audit review of the selected area of operations.

Statement on Risk Management and Internal Control

(c) External Bodies Certification

The operating subsidiaries, Melewar Steel Tube Sdn Bhd ("MST"), Mycron Steel CRC Sdn Bhd ("MSCRC"), 3Bumi Trading Sdn Bhd ("3BT") and 3Bumi Oleo Sdn Bhd ("3BO") are responsible for maintaining quality standards throughout the production process, in which the results are demonstrated through the achievement of the following key accreditations/certification:

MST	• ISO 14001:2015 - Environmental Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark • Earlier this year, MST successfully attained its certification, reaffirming the Group's unwavering commitment to environmental management standards and demonstrating our dedication to sustainable practices.
MSCRC	• ISO 14001:2015 - Environmental Management Systems *(MSCRC achieved its initial certification in 2014 under the ISO 14001:2004 version and seamlessly transitioned to the 2015 version)* • ISO 50001:2018 - Energy Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark
3BT	• Certificate of Authentication Halal for the processed food products was successfully obtained on 1 June 2024.
3BO	• Certificate of Authentication Halal for vegetable cooking oil

The Group ensures peace of mind and safe consumption for all by subjecting its food products and processes to halal certification which encompasses hygiene, quality, and safety standards, spanning from sourcing to distribution. Within this framework, 3BO, operating in the "Edible Oil" Bottling and Distribution business, guarantees that all of its cooking oil products are halal certified and fully compliant with the requirements of the Malaysia Standard (MS1500:2019) and the Halal Manual Certification issued by the Department of Islamic Development Malaysia (JAKIM).

(d) Human Resources

Comprehensive guidelines on the human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience, in order to carry out their duties and responsibilities assigned effectively and efficiently. Performance evaluations are carried out annually for all levels of staff to identify performance gaps and training needs of employees on an annual basis so that relevant trainings are provided to such employees to upgrade their knowledge and skill sets.

(e) Internal Audit Function

The Group's internal audit function, which is outsourced to a professional service firm, assists the Board and the AGC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system. The Internal Audit Consultants assess the Group's compliance with policies and procedures as well as relevant laws and regulations. The Internal Audit Consultants then provide reports on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the AGC for review and approval to ensure adequate coverage. Based on the internal audit reviews carried out during the financial year under review, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Statement on Risk Management and Internal Control

Audit issues and actions taken by the Management to address the shortcomings raised by the Internal Audit Consultants were deliberated and accepted during the AGC meetings. Additionally, the AGC also reviewed the implementation progress of the corrective action plans committed by the Management for all key findings and recommendations highlighted in the previous Internal Audit Reports until the corrective actions were implemented appropriately and as committed.

Minutes of the AGC meetings which recorded these deliberations and decisions were subsequently presented to the Board for notation.

(f) Managers Meeting ("MANCO")

The Managers of each business division meets on a monthly basis to review, deliberate and resolve various operational issues, financial and key management issues based on the prevailing economic conditions and their potential impact and risks on the Group's business activities and to take the necessary measures on a timely basis, where possible and appropriate.

(g) Risk Management Process

As part of the Risk Management process, the Company adopted the implementation of a Risk Register with which the principal business risk is identified and regularly updated to reflect on-going changes in the risk profile.

These on-going monitoring and reviews of the risk register are undertaken on a quarterly basis by the Management to assess the continued applicability and relevance of the risks already identified and to re-rate these risks where necessary; as well as to identify emerging risks or new risk factors, if any, faced by the Group as a whole based on a consistent risk likelihood and impact criteria applied across the Group.

The other key elements of the Group's Internal Controls are as follows:

(i) The Group has set in place a Whistleblowing Policy which outlines the Group's commitment towards enabling employees and stakeholders to raise concerns in a responsible and confidential manner in regards to any wrongdoings without being subject to victimisation or discriminate treatment.

(ii) The Group has established an Anti-Fraud/Corruption Policy to provide guidance to all Directors, employees including external parties who have business dealings with the Group on matters involving bribery and corruption practices.

(iii) The operations and any significant changes in the business and external environment are reported to the Board on quarterly basis.

(iv) The Code of Conduct endorsed by the Board is communicated to all employees in the Group as an integral part of MIG's governance regime that sets out the ethical principles and expected standard of conducts in conducting business and the compliance with applicable laws and regulations for all of its Directors and employees within the Group.

(v) Training and development programs were established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

(vi) Management monitors changes in the regional and global economic conditions, such as trade tensions and other global headwinds that could result in uncertainties and volatilities in the economic environment, which may have an adverse effect on the demand or components, and hence on the Group's financial performance and operations. The Group manages these economic risks through keeping itself abreast with the economic and market development, maintaining good relationship with customers and closely following latest news on customers' products performance and business.

Statement on Risk Management and Internal Control

(h) Succession Planning

Succession planning for key management staff of the Group is in place and is reviewed periodically. This is to ensure that business operations and performance will not be adversely affected by the departure of any key personnel.

(i) Personal Data Protection

The Group recognises the importance of protecting the rights and privacy of individuals and is committed to protecting the same. In preparing these terms and conditions, the Management has taken steps to ensure conformity, to the extent possible, with the principles underlined in the Malaysian Personal Data Protection Act 2010.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the financial year under review and up to the date of issuance of this Statement, the Management continues to monitor all major risks affecting the Group and the necessary measures to mitigate or minimise them as well as continue to enhance the adequacy and effectiveness of the risk management and internal control system of the Group mainly focusing on strategic, financial, operational and compliance aspect.

In line with the Guidelines, the Executive Chairman, CBDO and CFO have given assurance to the Board that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management adopted by the Group and the declarations made by the respective Heads of each Division. To the best of their knowledge, nothing has come to the attention of the Executive Chairman, CBDO, CFO and the Management which may render the financial results presented and the information provided to be misleading in any material respect.

The Board is of the view that the risk management and internal control system of the Group are adequate and effective to safeguard the shareholders' investments, Group's assets and the interests of other stakeholders. There were no adverse compliance events or material control failures that could cause material losses to the Group. Nevertheless, taking into account the rapid changing environment and circumstances, the Board continues to evaluate and take precautionary measures and steps to further strengthen the control environment.

Audit and Governance Committee Report

The Board of Directors ("Board") of Melewar Industrial Group Berhad ("MIG" or "the Company") is pleased to present the Audit and Governance Committee Report including a summary of the activities of the Audit and Governance Committee ("AGC") which provides insights into the manner in which the AGC discharged its function for the Group for the financial year ended 30 June 2024 in the areas of corporate governance, internal controls and financial reporting.

The duties and responsibilities of the AGC, as a Committee of the Board is to assist the Board in:

(i) fulfilling its oversight responsibilities for the financial reporting process, system of internal control of the Company and its subsidiaries ("the Group") and audit process;

(ii) ensuring the adequacy of controls in the processes and procedures undertaken in accordance with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(iii) overseeing the implementation and monitoring of the Whistleblower Policy and Procedures for the Group and ensuring effective administration thereof; and

(iv) reviewing conflict of interest situations and related party transactions, ensuring transparency and adherence to ethical standards.

TERMS OF REFERENCE

The Terms of Reference ("TOR") of the AGC are aligned with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and recommendations of the Malaysian Code on Corporate Governance ("MCCG"). The TOR was last reviewed and approved by the Board on 29 August 2024.

The TOR of the AGC is available on the Company's website at www.melewar-mig.com pursuant to Paragraph 15.11 of the MMLR of Bursa Securities.

COMPOSITION

As at the date of this Annual Report, the Company's AGC comprises three (3) members, consist solely of Independent Non-Executive Directors. All of the Independent Non-Executive Directors satisfied the test of independence under the MMLR of Bursa Securities. The AGC meets the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR as well as Step Up Practice 9.4 of the MCCG. No Alternate Director is appointed as a member of the AGC.

The current composition of the AGC, their respective designations are as follows:

Designation	Name	Directorship
Chairman	Kwo Shih Kang	Senior Independent Non-Executive Director
Members	Datin Seri Raihanah Begum binti Abdul Rahman	Independent Non-Executive Director
	Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Independent Non-Executive Director

Audit and Governance Committee Report

The AGC Chairman, Mr Kwo Shih Kang, is a graduate from CASS Business School, London with a Master of Business Administration, majoring in Finance. He is also a Fellow of the Society of Actuaries, USA. Mr Kwo Shih Kang is also a Registered Financial Planner. Thus, the Company has complied with Paragraph 15.09(1)(c) of the MMLR of Bursa Securities.

The Chairman of the AGC is not the Chairman of the Board which is in line with Practice 9.1 of the MCCG.

FORMER KEY AUDIT PARTNER

The AGC has a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AGC.

The Company recognised the need to uphold independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the AGC of the Company were former Key Audit Partners of the External Auditors appointed by the Group.

FINANCIAL LITERACY OF THE AGC MEMBERS

The AGC members possess the necessary experience and expertise in finance and accounting, and have fulfilled their responsibilities in alignment with the TOR outlined for the AGC. The qualifications and experience of each individual AGC member are detailed in the Directors' Profiles set out on pages 62 to 64 in this Annual Report.

During the financial year 2024, all members of the AGC had undertaken the relevant training programmes to keep themselves abreast of the latest development in statutory laws, regulations and best practices to enable them to effectively discharge their duties. The list of trainings attended is disclosed in the Corporate Governance Overview Statement in this Annual Report.

MEETINGS AND ATTENDANCE

The AGC shall meet at least four (4) times annually or more frequently as circumstances dictate. The Chief Business Development Officer or Heads of the operating subsidiaries were invited to all AGC meetings to provide further clarifications on the operations of the Group, the risk management and internal control systems. The Chief Financial Officer ("CFO") attended all meetings of the AGC to present all financial results and to clarify any issues relating to financial reporting. Other Board members, employees, representatives of the External Auditors and Internal Audit Consultants attended meetings upon the invitation of the AGC.

The Company Secretary shall be the secretary to the AGC. All deliberations during the AGC meetings, including the issues tabled and decisions based on justified substantiated rationale were properly recorded. Minutes of the AGC meetings were tabled for confirmation at the following AGC meeting and subsequently presented to the Board for notation. The AGC Chairman also conveys to the Board key matters deliberated at the AGC meetings and matters of significant concerns as and when raised by the External Auditors or Internal Audit Consultants and those matters which require the decision and/or approval of the Board.

Audit and Governance Committee Report

During the financial year ended 30 June 2024, there were five (5) AGC Meetings held and the number of meetings attended by each AGC member were as follows:

Members	No. of Meetings Attended	%
Kwo Shih Kang	5/5	100
Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	5/5	100

The AGC meetings of the Company were convened with proper notices and agenda and these were distributed to all members of the AGC about five (5) days before the meetings. At the meeting, matters to be addressed by Management are issued by the Company Secretary on the decisions made and action required. These are then circulated to Management for their onward action.

The AGC conducted its meetings in an open and constructive manner and encouraged focused discussions, questions and expressions of differing opinions.

The External Auditors were also invited to present to the AGC the audit plan, the audit findings, the independent auditors' report as well as any other matters which they considered were important for the AGC's attention. During the financial year under review, the AGC had conducted two (2) private meetings with the External Auditors, to give opportunity to the External Auditors to raise any matters without the presence of the Executive Board members and the Management.

Other Senior Management staff may be invited to attend certain AGC meetings if so required, requested or invited by the Chairman of the Committee to seek clarification on audit issues and facilitate direct communication as well as to solicit information in relation to the operations of the Company. Conversely, the External Auditors and Internal Audit Consultants may also respectively request a meeting with the AGC if they consider it necessary.

The Board, through the Nomination and Remuneration Committee ("NRC"), reviews the term of office and performance of the AGC and each of its members annually to determine whether the AGC and its members have carried out their duties in accordance with its TOR.

The NRC had on 29 August 2024 assessed the performance of the AGC and its members through an annual board committee effectiveness evaluation. The NRC is satisfied that the AGC and its members have discharged their functions, duties and responsibilities in accordance with the AGC's TOR and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

The Board was satisfied with the performance of the AGC and its members based on the assessment carried out.

Audit and Governance Committee Report

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2024

During the year under review, the AGC carried out the following activities in the discharge of its duties and functions:

Financial Reporting	(i) Reviewed the draft quarterly unaudited financial results of the Company and the Group which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Appendix 9B of the Listing Requirement and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad. In reviewing the interim financial report, the CFO provided explanations on the analysis of the quarterly results and major variances. The AGC was also briefed on the Group's business operations, factors affecting the Group's performance and market outlook, including the financial position of the Group in terms of its cash flows for the quarters concerned. In its review of the quarterly results, the AGC also took note of the changes of accounting standards and impacts on the financial performance or position of the Group with adoption of the new accounting standards. (ii) Sought clarification from Management especially from the CFO of the Group on the following information for better understanding of the overall state of the financial position of the Company: • Performance of the key divisions of the Company including the variance and contributing factors to the performance; • Foreign exchange exposure; • Cash flow position of the Group with specific details on the compliance to the financial covenants with the various financial institutions who had granted facilities to the Group; • Position of the gearing ratio of the Company; and • Subsidiary-specific inventory status and positioning.
External Audit	(i) On 31 May 2024, the AGC reviewed the Audit Plan before the commencement of audit. The External Auditors' engagement partner was invited to present to the AGC in relation to the audited financial statements ("AFS") for the financial year ended 30 June 2024. The following matters were highlighted and discussed as follows: - (a) audit highlights – potential key audit matter and other risks; (b) materiality level for the financial statements as a whole and misstatements; (c) audit scope; (d) audit methodology and timing of audit; (e) summary of significant and other risks; (g) bursa's enhanced sustainability disclosures; (h) bursa's sustainability statement of assurance; (i) newly effective accounting and auditing standards; (k) revisions to the MIA By-Laws and IESBA Code of Ethics; (l) responsibilities of external auditors and directors in relation to the AFS; and (m) auditor's independence in relation to the performance of audit in accordance with MIA By-Laws. KPMG had also briefed the AGC on KPMG's Transparency Report 2023.

Audit and Governance Committee Report

External Audit	(ii) KPMG also provided the AGC with updates on the Prescribed General Disclosures of Sustainability-related Financial Information, the Task Force on Climate-related Financial Disclosures, and changes to relevant regulatory guidelines. (iii) KPMG had also reported its audit plan to the AGC for the financial year ending 30 June 2024. At the AGC Meeting held on 31 May 2024, the AGC had considered and discussed the areas of audit focus as reported by external auditors as follows: Revenue recognition Other significant audit matters: (a) Valuation on land and buildings, plant, machinery and electrical installation; (b) Net realisable value of inventories; and (c) Management override of controls. (iv) Reviewed the assistance given by the Group's employees to the External Auditors. (v) Reviewed the AFS of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the AFS were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable Financial Reporting Standards in Malaysia). (vi) Reviewed the non-audit services rendered by the External Auditors to the Group for the financial year under review prior to engagement. The External Auditors also reported to the AGC their policies and measures taken to ensure independence and objectivity are maintained. (vii) Undertook annual assessment of the performance and independence of the External Auditors via an evaluation survey questionnaires based on competency, efficiency and transparency as demonstrated by the External Auditors during their audit. The Group's External Auditors also confirmed their independence and the AGC having been satisfied with the independence, stability and performance of the External Auditors made recommendations to the Board on the re-appointment of External Auditors. (viii) Met with the External Auditors without the presence of Executive Board members and the management team of the Company to discuss the issues of concern to the External Auditors arising from the annual audit. There was no major issue raised during the meetings.

Audit and Governance Committee Report

Internal Control and Internal Audit	(a) The internal audit plan was reviewed and approved by the AGC and the internal audit reports were presented to the AGC on a quarterly basis. (b) Reviewed and evaluated the overall adequacy and effectiveness of the risk management and the Group's internal control system on a quarterly basis through review of results of work performed by the Internal Audit Consultants and discussions with Management. (c) Significant issues were discussed at length with the presence of relevant Management team members to ensure satisfactory and timely remediation actions have been committed by Management to address the identified risks. (d) Monitored the implementation of action plans agreed by Management on outstanding audit findings on a quarterly basis to ensure that all actions have been implemented in the related areas based on the committed timelines. (e) Reviewed and monitored the implementation status of the audit recommendations made by the auditors to ensure that key risks and controls have been addressed. This includes any improvement on the system of the internal controls and procedures. (f) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. (g) Reviewed and debated on the recommendations made by the Internal Audit Consultants on the auditable areas where further improvements are required with subsequent recommendation to the Board on steps to improve the system of internal control derived from the findings of the Internal Audit Consultants.
Related Party Transactions	The AGC reviewed the recurrent related party transactions ("RRPT") entered pursuant to the Shareholders' Mandate at every scheduled meeting to ensure that the transactions were not favorable to the related parties than those generally available to the public and not detrimental to the minority shareholders. For financial year 2024, the AGC was satisfied that the Company had complied with the financial and regulatory reporting where the related party transactions and RRPT were carried out in the ordinary course of business and undertaken at arm's length, on normal commercial terms of the Company which were not more favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders. This proactive oversight served to mitigate potential conflicts of interest and promote transparency and fairness in the Group's dealings with related parties.
Conflict of Interest	Reviewed and monitored Conflict of Interest ("COI") situations within the Group. The COI review was extended to encompass Directors and Key Senior Management within the Group. COI situations reported during FY2024 due to the common directorships and involvement in the related companies were only in relation to Tunku Dato' Yaacob Khyra ("TY") and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah ("TYY") which the Group has sought and will be seeking the shareholders' approval at the forthcoming AGM to enter into RRPTs with those companies related to them. Other than TY and TYY, there were no other Director nor Senior Management who has any COI situations with the Group. The AGC concluded that no further action was necessary on the disclosures.

Audit and Governance Committee Report

Corporate Governance	(i) Reviewed the following draft Circular to Shareholders and recommended the same to the Board for approval: (a) Proposed share buy-back of up to ten percent (10%) of the total number of issued shares of the Company subject to the Company fulfilling the conditions for the share buy-back; (b) Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Provision of Financial Assistance; and (c) Proposed new shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. (ii) Reviewed the AGC Report, Corporate Governance Overview Statement, Corporate Governance Report, Board's responsibility on the annual audited financial statements and the state of internal control and other relevant documents for publication in the Company's Annual Report. (iii) Conducted a self-assessment exercise to evaluate the AGC's own effectiveness in discharging their duties and responsibilities for the period ended 30 June 2024 and submitted the evaluation to the Nomination and Remuneration Committee for assessment. (iv) Reviewed and recommended the adoption of: (a) Non-Assurance Services Pre-Approval Policy; (b) Directors' Conflict of Interest Policy; and (c) Personal Data Protection Policy of the Company and its subsidiaries which outlines the Group's policies and practices in compliance with the Personal Data Protection Act 2010. (v) Reviewed the revised Terms of Reference of the AGC. (vi) Reviewed the revision of the following Policies and Procedures to further enhance and improve the effective implementation of the policies within the Group and recommended the same to the Board for approval: (a) Conflict of Interest Policy (For Employees); (b) Anti-Corruption Policy; (c) Anti-Fraud Policy; and (d) Whistleblowing Policy.

Audit and Governance Committee Report

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group outsources its Internal Audit function to an independent internal audit firm ("Internal Audit Consultants"), Messrs Crowe Governance Sdn Bhd ("Crowe"). The Internal Audit Consultants were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group. All documents were made available to the Internal Audit Consultants as part of the internal control assessment process.

The Internal Audit Consultants report directly to the AGC. The internal audit function provides timely and impartial advice to the AGC and the Management as to whether the internal audit functions reviewed are: -

(i) in accordance with the Group's policies and direction;
(ii) in compliance with prescribed laws and regulations; and
(iii) achieving the desired results effectively and efficiently.

The Internal Audit Report was presented to the AGC on a quarterly basis for deliberation and its recommendations were communicated to the Management for corrective actions to be taken.

The internal audit function also provided follow-up audit reports at subsequent AGC meetings to report on the status of the key audit issues highlighted in the preceding AGC meetings. All proposals presented by the Internal Audit Consultants after review by the AGC were tabled to the Board for its notation or approval.

The reviews were conducted on a risk-based approach and were guided by the International Professional Practice Framework on Internal Auditing that is promulgated by the Institute of Internal Auditors.

Based on the internal audit reviews conducted, none of the weaknesses noted caused any material loss, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

The Internal Audit Consultants had confirmed to the AGC on their independence and that they are free from any conflict of interest that may impair their objectivity.

The Company also has an Internal Audit Charter approved by the Board and the Chairman of the AGC, which defines the mission & objectives, roles & responsibilities, independence, authority, audit scope and methodology and audit reporting.

Audit and Governance Committee Report

During the financial year under review, the following key audit areas were conducted based on the annual internal Audit Plan approved by the AGC:

- Completed the following reviews as per the approved internal audit plan:

Name of Entity Audited	Audited Areas	Reporting Date
MIG and Mycron Steel Berhad Group	• Information Technology ("IT") General Controls	28 November 2023
Melewar Steel Tube Sdn Bhd ("MST") Mycron Steel CRC Sdn Bhd ("MCRC")	• Procurement to Payment	27 February 2024
MST and MCRC	• Selected Sustainability Indicators relating to Waste Management	30 May 2024
MIG Group	• Sustainability Reporting Framework • Selected Sustainability Indicators relating to Anti-Corruption and Labour Practices & Standards	31 May 2024
3Bumi Oleo Sdn Bhd	• Operational Audit - Processing of Raw Materials to Finished Goods - Cash Management - Product Costing & Pricing - Sales, Billing, Collection and Credit Control - Procurement to Payment - Inventory Management & Fixed Asset Management	31 May 2024

- Prepared the annual risk-based internal audit plan for the AGC's approval;

- Carried out internal audits of the Group on a risk-based basis to review the adequacy of internal controls in the auditable areas and assessed the consistency in compliance with established policies and procedures. Verification (on sampling basis) of the existence, adequacy and effectiveness of risk controls established by Management within the selected processes covering strategic, operational and financial aspects of the Group's operations;

- Issued internal audit reports to the AGC on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures and management action plans to mitigate identified risks, with copies extended to Management, highlighting deficiencies together with corresponding improvement opportunities. The Internal Audit Consultants attended all AGC meetings and presented reports on areas of audit concern for the AGC's deliberation;

- Monitored corrective action taken by Management in response to recommendations made to address internal control deficiencies highlighted in the previous cycles of internal audit; and

- Followed up and reported to the AGC on the status of implementation of the management agreed action plans to ensure that all matters of concern were adequately addressed by Management.

The internal audit reviews carried out did not reveal weaknesses that would have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The costs incurred in respect of the internal audit reviews performed by the professional services firm was RM133,738 for the financial year ended 30 June 2024.

Financial Statements

Directors' Report

For the Financial Year Ended 30 June 2024

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

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Tunku Dato' Yaacob Khyra
Azlan bin Abdullah
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
Datin Seri Raihanah Begum binti Abdul Rahman
Kwo Shih Kang
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram

In accordance with Article 96(1) of the Company's Constitution, Azlan bin Abdullah and Datin Seri Raihanah Begum binti Abdul Rahman are to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

The directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to date of this report are listed below (excluding those who are also Directors of the Company):

Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
Roshan Mahendran bin Abdullah
Mohd Silahuddin bin Jamaluddin
Ahmad Hamdan bin Jamaluddin
Brayn White
Muk Sai Tat
Kamarul Ariffin bin Mansor
Dato' Mohd Zahir bin Zahur Hussain
Soo Teong Chuan (Resigned on 31 July 2024)
Alexius Lim Chong Jin (Resigned on 15 September 2023)
Farid Wakim bin Kamarudin (Resigned on 1 August 2023)

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of property investment and investment holding. The principal activities of its subsidiaries are disclosed in Note 16 to the financial statements.

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

Directors' Report
For the Financial Year Ended 30 June 2024
(Continued)

FINANCIAL RESULTS

	Group RM	Company RM
Net profit/(loss) for the financial year	9,549,723	(4,655,259)
Attributable to:		
- owners of the Company	5,158,032	(4,655,259)
- non-controlling interests	4,391,691	-
	9,549,723	(4,655,259)

RESERVE AND PROVISIONS

All material transfers to or from reserve or provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 359,417,703 to 359,456,103 by way of issuance of 38,400 new ordinary shares arising from the exercise of warrants. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The Company has not issued any debentures for the financial year ended 30 June 2024.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those benefits shown under Directors' Remuneration section below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, none of the Directors who held office at the end of the financial year held any interest in shares, or debentures of, the Company, and every other body corporate, being the Company's subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
	As at 01.07.2023	Acquired	Disposed	As at 30.06.2024
Melewar Industrial Group Berhad ("MIG") (the Company)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest (i)	168,572,764	-	-	168,572,764
Azlan bin Abdullah				
- direct interest	133,333	-	-	133,333

	Number of ordinary shares			
	As at 01.07.2023	Acquired	Disposed	As at 30.06.2024
Mycron Steel Berhad (the Subsidiary)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest (ii)	242,523,025	-	-	242,523,025
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah				
- deemed indirect interest (iii)	62,760	-	-	62,760
Azlan bin Abdullah				
- direct interest	53,900	-	-	53,900

(i) Deemed indirect interest by virtue of Tunku Dato' Yaacob Khyra ("TY") being a beneficiary of a trust known as Khyra Legacy Berhad ("KLB"), being the holding company of Melewar Equities (BVI) Ltd. ("MEBVI") and Melewar Khyra Sdn. Bhd. ("MKSB") who are the Major/Substantial Shareholders of the Company. TY is also deemed to have indirect interest in Avenue Serimas Sdn. Bhd. ("ASSB") by virtue of KLB being the ultimate holding company of ASSB.

(ii) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major/Substantial Shareholders of the Company, a Major Shareholder of Mycron Steel Berhad.

(iii) Deemed indirect interest by virtue of Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah being a shareholder with 12.5% shareholdings in Melewar Group Berhad ("MGB") which is the family-owned investment holding company. MGB holds 0.02% of the issued share capital of Mycron Steel Berhad.

Directors' Report

For the Financial Year Ended 30 June 2024
(Continued)

DIRECTORS' INTERESTS (CONTINUED)

By virtue of his interests of more than 20% in the shares of the Company, Tunku Dato' Yaacob Khyra is also deemed interested in the shares of all subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in ordinary shares in the Company and its related companies during the financial year.

DIVIDENDS

No dividend has been paid or declared since the end of the Company's previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2024.

DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received/receivable by Directors of the Company from the Company and its subsidiaries are as follows:

	Received/ Receivable from the Company RM	Received/ Receivable from Subsidiaries RM	Group RM
Non-Executive Directors:			
- fees	279,000	336,000	615,000
- allowances	29,500	28,500	58,000
- estimated monetary value of benefits-in-kind	14,904	5,961	20,865
Executive Directors:			
- salaries, bonuses and other emoluments	825,008	5,536,684	6,361,692
- allowances	-	58,200	58,200
- estimated monetary value of benefits-in-kind	14,279	70,186	84,465
- defined contribution plan	123,752	833,596	957,348
	1,286,443	6,869,127	8,155,570

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group and of the Company are covered by the Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The sum insured was determined by the Company after taking into account the diversified nature of the Group's businesses. The premium borne by the Group and the Company for the D&O coverage during the financial year was approximately RM58,500 and RM36,000 (2023: RM63,000 and RM36,000) respectively.

Directors' Report

For the Financial Year Ended 30 June 2024
(Continued)

OTHER STATUTORY INFORMATION

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

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of loss allowance for impairment of receivables and satisfied themselves that all known bad debts had been written-off and that adequate loss allowance for impairment of receivables had been made for doubtful debts; and

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

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

(a) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

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

(c) 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.

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

(a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

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

In the opinion of the Directors:

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

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

Directors' Report

For the Financial Year Ended 30 June 2024
(Continued)

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration for the financial year ended 30 June 2024 is as follows:

	Group RM	Company RM
KPMG PLT		
- statutory audit	643,000	210,000
- non-audit services	24,000	12,000
	667,000	222,000

AUDITORS

The auditors, KPMG PLT (LLP0010081-LCA & AF 0758), have indicated their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 22 October 2024. Signed on behalf of the Board of Directors:

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

AZLAN BIN ADBULLAH
DIRECTOR

Kuala Lumpur

Statement by Directors

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

We, Tunku Dato' Yaacob Khyra and Azlan bin Abdullah, being two of the Directors of Melewar Industrial Group Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 132 to 230 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance of the Group and of the Company for the financial year ended on that date in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 22 October 2024.

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

AZLAN BIN ADBULLAH
DIRECTOR

Statutory Declaration

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

I, Chan Loo Ling, being the Officer primarily responsible for the financial management of Melewar Industrial Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 132 to 230 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960, in Malaysia.

CHAN LOO LING
CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the abovenamed, Chan Loo Ling (MIA No.: 32390) before me, at Kuala Lumpur in Malaysia on 22 October 2024.

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Melewar Industrial Group Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 132 to 230.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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 auditors' 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 matter

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

Independent Auditors' Report

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter (continued)

Revenue recognition	
Refer to Note 7 - Revenue	
Key audit matter	**How our audit addressed the key audit matter**
The Group's revenue is derived from sale of steel products and processing service income. The Group generally recognises revenue when the controls of the goods are transferred and processing services are provided to the customers. We identified the recognition of revenue as key audit matter due to risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has a direct impact on the results of the Group.	Our audit procedures, among others, included the following: • We tested the design and implementation as well as the operating effectiveness of the Group's controls relevant to recognition of revenue. • We tested sales transactions, on sample basis, to the acknowledged delivery documents as indication of transfer of control on goods to ascertain validity of sales. • We tested sales transactions either side of the statement of financial position date, on sample basis, as well as credit notes issued after year end are recognised in the correct period. • We circularised trade receivables' confirmation for debtors, on sample basis, and checked to relevant sales invoices and delivery documents when debtors are unresponsive. • We inspected the manual journal entries raised during the financial year relating to revenue, which were outside the normal course of business and enquired the reasons for such entries and compared the details of the entries with supporting documentation. • We identified the journal entries posted subsequent to financial year end, which relates to the reversal of revenue, enquired the reasons for such entries and compared the details of the entries with supporting documents including sales invoices and credit notes.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the 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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

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 MFRS Accounting 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Independent Auditors' Report

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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: (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Vengadesh A/L Jogarajah
Approval Number: 03337/12/2025 J
Chartered Accountant

Petaling Jaya, Selangor

22 October 2024

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	7	810,167,615	549,663,401	8,060,000	7,710,000
Cost of sales/services provided		(740,356,091)	(505,876,776)	(1,577,079)	(1,333,506)
Write-down of inventories	8	-	(11,003,973)	-	-
Gross profit		69,811,524	32,782,652	6,482,921	6,376,494
Other operating income		2,216,209	1,541,357	-	11,811
Net foreign currency exchange gain	8	1,890,088	880,773	-	-
Fair value (loss)/gain on investment properties	15	-	-	(279,190)	5,898,770
Fair value (loss)/gain on financial assets at fair value through profit or loss	20	(3,387,378)	269,284	(3,087,378)	(30,716)
Fair value loss on derivatives	21	-	-	(2,034,834)	(6,258,504)
Reversal/(Impairment loss) on:					
- property, plant and equipment	13	477,186	(6,917,251)	(7,724)	5,919
- trade receivables	8	(114,050)	(6,878)	-	-
- other receivables	8	(1,191,474)	117,905	-	-
- investment in subsidiaries	16	-	-	447,410	(2)
- amounts due from subsidiaries	5(c)(iv)	-	-	(2,374,440)	(6,699,616)
Selling and distribution expenses		(8,483,619)	(4,671,553)	-	-
Administrative and general expenses		(40,958,437)	(38,392,737)	(3,595,206)	(3,387,609)
Operating profit/(loss)		20,260,049	(14,396,448)	(4,448,441)	(4,083,453)
Finance income	9	1,851,016	1,536,518	544,699	38,729
Finance costs	9	(8,247,956)	(5,615,419)	(31,528)	(3,884)
Finance (costs)/income - net		(6,396,940)	(4,078,901)	513,171	34,845
Profit/(Loss) before tax	8	13,863,109	(18,475,349)	(3,935,270)	(4,048,608)
Tax (expense)/credit	11	(4,313,386)	1,588,640	(719,989)	(1,466,342)
Net profit/(loss) for the financial year		9,549,723	(16,886,709)	(4,655,259)	(5,514,950)

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2024
(Continued)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Other comprehensive income/(loss) for the financial year (net of tax):					
Item that may be subsequently reclassified to profit or loss:					
Currency translation differences		(136,030)	(722,547)	-	-
Item that will not be reclassified to profit or loss:					
Assets revaluation reserve					
- Revaluation surplus, net of tax, on:					
- property, plant and equipment	30	1,614,797	9,171,944	32,105	33,625
- right-of-use assets	30	1,412,594	7,648,857	-	-
Total comprehensive income/(loss) for the financial year		12,441,084	(788,455)	(4,623,154)	(5,481,325)
Net profit/(loss) for the financial year attributable to:					
- Owners of the Company		5,158,032	(13,260,433)	(4,655,259)	(5,514,950)
- Non-controlling interests		4,391,691	(3,626,276)	-	-
		9,549,723	(16,886,709)	(4,655,259)	(5,514,950)
Total comprehensive income/(loss) for the financial year attributable to:					
- Owners of the Company		7,564,736	(37,879)	(4,623,154)	(5,481,325)
- Non-controlling interests		4,876,348	(750,576)	-	-
		12,441,084	(788,455)	(4,623,154)	(5,481,325)
Profit/(Loss) per share attributable to owners of the Company during the financial year:					
- Basic (sen)	12	1.43	(3.69)		
- Diluted (sen)	12	1.43	(3.69)		

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

Statements of Financial Position

As At 30 June 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
NON-CURRENT ASSETS					
Property, plant and equipment	13	308,491,488	315,892,506	739,293	788,847
Right-of-use assets	14	96,533,874	96,439,623	465,628	32,224
Investment properties	15	-	-	78,200,000	78,000,000
Investment in subsidiaries	16	-	-	88,514,865	88,067,455
Deferred tax assets	17	300,103	591,026	-	-
		405,325,465	412,923,155	167,919,786	166,888,526
CURRENT ASSETS					
Inventories	18	268,535,403	178,369,119	-	-
Receivables, deposits and prepayments	19	109,849,058	71,796,768	164,793	176,308
Financial assets at fair value through profit or loss	20	6,396,411	5,002,733	3,796,411	2,102,733
Derivative financial assets	21	124,763	1,061,863	-	2,119,816
Amounts due from subsidiaries	22	-	-	3,466	4,074
Current tax receivables		2,024,313	1,442,265	-	-
Cash and cash equivalents	23	70,577,623	81,052,847	205,377	1,340,505
		457,507,571	338,725,595	4,170,047	5,743,436
LESS: CURRENT LIABILITIES					
Payables and accrued liabilities	24	109,885,098	43,390,842	2,744,431	1,325,159
Contract liabilities	25	338,805	6,418,669	-	-
Amounts due to subsidiaries	22	-	-	3,613,557	1,580,100
Derivative financial liabilities	21	32,629	-	-	-
Borrowings	26	126,455,756	90,863,025	-	-
Lease liabilities	14	368,327	300,370	73,108	21,546
Current tax provision		1,282,789	621,872	834,604	543,790
		238,363,404	141,594,778	7,265,700	3,470,595
NET CURRENT ASSETS/(LIABILITIES)		219,144,167	197,130,817	(3,095,653)	2,272,841
		624,469,632	610,053,972	164,824,133	169,161,367

Statements of Financial Position

As At 30 June 2024
(Continued)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CAPITAL AND RESERVE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	27	253,791,194	250,207,537	253,791,194	250,207,537
Warrant reserve	28	-	3,568,297	-	3,568,297
Retained profits/(Accumulated losses)		70,037,284	65,720,273	(107,958,666)	(103,303,407)
Assets revaluation reserve	30	93,294,724	90,751,990	458,761	426,656
Foreign currency translation reserve		(774,844)	(638,814)	-	-
		416,348,358	409,609,283	146,291,289	150,899,083
Non-controlling interests		130,841,769	125,124,401	-	-
TOTAL EQUITY		547,190,127	534,733,684	146,291,289	150,899,083
NON-CURRENT LIABILITIES					
Borrowings	26	8,299,757	10,734,274	-	-
Lease liabilities	14	2,280,017	2,299,083	384,783	-
Deferred income on grant	31	8,103,935	5,731,458	-	-
Deferred tax liabilities	17	58,595,796	56,555,473	18,148,061	18,262,284
		77,279,505	75,320,288	18,532,844	18,262,284
		624,469,632	610,053,972	164,824,133	169,161,367

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

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024

GROUP

	Attributable to owners of the Company							
	Share capital RM	Warrant reserve RM	Foreign currency translation reserve RM	Assets revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total RM
At 1 July 2023	250,207,537	3,568,297	(638,814)	90,751,990	65,720,273	409,609,283	125,124,401	534,733,684
Net profit for the financial year	-	-	-	-	5,158,032	5,158,032	4,391,691	9,549,723
Other comprehensive (loss)/ income for the financial year, net of tax:								
Currency translation differences	-	-	(136,030)	-	-	(136,030)	-	(136,030)
Revaluation surplus, net of tax, on:								
- property, plant and equipment (Note 30)	-	-	-	1,243,438	-	1,243,438	371,359	1,614,797
- right-of-use assets (Note 30)	-	-	-	1,299,296	-	1,299,296	113,298	1,412,594
Total comprehensive (loss)/ income for the financial year	-	-	(136,030)	2,542,734	5,158,032	7,564,736	4,876,348	12,441,084
Transactions with owners:								
Exercise of warrants (Note 27 and 28)	17,407	(2,047)	-	-	-	15,360	-	15,360
Transfer of lapsed warrants not exercised (Note 27 and 28)	3,566,250	(3,566,250)	-	-	-	-	-	-
Non-controlling interests								
- change in effective interest (Note 29)	-	-	-	-	(841,021)	(841,021)	841,020	(1)
At 30 June 2024	253,791,194	-	(774,844)	93,294,724	70,037,284	416,348,358	130,841,769	547,190,127

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024
(Continued)

GROUP

	Attributable to owners of the Company							
	Share capital RM	Warrant reserve RM	Foreign currency translation reserve RM	Assets revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total RM
At 1 July 2022	250,207,537	3,568,297	83,733	76,806,889	79,353,898	410,020,354	125,501,786	535,522,140
Net loss for the financial year	-	-	-	-	(13,260,433)	(13,260,433)	(3,626,276)	(16,886,709)
Other comprehensive (loss)/ income for the financial year, net of tax:								
Currency translation differences	-	-	(722,547)	-	-	(722,547)	-	(722,547)
Revaluation surplus, net of tax, on:								
- property, plant and equipment (Note 30)	-	-	-	6,870,814	-	6,870,814	2,301,130	9,171,944
- right-of-use assets (Note 30)	-	-	-	7,074,287	-	7,074,287	574,570	7,648,857
Total comprehensive (loss)/ income for the financial year	-	-	(722,547)	13,945,101	(13,260,433)	(37,879)	(750,576)	(788,455)
Transactions with owners:								
Non-controlling interests								
- change in effective interest (Note 29)	-	-	-	-	(373,192)	(373,192)	373,191	(1)
At 30 June 2023	250,207,537	3,568,297	(638,814)	90,751,990	65,720,273	409,609,283	125,124,401	534,733,684

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024
(Continued)

COMPANY

	Share capital RM	Warrant reserve RM	Assets revaluation reserve RM	Accumulated losses RM	Total RM
At 1 July 2023	250,207,537	3,568,297	426,656	(103,303,407)	150,899,083
Net loss for the financial year	-	-	-	(4,655,259)	(4,655,259)
Other comprehensive income for the financial year, net of tax:					
Revaluation surplus on property, plant and equipment, net of tax (Note 30)	-	-	32,105	-	32,105
Total comprehensive income/ (loss) for the financial year	-	-	32,105	(4,655,259)	(4,623,154)
Transaction with owners:					
Exercise of warrants (Note 27 and 28)	17,407	(2,047)	-	-	15,360
Transfer of lapsed warrants not exercised (Note 27 and 28)	3,566,250	(3,566,250)	-	-	-
At 30 June 2024	253,791,194	-	458,761	(107,958,666)	146,291,289
At 1 July 2022	250,207,537	3,568,297	393,031	(97,788,457)	156,380,408
Net loss for the financial year	-	-	-	(5,514,950)	(5,514,950)
Other comprehensive income for the financial year, net of tax:					
Revaluation surplus on property, plant and equipment, net of tax (Note 30)	-	-	33,625	-	33,625
Total comprehensive income/ (loss) for the financial year	-	-	33,625	(5,514,950)	(5,481,325)
At 30 June 2023	250,207,537	3,568,297	426,656	(103,303,407)	150,899,083

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
OPERATING CASH FLOWS					
Profit/(Loss) before tax		13,863,109	(18,475,349)	(3,935,270)	(4,048,608)
Adjustments for:					
Amortisation of deferred income on grant	31	(1,527,523)	(152,500)	-	-
Property, plant and equipment:					
- depreciation	13	15,692,354	15,082,667	84,074	117,767
- (reversal)/impairment loss	13	(477,186)	6,917,251	7,724	(5,919)
- (gain)/loss on disposals	8	(174,227)	178,602	-	(11,811)
- write-offs		240	-	-	-
Depreciation on right-of-use assets	8	2,180,336	1,935,334	82,368	77,337
Impairment loss/(Reversal) on:					
- investment in subsidiaries	8	-	-	(447,410)	2
- amounts due from subsidiaries	8	-	-	2,374,440	6,699,616
- trade receivables	8	114,050	6,878	-	-
- other receivables	8	1,191,474	(117,905)	-	-
Write-down of inventories	8	-	11,003,973	-	-
Inventories written off	8	223,447	150,222	-	-
Fair value (gain)/loss:					
- investment properties	8	-	-	279,190	(5,898,770)
- derivative financial assets	8	-	-	2,034,834	6,258,504
- financial assets at fair value through profit or loss	8	3,387,378	(269,284)	3,087,378	30,716
Dividend income	7	-	-	(500,000)	(150,000)
Net unrealised gain on foreign currency exchange	8	(283,186)	(954,085)	-	-
Finance income:					
- interest on deposits with licensed banks	9	(1,851,016)	(1,536,518)	(22,653)	(38,729)
- intercompany interest	9	-	-	(522,046)	-
Finance costs:					
- interest on borrowings and suppliers' credit	9	8,039,091	5,371,718	-	-
- shareholder's advances	24	8,877	-	8,877	-
- interest on lease liabilities	14	199,988	243,701	22,651	3,884
		40,587,206	19,384,705	2,554,157	3,033,989
Changes in working capital:					
- inventories		(90,389,731)	97,274,326	-	-
- receivables, deposits and prepayments		(36,986,863)	7,545,122	(6,335)	16,205
- payables and accrued liabilities		65,593,526	(130,853,175)	(89,605)	(3,839)
- related party balances		-	-	138,258	17,444
- contract liabilities		(6,079,864)	(1,419,577)	-	-
Cash (used in)/generated from operations		(27,275,726)	(8,068,599)	2,596,475	3,063,799
Tax paid		(3,079,169)	(6,188,853)	(763,207)	(1,609,059)
Tax refunded		210,512	385,000	209,670	-
Net operating cash flows		(30,144,383)	(13,872,452)	2,042,938	1,454,740

Statements of Cash Flows

For the Financial Year Ended 30 June 2024
(Continued)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
INVESTING CASH FLOWS					
Purchases of property, plant and equipment		(5,553,215)	(10,600,183)	-	(25,551)
Purchase of investment properties	15	-	-	(479,190)	(101,230)
Purchase of financial assets at fair value through profit or loss	20	(6,769,900)	(2,132,000)	(6,769,900)	(2,132,000)
Proceeds from disposal of property, plant and equipment		446,119	244,650	-	12,000
Proceeds from disposal of derivative financial assets	21	84,982	-	2,073,826	-
Proceeds from grant on property, plant and equipment	31	3,900,000	-	-	-
Interest received from deposit with licensed banks	9	1,851,016	1,536,518	22,653	38,729
Increase in investment in a subsidiary		(1)	(1)	-	-
Dividend received	32	-	-	500,000	7,423,808
Advances granted to subsidiaries	32	-	-	(1,306,815)	(5,669,613)
Expenses paid on behalf of subsidiaries	32	-	-	(1,249,554)	(1,176,300)
Repayment of advances granted to subsidiaries	32	-	-	704,583	148,387
Net investing cash flows		(6,040,999)	(10,951,016)	(6,504,397)	(1,481,770)
FINANCING CASH FLOWS					
Proceeds from borrowings		402,605,507	274,754,000	-	-
Proceeds from exercise of warrants		15,360	-	15,360	-
Repayment of borrowings		(369,196,884)	(276,505,541)	-	-
Repayment of hire-purchase		(650,409)	(471,325)	-	-
Principal payment of lease liabilities		(343,786)	(297,889)	(61,577)	(83,132)
Interest paid:					
- borrowings		(7,881,194)	(5,371,718)	-	-
- lease liabilities		(199,988)	(243,701)	(22,651)	(3,884)
Shareholder's advances	24	1,500,000	-	1,500,000	-
Advances from subsidiaries	32	-	-	2,033,441	3,790,000
Repayment to subsidiaries	32	-	-	(138,242)	(3,517,544)
Net financing cash flows		25,848,606	(8,136,174)	3,326,331	185,440
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,336,776)	(32,959,642)	(1,135,128)	158,410
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		81,052,847	114,751,305	1,340,505	1,182,095
EFFECTS OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		(138,448)	(738,816)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23	70,577,623	81,052,847	205,377	1,340,505

In the current financial year, the Group has a non-cash purchase of plant, machinery and electrical installation of RM400,000 (2023: RM1,165,000) by means of hire-purchase arrangements.

Included in the Group's additions to property, plant and equipment in the preceding financial year amounting to RM119,000 is related to provision of dismantling cost.

Statements of Cash Flows

For the Financial Year Ended 30 June 2024
(Continued)

Cash-flows movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis is outlined below:

GROUP	Bankers' acceptance	Term loan	Mortgage loan RM	Hire-purchase creditors RM	Factoring RM	Lease liabilities RM	Shareholder's advances RM	Total RM
At 1 July 2023	78,010,000	10,180,884	12,282,224	1,124,191	-	2,599,453	-	104,196,752
Cash flows								
Proceeds from borrowings	402,250,000	-	-	-	355,507	-	-	402,605,507
Proceeds from shareholder's advances	-	-	-	-	-	-	1,500,000	1,500,000
Repayment of borrowings	(361,300,000)	(5,833,332)	(2,063,552)	-	-	-	-	(369,196,884)
Repayment of hire-purchase	-	-	-	(650,409)	-	-	-	(650,409)
Principal payment of lease liabilities	-	-	-	-	-	(343,786)	-	(343,786)
Interest paid	(5,346,970)	(422,601)	(645,684)	(68,347)	-	(199,988)	-	(6,683,590)
Working capital	(222,522)	-	-	-	(7,120)	-	(8,877)	(238,519)
Non-cash								
Additions during the year	-	-	-	400,000	-	-	-	400,000
Derecognition	-	-	-	-	-	(126,532)	-	(126,532)
Remeasurement	-	-	-	-	-	497,922	-	497,922
Currency exchange differences	-	-	-	-	-	21,287	-	21,287
Interest charged	5,569,492	422,601	645,684	68,347	7,120	199,988	8,877	6,922,109
At 30 June 2024	118,960,000	4,347,552	10,218,672	873,782	355,507	2,648,344	1,500,000	138,903,857
At 1 July 2022	71,935,000	16,014,216	14,275,433	430,516	-	2,228,244	-	104,883,409
Cash flows								
Proceeds from borrowings	274,754,000	-	-	-	-	-	-	274,754,000
Repayment of borrowings	(268,679,000)	(5,833,332)	(1,993,209)	-	-	-	-	(276,505,541)
Repayment of hire-purchase	-	-	-	(471,325)	-	-	-	(471,325)
Principal payment of lease liabilities	-	-	-	-	-	(297,889)	-	(297,889)
Interest paid	(3,002,752)	(677,836)	(656,600)	(46,028)	-	(243,701)	-	(4,626,917)
Working capital	(408,080)	-	-	-	-	-	-	(408,080)
Non-cash								
Additions during the year	-	-	-	1,165,000	-	469,852	-	1,634,852
Remeasurement	-	-	-	-	-	58,804	-	58,804
Currency exchange differences	-	-	-	-	-	140,442	-	140,442
Interest charged	3,410,832	677,836	656,600	46,028	-	243,701	-	5,034,997
At 30 June 2023	78,010,000	10,180,884	12,282,224	1,124,191	-	2,599,453	-	104,196,752

Statements of Cash Flows

For the Financial Year Ended 30 June 2024
(Continued)

Cash-flows movement in-relation to ‘changes in liabilities arising from financing activities’ on a year-to-date basis is outlined below: (continued)

Company	Lease liabilities RM	Amount due to subsidiaries RM	Total RM
2024			
At 1 July 2023	21,546	1,580,100	1,601,646
Cash flows			
Advances from subsidiaries	-	2,033,441	2,033,441
Repayment to subsidiaries	-	(138,242)	(138,242)
Interest paid	(22,651)	-	(22,651)
Principal payment of lease liabilities	(61,577)	-	(61,577)
Non-cash			
Interest charged	22,651	-	22,651
Remeasurement	497,922	-	497,922
Expenses paid on behalf by subsidiaries	-	138,258	138,258
At 30 June 2024	457,891	3,613,557	4,071,448
2023			
At 1 July 2022	104,678	1,290,200	1,394,878
Cash flows			
Advances from subsidiaries	-	3,790,000	3,790,000
Repayment to subsidiaries	-	(3,517,544)	(3,517,544)
Interest paid	(3,884)	-	(3,884)
Principal payment of lease liabilities	(83,132)	-	(83,132)
Non-cash			
Interest charged	3,884	-	3,884
Expenses paid on behalf by subsidiaries	-	17,444	17,444
At 30 June 2023	21,546	1,580,100	1,601,646

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

Notes to the Financial Statements

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

1 GENERAL INFORMATION

The principal activities of the Company are that of property investment and investment holding. The principal activities of its subsidiaries are disclosed in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

The address of the registered office of the Company is:

Suite 11.05, 11th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur

The address of the principal place of business of the Company is:

15th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur

As at 30 June 2024, all monetary assets and liabilities of the Group and of the Company are denominated in Ringgit Malaysia, unless otherwise stated.

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 22 October 2024.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except on the revaluation of 'land and buildings' and 'plant, machinery and electrical installation' which measured at 'fair value' and 'financial assets and financial liabilities' (including derivative instruments) which measured at 'fair value through profit or loss' respectively.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current event and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as disclosed in Note 4 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

2 BASIS OF PREPARATION (CONTINUED)

Amendments to published standards that are effective

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2023:

- MFRS 17 *Insurance Contracts* replaces MFRS 4 and sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of MFRS 17. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts.

- Amendments to MFRS 17 *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information* adds a new transition option to MFRS 17 (the 'classification overlay') to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of MFRS 17.

- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosures of Accounting Policies* clarifies the application of materiality in the disclosure of accounting policies that companies are to disclose their material accounting policies rather than their significant accounting policies and clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed.

- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates* introduce a new definition for accounting estimates and clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* clarify the account for deferred tax on certain transactions such as leases and decommissioning provisions.

The adoption of these amendments did not have any impact on the Group's financial statements for the current period.

Standards, amendments to standards and interpretations that have been issued but not yet effective

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 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 and Classification of Liabilities as Current or Non-current*

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

2 BASIS OF PREPARATION (CONTINUED)

Standards, amendments to standards and interpretations that have been issued but not yet effective (Continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2026

- Amendments to MFRS 9, *Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

- Amendments that are part of Annual Improvements Volume 11:

  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*

- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a 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 Group has started a preliminary assessment on the effects of the above standards, amendments to published standards and the impact is still being assessed.

3 CHANGES IN MATERIAL ACCOUNTING POLICIES

3.1 Material accounting policy information

The Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 July 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Revaluation of certain property, plant and equipment and right-of-use assets / fair value of investment properties

As disclosed in Notes 13, 14 and 15 to the financial statements, the Group carries its freehold and leasehold land (classified as right-of-use assets) and buildings, plant, machinery and electrical installation and investment properties at fair values. On an annual basis, the Group appoints independent professional firms to determine the fair values of these property, plant and equipment, right-of-use assets and investment properties which generally do not have quoted prices in active markets for identical assets. The Directors at the advice of the appointed professional-valuer exercised judgement and made assumptions in the selection and deployment of the most suitable valuation techniques in the ensuing fair value determination.

The valuation of land and building is inherently subjective due to the individual nature of each property and its location. The valuation of plant, machinery and electrical installation is inherently subjective due to the physical wear and tear and technological development of the individual assets at the point of valuation.

(b) Impairment of non-financial assets

In assessing the impairment of the Cash-Generating Units ("CGU"), the Group and the Company compare the carrying amounts of these assets with its recoverable amount, measured at the higher of the fair value less cost to sell and the value-in-use. In measuring the value-in-use based on the CGU's discounted cash flows, certain estimates and assumptions are applied as disclosed in Notes 13 and 16 to the financial statements.

The recoverability of inventory is an area of focus due to the significant estimates involved in determining the net realisable value of the inventories, which is dependent on the expected selling price of the finished goods subsequent to the financial year end. In assessing the write-down of inventory as disclosed in Note 18, the Group compares for any deficiency in the estimated Net Realisable Value ("NRV") of finished goods against their carrying inventory value at and after the close of the current reporting period for each entity. In estimating the NRV at the close of the reporting period, the 'outstanding forward sales contracted average price' is inferred as the evidence of NRV.

(c) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits (including reinvestment allowance) can be utilised. This involves judgement regarding future taxable profits of a particular entities within the Group in which the deferred tax asset has been recognised.

(d) Lease options

The Group considers all economic factors and circumstances in assuming whether renewal option and/or an early termination option under any lease/rental agreements are exercised or not in determining the lease duration. Where multiple renewal options are allowed, the management only includes the immediate next renewal period in computing the lease term- as opposed to assuming an infinite period. Management's judgements are exercised in affirming the aforementioned assumption.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks. The Group's overall financial risk management objective is to optimise value creation for shareholders whilst minimising potential adverse impact arising from its exposure to the various financial risks as discussed hereinafter. Financial risk management is carried out at both functional and operational levels, and is embedded into its policies, processes, and controls where appropriate. This is further reinforced with continuous assessment and improvement on the effectiveness and adequacy of its financial risk management practises by its Executive Committee, internal audit, and the Risk and Sustainability Committee which reports to the Board.

Various risk management policies that are approved by the Directors for controlling and managing financial risks in the day-to-day operations of the Group are set out below.

(a) Capital risk

The Group's capital management objectives are (i) to ensure the economic deployment of its capital for sustainable returns which in the long run would exceed the cost of capital provision; and (ii) to ensure uninterrupted and adequate supply of capital to fulfil objective (i).

The Group views its equity (total equity less intangible assets including deferred tax) plus interest bearing debts (excluding lease liabilities) totalling to RM780.9 million (2023: RM719.9 million) as capital resources, and has a policy to maintain the debt-to-equity ratio below 1.0 or in accordance with its financial covenants - whichever is lower. Capital deployment amongst the Group's subsidiaries and/or business units is at the purview of the Board, but each of its subsidiaries and/or business units is primarily responsible for the management of its allocated capital subject to the oversight by the Executive Committee and the Board.

The Group's external borrowings are mainly incepted at the indirectly held Cold Rolled Coil and Steel Tube subsidiaries. The Group and Company also obtained advances from a shareholder amounting to RM1.5 million. The external borrowings of the Group's steel subsidiaries are subjected to specific 'capital' covenants on minimum adjusted shareholders' funds and maximum allowable 'debt-to-equity' ratio computed at both the entity and at the consolidated levels under their respective debenture. The adjusted shareholders' fund is calculated as total equity less intangibles, whilst the 'debt-to-equity' ratio is calculated as total interest-bearing liabilities, which excludes lease liabilities, divided by the adjusted shareholders' fund.

For the reporting period, the Group's subsidiaries complied with their respective debenture-imposed capital covenants and generally have been capital-sufficient in meeting peak business needs. Over the current reporting period, capital deployed in the Group has increased by around RM14.8 million (up by 2.5%) and interest-bearing debt capital increased by around RM44.8 million (up by 34.7%).

The Group's debt-equity ratio closed at 0.29 times for the current reporting period compared to the preceding period's close at 0.22.

Towards the 4th quarter of the current financial year, the Steel Tube subsidiary obtained an additional multi-tradeline of RM15 million from a lender. This remains under documentation processing at the close of the current financial year. The utilisation of this additional line in the future may not necessarily increase the indebtedness of the Group.

Overall, the Board is of the opinion that the Group's capital deployed and available for deployment has adequate headroom for the business purposes intended.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group's and the Company's financial resources are insufficient to meet financial obligations when due or have to be met at excessive cost. The Group's liquidity risk management objective is to ensure that all its committed and foreseeable funding commitments can be met when due in a cost-effective manner.

The Group's exposure to liquidity risk arises principally from its various payables and borrowings. The Group maintains a level of cash and cash equivalents, and adequate bank facilities to meet its financial liabilities when due. The Group's liquidity risk management is largely decentralised at the respective subsidiaries/ business units for timely intervention as funding are raised at the respective subsidiaries' level. As such, each subsidiary has its own unique liquidity risk profile. Nevertheless, the Company's and subsidiaries' liquidity risk management are governed by a common set of Group's practices and policies:

- Maintain sufficient stand-by credit facilities and the continuing support from a diversified range of funding sources/credit providers
- Maintain a strict debt or financial liabilities servicing plan vis-à-vis its cash-flows generated from operations and from maturing financial assets
- Rolling cash-flow planning on weekly, monthly, and annual basis
- Manage the concentration and maturity profile of both financial and non-financial liabilities
- Manage cash conversion cycles and optimise working capital deployment

The Group's subsidiaries are subjected to a liquidity covenant on the minimum allowable 'Debt Service Cover Ratio'. For the reporting period, the Group's subsidiaries complied with the liquidity covenant imposed.

The Group's significant reliance on bank trade facilities (which are callable on demand) as a source of funding poses a degree of liquidity risk. To diversify the risk, the Cold Rolled Coil subsidiary and the Steel Tube subsidiary have suppliers' trade-credit-line denominated in Ringgit with limits of RM50.0 million and RM23.0 million respectively; and in USD with limits of USD26.0 million and USD4.0 million respectively from key suppliers. The subsidiaries have not drawn on any USD denominated credit-lines in the last 30 months due to their higher borrowing cost.

At the reporting date, the Company's exposure to liquidity risk arises from corporate guarantee issued on the Steel Tube subsidiary's trade credit lines from key suppliers of RM23,000,000 (2023: RM20,000,000). The Directors are of the opinion that the default risk by the subsidiary on the aforementioned is negligible.

The total balance undrawn banking trade-line facilities for the subsidiaries at the reporting date is around RM142,784,493 (2023: RM179,590,000).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis

The tables below summarise the maturity profile of the Group's financial liabilities as at the current financial year's reporting date based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Within 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM	> 5 years RM
GROUP									
At 30 June 2024									
Non-derivative financial liabilities									
Bankers' acceptance	118,960,000	4.57% - 5.78%	119,819,851	119,819,851	-	-	-	-	-
Term loan	4,347,552	5.59%	4,467,426	4,467,426	-	-	-	-	-
Mortgage loan	10,218,672	5.84%	11,016,969	2,592,228	2,592,228	2,592,228	2,592,228	648,057	-
Hire-purchase creditors	873,782	2.23% - 2.55%	934,183	451,348	229,649	148,149	105,037	-	-
Factoring	355,507	15.00%	355,507	355,507	-	-	-	-	-
Trade payables	39,169,997	5.50%	39,556,100	39,556,100	-	-	-	-	-
Shareholder's advances	1,500,000	8.0%	1,620,000	1,620,000	-	-	-	-	-
Payables and accrued liabilities, excluding payroll liabilities	66,604,280	-	66,604,280	66,604,280	-	-	-	-	-
Lease liabilities	2,648,344	5.80% - 9.00%	3,400,497	548,090	533,436	490,983	467,688	399,205	961,095
	244,678,134		247,774,813	236,014,830	3,355,313	3,231,360	3,164,953	1,047,262	961,095
At 30 June 2023									
Non-derivative financial liabilities									
Bankers' acceptance	78,010,000	4.49% - 5.23%	78,853,863	78,853,863	-	-	-	-	-
Term loan	10,180,884	5.52%	10,743,275	10,743,275	-	-	-	-	-
Mortgage loan	12,282,224	5.49%	13,797,234	2,592,228	2,592,228	2,592,228	2,592,228	2,592,228	836,094
Hire-purchase creditors	1,124,191	2.29% - 2.55%	1,222,941	530,456	282,149	165,249	140,049	105,038	-
Trade payables	27,558,486	5.50%	27,595,013	27,595,013	-	-	-	-	-
Payables and accrued liabilities, excluding payroll liabilities	13,591,578	-	13,591,578	13,591,578	-	-	-	-	-
Lease liabilities	2,599,453	5.80% - 9.00%	3,469,670	477,727	460,073	445,681	403,489	380,531	1,302,169
	145,346,816		149,273,574	134,384,140	3,334,450	3,203,158	3,135,766	3,077,797	2,138,263

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis (continued)

The tables below summarise the maturity profile of the Company's financial liabilities as at the current financial year's reporting date based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Within 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM
COMPANY								
At 30 June 2024								
Non-derivative financial liabilities								
Payables and accrued liabilities, excluding payroll liabilities	511,147	-	511,147	511,147	-	-	-	-
Amounts due to subsidiaries	3,613,557	-	3,613,557	3,613,557	-	-	-	-
Lease liabilities	457,891	8.00%	562,264	107,098	107,098	107,098	107,098	133,872
Shareholder's advances	1,500,000	8.00%	1,620,000	1,620,000	-	-	-	-
Financial guarantee contracts	-	-	23,000,000	23,000,000	-	-	-	-
	6,082,595		29,306,968	28,851,802	107,098	107,098	107,098	133,872
At 30 June 2023								
Non-derivative financial liabilities								
Payables and accrued liabilities, excluding payroll liabilities	1,161,776	-	1,161,776	1,161,776	-	-	-	-
Amounts due to subsidiaries	1,580,100	-	1,580,100	1,580,100	-	-	-	-
Lease liabilities	21,546	5.80%	21,754	21,754	-	-	-	-
Financial guarantee contracts	-	-	20,000,000	20,000,000	-	-	-	-
	2,763,422		22,763,630	22,763,630	-	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss resulting from counterparties' failure to discharge their contractual obligations. The Group's objectives on credit risk management are to minimise the probability of financial loss resulting from any counterparty's default.

The Group's exposure to credit risk arises primarily from cash and bank balances, receivables, deposits and prepayments and related company (outside the Group) balances.

The Group has credit-control policies on credit sales, and the exposure to credit risk is monitored on a continuous basis through periodic review of the receivables' aging. Credit evaluations are performed on all customers and are reviewed annually. Credit terms and limits are assigned based on the financial strength of the customers; and where deemed appropriate, corporate guarantees and personal indemnities are obtained from customers.

At the reporting date, the Group has significant concentration of credit risk in its trade receivables where the top 10 corporate customers' outstanding of the Cold Rolled Coil and the Steel Tube segments represent about 92% (2023: 93%) and 78% (2023: 70%) of their respective trade receivables. The Company has no significant concentration of credit risk except for amounts due from subsidiaries. At the reporting date, the Group has 2 (2023: 3) external customers that contributes to more than 10% of the respective subsidiaries' revenue. The revenue contributed by the said customers amounted to RM230 million (2023: RM185 million). To manage the credit risk, management obtains corporate guarantees and personal indemnities from trade debtors where possible in managing exposure to credit risk.

The Group's and the Company's major classes of financial assets are as disclosed in Note 36 to the financial statements.

The Group has one type of financial instrument that is subject to the ECL model under MFRS 9:

- Receivables and deposits

The Company has three types of financial instruments that are subject to the ECL model under MFRS 9:

- Receivables and deposits
- Amounts due from subsidiaries
- Financial guarantee contracts

Whilst cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the credit risks and any impetus for credit impairment has been determined to be immaterial. Credit risk measurement with regards to the mentioned categories of financial instruments are as below.

(i) Trade receivables using the simplified approach

The Group adopts MFRS 9 prescribed 'simplified approach' in measuring ECL which estimates a lifetime expected credit loss allowance for all trade receivables.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(ii) Other receivables, amounts due from subsidiaries and financial guarantee contracts using the general 3 stage approach

The Group uses four categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss is as follows:

Category	Definition of category	Basis for recognition of expected credit loss allowance
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime on an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation.	Lifetime expected losses
Non-performing	There is evidence indicating the assets are credit-impaired.	Lifetime expected losses
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. In addition, forward-looking information such as the macroeconomic conditions has been incorporated into the determination of expected credit losses.

Refer to Note 19 to the financial statements on the carrying amount of the other receivables presented by the categories of credit risk rating.

For the amounts due from subsidiaries that are repayable on demand, the calculation of ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial;
- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower; and
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(ii) Other receivables, amounts due from subsidiaries and financial guarantee contracts using the general 3 stage approach (continued)

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

(iii) The Group's collateral at the end of the reporting period is summarised as follows:

	Net exposure RM	Collateral and credit enhancement RM	Maximum exposure (Net of impairment) RM
2024			
Trade receivables	33,598,011	72,360,844	105,958,855
Other receivables	1,965,979	-	1,965,979
Refundable deposits	778,700	-	778,700
Derivative financial assets	124,763	-	124,763
Deposits with licensed banks	18,591,689	-	18,591,689
Cash and bank balances	51,985,934	-	51,985,934
Financial assets at fair value through profit or loss	6,396,411	-	6,396,411
	113,441,487	72,360,844	185,802,331
2023			
Trade receivables	15,850,811	51,805,638	67,656,449
Other receivables	1,125,311	-	1,125,311
Refundable deposits	1,565,176	-	1,565,176
Derivative financial assets	1,061,863	-	1,061,863
Deposits with licensed banks	37,151,335	-	37,151,335
Cash and bank balances	43,901,512	-	43,901,512
Financial assets at fair value through profit or loss	5,002,733	-	5,002,733
	105,658,741	51,805,638	157,464,379

Certain trade receivables of the Group are secured by financial guarantees given by corporates, shareholders or directors of the receivables. There were no instances during the year whereby loss allowances were not recognised due to the utilisation of these collaterals and credit enhancements.

The Company's maximum exposure to credit risk for each class of financial assets is the carrying amount of each class of financial assets presented in the statements of financial position.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired

Details of the Group's financial assets that are impaired and the reconciliation of the impairment as at the current financial year's reporting date are set out below:

	Trade receivables (Note 19) RM	Other receivables (Note 19) RM	Total RM
GROUP			
At 30 June 2024			
At gross amounts	107,122,862	4,091,352	111,214,214
Less: Accumulated impairment	(1,164,007)	(2,153,211)	(3,317,218)
	105,958,855	1,938,141	107,896,996
Accumulated impairment			
At 1 July	1,270,635	1,090,080	2,360,715
Impairment charge (Note 8)	116,902	1,208,885	1,325,787
Write-off	(220,678)	(128,343)	(349,021)
Reversal of impairment during the financial year	(2,852)	(17,411)	(20,263)
At 30 June	1,164,007	2,153,211	3,317,218

During the current financial year (based on the lifetime expected credit loss assessment):

- The Group's Food subsidiaries made a net impairment charge on some trade receivables and other receivables as the overdue receivables were determined to be non-performing, in default and credit impaired. Accordingly, ECL allowance amounting to RM115,472 and RM1,208,885 was recorded respectively.
- Outstanding debts of RM220,678 from the Food subsidiary and RM128,343 arising from the construction of library, which have been previously impaired, were written off against the impairment allowance during the current financial year.
- The Steel Tube subsidiary has made a reversal of impairment on other receivables of RM17,411 upon settlement of outstanding debts of the said amount.
- The Group's UK subsidiary has also made a reversal of impairment on trade receivables amounting to RM1,422 equivalent upon settlement of outstanding debts of the said amount.

No other major ECL was deemed required other than the abovementioned.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

Details of the Group's financial assets that are impaired and the reconciliation of the impairment as at the preceding financial year's reporting date are set out below:

	Trade receivables (Note 19) RM	Other receivables (Note 19) RM	Total RM
GROUP			
At 30 June 2023			
At gross amounts	68,927,084	2,215,391	71,142,475
Less: Accumulated impairment	(1,270,635)	(1,090,080)	(2,360,715)
	67,656,449	1,125,311	68,781,760
Accumulated impairment			
At 1 July	1,261,348	1,239,785	2,501,133
Impairment charge (Note 8)	6,878	13,476	20,354
Write back on impairment (Note 8)	-	(131,381)	(131,381)
Write-off	-	(31,800)	(31,800)
Exchange differences	2,409	-	2,409
At 30 June	1,270,635	1,090,080	2,360,715

In the preceding financial year (based on the lifetime expected credit loss assessment):

- The Steel Tube subsidiary has made a reversal of impairment on other receivables of RM131,381 upon settlement of outstanding debts of the said amount. An impairment allowance on other receivables of RM31,800 was also written off during the financial year when it was assessed as irrecoverable.
- The Group's Food subsidiaries made a net impairment charge on some trade receivables and other receivables as the overdue receivables were determined to be non-performing, in default and credit impaired. Accordingly, ECL allowance amounting to RM5,855 and RM13,476 was recorded respectively.
- The Group's UK subsidiary has also made an impairment charge on overdue trade receivables amounting to RM1,023 equivalent and have been determined to be non-performing, in default, and credit impaired.

No other major ECL allowance was deemed required other than the abovementioned.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

Details of the Company's financial assets that are impaired and the reconciliation of the impairment at the current financial year's reporting date are as set out below:

	Amounts due from subsidiaries (Note 22) RM
COMPANY	
At 30 June 2024	
At gross amounts	30,703,406
Less: Accumulated impairment	(30,699,940)
	3,466
Accumulated impairment	
At 1 July	28,325,500
Impairment charge (Note 8)	2,374,440
At 30 June	30,699,940

During the current financial year (based on the expected credit loss assessment), the Company made additional impairment charge on the advances made to its various subsidiaries totalling RM2,374,440 as these were determined to be non-performing.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

Details of the Company's financial assets that are impaired and the reconciliation of the impairment at the preceding financial year's reporting date are as set out below:

	Amounts due from subsidiaries (Note 22) RM
COMPANY	
At 30 June 2023	
At gross amounts	28,329,574
Less: Accumulated impairment	(28,325,500)
	4,074
<u>Accumulated impairment</u>	
At 1 July	21,625,884
Impairment charge (Note 8)	6,699,616
At 30 June	28,325,500

In the preceding financial year (based on the expected credit loss assessment), the Company made additional impairment charge on the advances made to its various subsidiaries totalling RM6,699,616 as these were determined to be non-performing.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that the future cash flows and/or fair valuations of the Group's and the Company's interest-bearing financial instruments will be negatively impacted due to fluctuation in market interest rates. The Group's objective on interest rate risk management is to achieve a balance between re-pricing risks and minimising its weighted average borrowing cost.

The Group's interest-bearing financial instruments are mainly its borrowings which comprise of both floating rate term loan instruments, and fixed rate trade and credit instruments (utilised to finance raw coil material purchases and credit sales). The floating rate loan instrument is subjected to the lender's revision of its cost-of-funds (usually in-line with Overnight Policy Rate ("OPR") changes) in computing the interest rate. The fixed rate trade and credit instruments are short-term (not exceeding 120 days) and subject to re-pricing upon new drawdown.

Bank Negara Malaysia has maintained the OPR in the current financial year at 3.00% (2023: 2.00%). Despite the stable OPR, our effective average cost of borrowing in the current financial year 2024 is higher at 5.1% compared to financial year 2023 at 4.1% - as our higher facilities utilisation crossed into sources with higher lending rates.

The Group also has interest-earning financial asset instruments which comprised mainly of fixed interest-bearing short-term deposits subject to frequent re-pricing.

Neither the Group nor the Company holds any interest-rate derivatives during and at the close of the current financial year.

Details of the interest-bearing financial liability instruments for the Group are as follows:

	Group	
	2024 RM	2023 RM
Current		
Fixed rate borrowings, denominated in RM	119,731,171	78,488,476
Floating rate borrowings, denominated in RM	6,724,585	12,374,548
Fixed rate credit from supplier, denominated in RM (Note 24)	39,169,997	27,558,487
Fixed rate advances from shareholders, denominated in RM	1,500,000	-
Non-current		
Fixed rate borrowings, denominated in RM	458,118	645,715
Floating rate borrowings, denominated in RM	7,841,639	10,088,560
	175,425,510	129,155,786

The risk impact for the floating rate financial liability instruments had the overall interest rates being 1.0% higher, is that the Group's profit after tax for financial year 2024 would decrease by RM110,703 (2023: loss increase by RM170,720). A 1.0% lower interest rate would have the equal but opposite effect to the aforementioned amounts.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk

Foreign currency risk is the risk that the fluctuation of foreign exchange (“FX”) rates may negatively impact fair value or future cash-flow of financial instruments in currencies other than its own functional currency. The Group’s foreign currency risk management objective is to minimise foreign currency exposure on financial instruments that may give rise to fluctuation in fair value or future cash-flows.

The Group’s revenue streams from its domestic subsidiaries are mainly denominated in Ringgit Malaysia which are their functional currencies, USD and SGD. The foreign United Kingdom (“UK”) and Cambodian subsidiaries’ contribution to the Group are negligible and pose little FX risks. The Group’s Cold Rolled Coil (CRC) and Steel Tube segments revenue stream are mainly denominated in their Ringgit Malaysia functional currency, USD and SGD whilst their raw material coils procurement is imported from abroad denominated in USD. The Group’s ‘export & trade’ subsidiary undertakes the exports of its’ CRC and Tubes, and accept forward and spot orders from their customers denominated in USD and SGD. As a result, the Group will have FX-risk exposure arising from current and future payment-obligations in foreign currency on imports; and from current and future receivable-rights in foreign currency on exports. In-line with the Group’s policy, it would seek to optimize the natural-FX-hedge positions of the aforementioned which sit in different subsidiaries. Any residue FX-risk exposures are then hedged with forward foreign currency exchange contracts (FX forwards) at between 50-80% coverage – depending on the length of the forward period and forward quotes. These are hedge-accounted (where eligible), mostly with full off-set.

Contracted rights and obligations denominated in foreign-currency earmarked for natural-hedge, crystallize on Balance Sheet at different initial recognition-dates with different FX-rate on transaction date. As a result, the Group may report some net FX-gain/(loss) on these natural-hedges due to the timing differences of transaction-date on initial recognition of its rights and obligations.

For the current financial year, the Group reported a higher net FX-gain of RM1.89 million (2023: net FX-gain of RM0.9 million) due to unhedged positions which favoured the stronger USD.

Further disclosures are made in Note 21 on derivatives.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

A summary of the realised and unrealised gain/(loss) from incepted hedging instruments (being foreign exchange forwards) and the hedged items (being receivables or payables in foreign currencies) over the twelve months period for the current and the preceding financial year as comparison are outlined below:

	2024			2023		
	Unrealised RM'000	Realised RM'000	Total RM'000	Unrealised RM'000	Realised RM'000	Total RM'000
FX Fair Value						
Hedge Accounted						
Hedge instruments:						
- FX forwards	92	4,116	4,208	1,061	4,200	5,261
Hedge items:						
- Financial obligations	(92)	(4,116)	(4,208)	(1,061)	(4,200)	(5,261)
	-	-	-	-	-	-
Natural Hedge						
Rights: Cash/receivables	-	342	342	-	-	-
Obligations: Payables	-	(342)	(342)	-	-	-
	-	-	-	-	-	-
Not Hedged Accounted						
FX instruments	-	(263)	(263)	-	(35)	(35)
FX items	283	1,870	2,153	954	(38)	916
	283	1,607	1,890	954	(73)	881
Net FX gain/(loss)	283	1,607	1,890	954	(73)	881

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

Details of the Group's foreign currencies exposure in its Ringgit Malaysia functional currency as at the reporting date (and preceding financial year's reporting date) are set out in the respective tables below.

	From USD	From SGD	From GBP	Total
GROUP				
As at 30 June 2024				
Financial assets				
Receivables, deposits and prepayments	15,686,516	8,304,456	50,020	24,040,992
Cash and bank balances	26,706,902	164,065	87,681	26,958,648
	42,393,418	8,468,521	137,701	50,999,640
Less: Financial liability				
Payables and accrued liabilities	(35,429)	-	(246,366)	(281,795)
Net financial assets	42,357,989	8,468,521	(108,665)	50,717,845
Off balance sheet				
Contracted commitments	(103,563,593)	-	-	(103,563,593)
Group foreign currency natural hedge for contracted rights	(39,735,839)	-	-	(39,735,839)
Group foreign currency natural hedge for contracted obligations	39,735,839	-	-	39,735,839
Forward foreign currency contracts at notional value at closing rate	63,827,754	-	-	63,827,754
Net currency exposure	2,622,150	8,468,521	(108,665)	10,982,006

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

Details of the Group's foreign currencies exposure in its Ringgit Malaysia functional currency as at the reporting date (and preceding financial year's reporting date) are set out in the respective tables below. (continued)

	From USD	From SGD	From GBP	From AUD	Total
GROUP					
As at 30 June 2023					
Financial assets					
Receivables, deposits and prepayments	313,046	9,099,263	63,751	771,775	10,247,835
Cash and bank balances	7,915,651	754,024	200,472	-	8,870,147
	8,228,697	9,853,287	264,223	771,775	19,117,982
Less: Financial liability					
Payables and accrued liabilities	(45,373)	-	(177,818)	-	(223,191)
Net financial assets	8,183,324	9,853,287	86,405	771,775	18,894,791
Off balance sheet					
Contracted commitments	(61,778,399)	-	-	-	(61,778,399)
Contracted forward sales	13,478,000	82,565	-	-	13,560,565
Forward foreign currency contracts at notional value at closing rate	49,837,143	-	-	-	49,837,143
Net currency exposure	9,720,068	9,935,852	86,405	771,775	20,514,100

Net currency exposure' if positive is in long position, and if negative is in short position of the captioned foreign currency.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The Company does not have any foreign currency exposure for both current and preceding financial years.

The following table demonstrates the sensitivity of the Group's (loss)/profit after tax and equity to a reasonably possible change in the USD, SGD, Great Britain Pound ("GBP") and AUD exchange rates against RM, with all other variables in particular interest rates held constant.

	Increase/ (Decrease) in Profit and Equity 2024 RM	Increase/ (Decrease) in Profit and Equity 2023 RM
GROUP		
RM appreciates against USD by 2% (2023: 2%)	(39,857)	(147,745)
RM appreciates against SGD by 2% (2023: 2%)	(128,722)	(151,052)
RM appreciates against GBP by 2% (2023: 2%)	1,652	(1,313)
RM appreciates against AUD by 2% (2023: 2%)	-	(11,731)

A 2% (2023: 2%) weakening of the above currencies against the RM would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

6 FAIR VALUE

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade intercompany balances). The determination of the fair value for other financial assets and liabilities may require the application of certain valuation methods.

<u>Fair value estimation</u>

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

6 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

The following table presents the Group's financial assets/(liabilities) that are measured at fair value on reporting date:

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP					
2024					
Financial assets					
Financial assets at fair value through profit or loss	20	5,847,000	549,411	-	6,396,411
Forward foreign currency exchange contracts	21	-	124,763	-	124,763
		5,847,000	674,174	-	6,521,174
Financial liability					
Derivative financial liabilities		-	(32,629)	-	(32,629)
2023					
Financial assets					
Financial assets at fair value through profit or loss	20	3,002,000	2,000,733	-	5,002,733
Forward foreign currency exchange contracts	21	-	1,061,863	-	1,061,863
		3,002,000	3,062,596	-	6,064,596

The 'financial assets at fair value through profit or loss' comprise of investment in quoted shares and investment funds (see Note 20). The investment in quoted shares is fair valued by way of marking-to-active market using the quoted closing price on Bursa Malaysia. The fair value of investment funds is determined based on independent fund valuations.

The fair value of financial instruments that are not traded in an active market, such as those forward foreign currency exchange contracts held by the Group at the close of the financial year, is determined by way of marking-to-market the underlying variable using market (forward) rates published or quoted by counterparty financial institutions. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates, and is classified under Level 2. Those forward foreign currency exchange contracts with marked-to-market positive fair value are classified as derivative financial assets, whilst those with marked-to-market negative fair value are classified as derivative financial liabilities.

The Group does not hold any financial assets or liabilities where fair values are assessed at Level 3.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

6 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

The following table presents the Company's financial assets that are measured at fair value on reporting date:

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
COMPANY					
2024					
Financial asset					
Financial assets at fair value through profit or loss	20	3,247,000	549,411	-	3,796,411
2023					
Financial asset					
Financial assets at fair value through profit or loss	20	102,000	2,000,733	-	2,102,733
Free detachable warrants	21	2,119,816	-	-	2,119,816
		2,221,816	2,000,733	-	4,222,549

The Company's 'financial assets at fair value through profit or loss' comprise of investment in quoted shares and investment funds (see Note 20). The investment in quoted shares is fair valued by way of marking-to-active market using the quoted closing price on Bursa Malaysia. The fair value of investment funds is determined based on independent fund valuations.

On 26 January 2024, 16,379,422 units of unexercised warrant shares held by the Company in its listed subsidiary, Mycron Steel Berhad ("MSB") amounting to RM81,897, lapsed and expired. During the financial year, the Company has sold 3,809,300 units of MSB warrant shares for a cash consideration of RM84,982. The Company's holding of these warrants is fair valued at assessment 'Level 1' at initial recognition and at the end of each reporting period by way of marking-to its published market closing price on Bursa Malaysia with the changes in fair value charged to profit or loss. For the current financial year, a mark-to-market loss of RM2,034,834 (2023: loss of RM6,258,504) from the warrants was charged to the Company's statements of comprehensive income.

The Company does not hold any financial assets where fair values are assessed at Level 3.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

7 REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Sales of goods	808,307,830	541,454,772	-	-
Construction contracts	-	425,308	-	-
Processing service income	1,662,009	7,616,327	-	-
Management fees	-	-	2,520,000	2,520,000
	809,969,839	549,496,407	2,520,000	2,520,000
Revenue from other sources				
Dividend income	-	-	500,000	150,000
Lease rental income:				
- investment properties	-	-	5,040,000	5,040,000
- others	197,776	166,994	-	-
	197,776	166,994	5,540,000	5,190,000
Total revenue	810,167,615	549,663,401	8,060,000	7,710,000

Further disaggregation of revenue from contracts with customers by timing of recognition and sub-categories for the financial year are as follows:

	Timing of Revenue Recognition			
	At a point-in-time		Over time	Total
	Local RM	Abroad RM	Local RM	RM
GROUP				
2024				
Segments				
Steel tube	238,356,812	42,838,144	-	281,194,956
Cold rolled coil	303,219,835	199,006,102	-	502,225,937
Others	24,701,541	185,396	1,662,009	26,548,946
	566,278,188	242,029,642	1,662,009	809,969,839
Major goods and service lines				
Sales of primary goods:				
- steel tubes and pipes	238,356,812	42,838,144	-	281,194,956
- cold rolled coils	303,219,835	199,006,102	-	502,225,937
Sales of steel scraps and by-products	16,753,029	-	-	16,753,029
Trading of foods	7,948,512	185,396	-	8,133,908
Processing service income	-	-	1,662,009	1,662,009
	566,278,188	242,029,642	1,662,009	809,969,839

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7 REVENUE (CONTINUED)

Further disaggregation of revenue from contracts with customers by timing of recognition and sub-categories for the financial year are as follows: (continued)

	Timing of Revenue Recognition			
	At a point-in-time		Over time	Total
	Local RM	Abroad RM	Local RM	RM
GROUP				
2023				
Segments				
Steel tube	237,092,009	34,046,997	-	271,139,006
Cold rolled coil	255,127,456	-	-	255,127,456
Others	15,355,807	257,811	7,616,327	23,229,945
	507,575,272	34,304,808	7,616,327	549,496,407
Major goods and service lines				
Sales of primary goods:				
- steel tubes and pipes	237,092,009	34,046,997	-	271,139,006
- cold rolled coils	255,127,456	-	-	255,127,456
Sales of steel scraps and by-products	8,173,277	-	-	8,173,277
Trading of foods	6,757,222	257,811	-	7,015,033
Processing service income	-	-	7,616,327	7,616,327
Construction contracts	425,308	-	-	425,308
	507,575,272	34,304,808	7,616,327	549,496,407

	2024 RM	2023 RM
COMPANY		
Revenue from contracts with customers		
Management fees		
- recognised over time	2,520,000	2,520,000

7 REVENUE (CONTINUED)

Revenue from contracts with customers

(i) Sale of primary goods (steel tubes and pipes, cold rolled coils, steel scraps and by-products)

The Group manufactures and sells a range of steel products to customers. Sales from the sale of steel products are recognised when control of the products has been transferred (i.e. when the products are delivered to the customer); and when the customers have the full discretion to direct the use or movement over the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sale of steel products is recognised based on terms specified in the contracts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made on credit terms which are consistent with market practice.

(ii) Sales of goods (Trading of foods - Wholesale trading in meats, poultry and seafood products)

The Group is involved in wholesale trading of meats, poultry and seafood products to customers. Sales from the trading of meats, poultry and seafood products are recognised when the products have been delivered, accepted by the customers and when the customers have the full discretion to direct the use or movement over the products. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customers. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(iii) Construction contracts

This category comprises mostly of contracts where the transaction price is fixed and the revenue is determined and recognised over a period-of-time based on progression computed using the input method (i.e. percentage of cost-to-completion). If performance obligations in the contract distinguishes separately between goods and services, the transaction price would be allocated to the performance obligations based on observable methods, and the ensuing revenue would be recognised based on progress.

Construction costs are capitalised only to the extent that these are contractual fulfilment cost that relate to satisfying future performance obligations. Cost incurred in the current period that relates to the satisfaction of past performance obligations are expensed out.

In the determination of revenue over a period-of-time based on progression of input cost, those costs incurred on wasted materials and labour, and those cost of uninstalled materials shall be excluded as progression in percentage of completion computation.

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For the Financial Year Ended 30 June 2024
(Continued)

7 REVENUE (CONTINUED)

Revenue from contracts with customers (continued)

(iii) Construction contracts (continued)

A contract is determined to be 'onerous' when unavoidable cost to fulfil a contract exceeds the receivable economic benefits. In determining the 'unavoidable cost', the lower of (a) 'costs to fulfil contract' or (b) 'compensation/penalties arising from failure to fulfil the contract' applies. Unavoidable cost excludes overheads and indirect costs which would have to be incurred regardless.

In the negotiation for construction contracts, effort shall be made to separately identify performance obligations for ease of revenue recognition if the integration of goods and services is insignificant; if the level of customisation and modification work is insignificant; or if multiple performance obligations are not highly interrelated.

(iv) Processing service income and management fees

The Group offers galvanising, slitting, toll-manufacturing service to its customers. Tolling services are where the customers provide steel products for further processing (e.g. galvanising). Revenue from providing such service is recognised in the accounting period which services is rendered.

The Company offers management service to its subsidiaries. Revenue from providing such service is recognised in the accounting period which service is rendered.

Revenue from other sources

(i) Dividend income (for the Company)

Dividend income is recognised when the Company's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(ii) Lease rental income

Lease payments received under operating leases are recognised as lease income on a straight-line basis over the lease term. Refer to accounting policy Note 3.5 on leases.

8 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
The following expenses have been charged/ (credited) in arriving at profit/(loss) before tax:				
Auditors' remuneration:				
- statutory audit				
- KPMG PLT	643,000	600,000	210,000	205,000
- non-audit services				
- KPMG PLT	24,000	24,000	12,000	12,000
Changes in inventories of finished goods and work-in-progress	(7,712,536)	20,592,786	-	-
Raw materials consumed	665,656,665	426,329,692	-	-
Consumables (inventories) consumed	20,728,628	13,262,472	-	-
Property, plant and equipment (Note 13):				
- depreciation	15,692,354	15,082,667	84,074	117,767
- impairment loss/(write back)	(477,186)	6,917,251	7,724	(5,919)
- loss/(gain) on disposals	(174,227)	178,602	-	(11,811)
- write-offs	240	-	-	-
Depreciation on right-of-use assets [(a)]	2,180,336	1,935,334	82,368	77,337
Fair value loss/(gain) on:				
- investment properties (Note 15)	-	-	279,190	(5,898,770)
- derivatives (Note 21)	-	-	2,034,834	6,258,504
- financial assets at fair value through profit or loss (Note 20)	3,387,378	(269,284)	3,087,378	30,716
Staff costs - excluding Directors' remuneration:				
- salaries, bonuses and allowances	38,577,793	30,935,461	1,729,073	1,497,086
- defined contribution plan	4,864,228	4,596,169	259,305	245,696
- others	2,168,077	2,024,165	79,676	97,425
Rental expense [(a)]	33,530	20,081	33,530	20,081
Maintenance of plant and machinery	12,123,303	6,366,105	-	-
Impairment (reversal)/loss on:				
- investment in subsidiaries (Note 16)	-	-	(447,410)	2
- amounts due from subsidiaries (Note 5(c)(iv))	-	-	2,374,440	6,699,616
- trade receivables (Note 5(c)(iv))	114,050	6,878	-	-
- other receivables (Note 5(c)(iv))	1,191,474	(117,905)	-	-
Write-down of inventories	-	11,003,973	-	-
Amortisation of deferred income on grant (Note 31)	(1,527,523)	(152,500)	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

8 PROFIT/(LOSS) BEFORE TAX (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net foreign currency exchange (gain)/loss				
- realised	(1,606,902)	73,311	-	-
- unrealised	(283,186)	(954,085)	-	-
Quit rent and assessment fees	780,484	775,533	347,231	347,230
Inventories written off	223,447	150,222	-	-

[a] The rental expense on the rented land and buildings deemed as an operating lease is now represented through the depreciation of the right-of-use assets on the aforementioned lease and the implicit interest charge on the corresponding lease liabilities (See Note 9 and Note 14). The remaining 'rental expense' for the current financial year relates to rentals of low value assets which are exempted from lease accounting under MFRS 16.

9 FINANCE INCOME AND COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Finance income on:				
Interest on deposits with licensed banks [a]	(1,839,860)	(1,535,069)	(11,497)	(37,280)
Interest income	(11,156)	(1,449)	(533,202)	(1,449)
Total finance income	(1,851,016)	(1,536,518)	(544,699)	(38,729)
Finance costs on:				
Borrowings	6,653,774	4,776,416	8,877	-
Hire-purchase	68,347	14,880	-	-
Suppliers' credit	1,325,847	580,422	-	-
Lease liabilities [b]	199,988	243,701	22,651	3,884
Total finance costs	8,247,956	5,615,419	31,528	3,884
Finance costs/(income) - net	6,396,940	4,078,901	(513,171)	(34,845)

[a] Interest income from fixed-deposits and money-market REPO (repurchase agreement) placements with Banks for very short tenure.

[b] Interest expense on lease liabilities is an implicit charge on lease liabilities representing the discounted lease commitment streams over the remaining term of the leases, pursuant to the adoption of MFRS 16 (See Note 14).

10 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received/receivable by Directors of the Company from the Company and its subsidiaries are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Executive Directors:				
- fees	615,000	541,097	279,000	222,000
- allowances	58,000	60,500	29,500	30,000
- estimated monetary value of benefits-in-kind	20,865	13,196	14,904	9,350
Executive Directors:				
- salaries, bonuses and other emoluments	6,361,692	8,650,768	825,008	765,212
- allowances	58,200	70,800	-	-
- estimated monetary value of benefits-in-kind	84,465	99,570	14,279	24,979
- defined contribution plan	957,348	1,296,936	123,752	114,786
	8,155,570	10,732,867	1,286,443	1,166,327

The numbers of Directors of the Company whose total remuneration paid by the Company falling within certain bands are outlined below:

	Number of Directors	
	2024	2023
Executive Directors:		
RM900,001 – RM950,000	-	1
RM950,001 – RM1,000,000	1	-
Non-Executive Directors:		
Less than RM50,000	-	2
RM50,001 – RM100,000	5	3

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

11 TAX EXPENSE/(CREDIT)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current Malaysia tax:				
- current year	4,039,013	2,675,213	850,856	816,600
- over accrual in the prior year	(1,100,854)	(54,497)	(6,505)	(7,459)
	2,938,159	2,620,716	844,351	809,141
Deferred taxation (Note 17):				
- origination and reversal of temporary differences	1,375,227	(4,209,356)	(124,362)	657,201
Tax expense/(credit)	4,313,386	(1,588,640)	719,989	1,466,342

The explanation of the relationship between tax expense and profit/(loss) before tax is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	13,863,109	(18,475,349)	(3,935,270)	(4,048,608)
Tax calculated at the Malaysian tax rate of 24% (2023: 24%)	3,327,146	(4,434,084)	(944,465)	(971,666)
Tax effects of:				
- expenses not deductible for tax purposes	1,755,725	5,992,856	1,670,959	3,992,336
- income not subject to tax	(414,090)	(4,022,259)	-	(1,546,869)
- over accrual in the prior year	(1,100,854)	(54,497)	(6,505)	(7,459)
- difference in tax rate	105,877	96,999	-	-
- tax losses and allowances not recognised as deferred tax	639,582	832,345	-	-
Tax expense/(credit)	4,313,386	(1,588,640)	719,989	1,466,342

12 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company	5,158,032	(13,260,433)
Weighted average number of ordinary shares in issue (net of treasury shares)	359,448,689	359,417,703
Basic earnings/(loss) per share (sen)	1.43	(3.69)

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is presented in both the current and preceding financial years, given that the issued and listed warrants are in an anti-dilutive position since its exercisable price (at 40 sen) is above the market price of the listed mother share. Accordingly, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company	5,158,032	(13,260,433)
Weighted average number of ordinary shares in issue (net of treasury shares)	359,448,689	359,417,703
Diluted earnings/(loss) per share (sen)	1.43	(3.69)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Construction work-in-progress RM	Total RM
GROUP						
2024						
Cost/Valuation						
At 1 July 2023						
- cost	-	-	-	15,681,807	725,299	16,407,106
- valuation	77,000,000	58,176,612	210,415,168	-	-	345,591,780
	77,000,000	58,176,612	210,415,168	15,681,807	725,299	361,998,886
Additions	-	548,488	4,063,361	776,309	565,057	5,953,215
Currency translation differences	-	-	-	9,639	-	9,639
Disposals	-	-	(1,112,179)	(175,351)	-	(1,287,530)
Write-offs	-	-	(27,859)	(3,011)	-	(30,870)
Revaluation during the financial year	-	2,656,978	(552,124)	19,879	-	2,124,733
Effects of elimination of accumulated depreciation on revaluation	-	(2,570,756)	(11,131,826)	-	-	(13,702,582)
Reclassification	-	-	483,003	-	(483,003)	-
At 30 June 2024	77,000,000	58,811,322	202,137,544	16,309,272	807,353	355,065,491
Less: Accumulated depreciation						
At 1 July 2023	-	-	-	9,181,475	-	9,181,475
Charge for the financial year (Note 8)	-	2,570,756	12,048,476	1,073,122	-	15,692,354
Currency translation differences	-	-	-	1,305	-	1,305
Disposals	-	-	(915,323)	(100,315)	-	(1,015,638)
Write-offs	-	-	(1,327)	(2,802)	-	(4,129)
Effects of elimination of accumulated depreciation on revaluation	-	(2,570,756)	(11,131,826)	-	-	(13,702,582)
At 30 June 2024	-	-	-	10,152,785	-	10,152,785

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Spare parts RM	Construction work-in-progress RM	Total RM
GROUP							
2024							
Less: Accumulated impairment loss							
At 1 July 2023	-	1,065,289	35,760,615	99,001	-	-	36,924,905
(Reversal)/Charge for the financial year (Note 8)	-	(1,065,289)	587,894	209	-	-	(477,186)
Write-offs	-	-	(26,292)	(209)	-	-	(26,501)
At 30 June 2024	-	-	36,322,217	99,001	-	-	36,421,218
Net book value							
At 30 June 2024	77,000,000	58,811,322	165,815,327	6,057,486	-	807,353	308,491,488
Representing:							
- cost	-	-	-	6,057,486	-	807,353	6,864,839
- valuation	77,000,000	58,811,322	165,815,327	-	-	-	301,626,649
	77,000,000	58,811,322	165,815,327	6,057,486	-	807,353	308,491,488

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For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Spare parts RM	Construction work-in-progress RM	Total RM
GROUP							
2023							
Cost/Valuation							
At 1 July 2022							
- cost	-	-	-	15,042,159	216,023	723,910	15,982,092
- valuation	69,000,000	60,417,446	209,913,078	-	-	-	339,330,524
	69,000,000	60,417,446	209,913,078	15,042,159	216,023	723,910	355,312,616
Additions	-	101,230	9,192,571	2,082,880	-	507,502	11,884,183
Currency translation differences	-	-	-	50,293	-	-	50,293
Disposals	-	-	(131,784)	(1,458,791)	-	-	(1,590,575)
Write-offs	-	-	(216,201)	(38,914)	-	-	(255,115)
Revaluation during the financial year	8,000,000	212,063	2,382,600	-	-	-	10,594,663
Effects of elimination of accumulated depreciation on revaluation	-	(2,554,127)	(11,443,052)	-	-	-	(13,997,179)
Reclassification	-	-	717,956	4,180	(216,023)	(506,113)	-
At 30 June 2023	77,000,000	58,176,612	210,415,168	15,681,807	-	725,299	361,998,886
Less: Accumulated depreciation							
At 1 July 2022	-	-	-	9,311,748	-	-	9,311,748
Charge for the financial year (Note 8)	-	2,554,127	11,465,917	1,062,623	-	-	15,082,667
Currency translation differences	-	-	-	4,527	-	-	4,527
Disposals	-	-	(6,373)	(1,160,950)	-	-	(1,167,323)
Write-offs	-	-	(16,492)	(36,473)	-	-	(52,965)
Effects of elimination of accumulated depreciation on revaluation	-	(2,554,127)	(11,443,052)	-	-	-	(13,997,179)
At 30 June 2023	-	-	-	9,181,475	-	-	9,181,475

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Spare parts RM	Construction work-in-progress RM	Total RM
GROUP							
2023							
Less: Accumulated impairment loss							
At 1 July 2022	-	806,124	29,304,679	99,001	-	-	30,209,804
Charge for the financial year (Note 8)	-	259,165	6,655,645	2,441	-	-	6,917,251
Write-offs	-	-	(199,709)	(2,441)	-	-	(202,150)
At 30 June 2023	-	1,065,289	35,760,615	99,001	-	-	36,924,905
Net book value							
At 30 June 2023	77,000,000	57,111,323	174,654,553	6,401,331	-	725,299	315,892,506
Representing:							
- cost	-	-	-	6,401,331	-	725,299	7,126,630
- valuation	77,000,000	57,111,323	174,654,553	-	-	-	308,765,876
	77,000,000	57,111,323	174,654,553	6,401,331	-	725,299	315,892,506

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For the Financial Year Ended 30 June 2024
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13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Total RM
COMPANY				
2024				
Cost/Valuation				
At 1 July 2023				
- cost	-	-	840,298	840,298
- valuation	111,322	723,365	-	834,687
	111,322	723,365	840,298	1,674,985
Revaluation during the financial year	-	42,244	-	42,244
Elimination of accumulated depreciation on revaluation	-	(34,520)	-	(34,520)
At 30 June 2024	111,322	731,089	840,298	1,682,709
Less: Accumulated depreciation				
At 1 July 2023	-	-	532,178	532,178
Charge for the financial year (Note 8)	-	34,520	49,554	84,074
Elimination of accumulated depreciation on revaluation	-	(34,520)	-	(34,520)
At 30 June 2024	-	-	581,732	581,732
Less: Accumulated impairment loss				
At 1 July 2023	-	273,365	80,595	353,960
Charge for the financial year (Note 8)	-	7,724	-	7,724
At 30 June 2024	-	281,089	80,595	361,684
Net book value				
At 30 June 2024	111,322	450,000	177,971	739,293
Representing:				
- cost	-	-	177,971	177,971
- valuation	111,322	450,000	-	561,322
	111,322	450,000	177,971	739,293

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For the Financial Year Ended 30 June 2024
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13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Total RM
COMPANY				
2023				
Cost/Valuation				
At 1 July 2022				
- cost	-	-	1,566,398	1,566,398
- valuation	111,322	749,284	-	860,606
	111,322	749,284	1,566,398	2,427,004
Additions	-	-	25,551	25,551
Disposals	-	-	(751,651)	(751,651)
Revaluation during the financial year	-	44,244	-	44,244
Elimination of accumulated depreciation on revaluation	-	(70,163)	-	(70,163)
At 30 June 2023	111,322	723,365	840,298	1,674,985
Less: Accumulated depreciation				
At 1 July 2022	-	-	1,236,036	1,236,036
Charge for the financial year (Note 8)	-	70,163	47,604	117,767
Disposals	-	-	(751,462)	(751,462)
Elimination of accumulated depreciation on revaluation	-	(70,163)	-	(70,163)
At 30 June 2023	-	-	532,178	532,178
Less: Accumulated impairment loss				
At 1 July 2022	-	279,284	80,595	359,879
Write back during the financial year (Note 8)	-	(5,919)	-	(5,919)
At 30 June 2023	-	273,365	80,595	353,960
Net book value				
At 30 June 2023	111,322	450,000	227,525	788,847
Representing:				
- cost	-	-	227,525	227,525
- valuation	111,322	450,000	-	561,322
	111,322	450,000	227,525	788,847

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For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Valuation of certain property, plant and equipment and ROU assets

Fair value of the Group's land and buildings at the end of the financial year as determined by the professional valuer is within Level 3 of the fair value hierarchy. Land and buildings of the Group were revalued in June 2024 by an independent firm of professional valuer, PA International Property Consultants (KL) Sdn. Bhd. based on adjusted market comparison approach and depreciated replacement cost approach respectively. The leasehold land classified as ROU assets continues to be measured using the same revaluation model by the aforementioned valuer-firm.

Fair value of the Group's plant, machinery, and electrical installation at the end of the financial year as determined by the professional valuer is within Level 3 of the fair value hierarchy. Please refer to Note 13(v) for the details of fair value measurements using significant unobservable input (Level 3).

The Group's revaluation surplus on property, plant and equipment of RM2,124,733 (2023: RM10,594,663) and ROU assets (Note 14) amounting to RM1,858,677 (2023: RM10,064,284) were credited directly to assets revaluation reserve account and its related deferred taxation arising from the revaluation was provided accordingly (Note 17). In the previous financial year, the net revaluation deficit amounting to RM6,917,251 was taken up as impairment in profit or loss while surpluses in-relation to brought forward impairment amounting to RM477,186 was credited to profit or loss as reversal in the current financial year.

The Company's revaluation surplus of RM44,243 (2023: RM44,244) was credited directly to assets revaluation reserve account and its related deferred taxation arising from the revaluation was provided accordingly (Note 17). The net revaluation deficit amounting to RM7,724 (2023: surplus amounting to RM5,919) was taken up as impairment in profit or loss.

The net book values of the revalued property, plant and equipment that would have been included in the financial statements had these assets been carried at deemed cost less accumulated depreciation are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	31,300,000	31,300,000	-	-
Buildings	44,646,298	47,688,431	111,322	111,322
Plant, machinery and electrical installation	181,318,937	190,344,756	268,509	286,128
	257,265,235	269,333,187	379,831	397,450

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Valuation of certain property, plant and equipment and ROU assets (continued)

The fair value of ROU assets and property, plant and equipment are individually determined periodically, with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date. The valuer have relied on the following methodologies:

- Freehold land and leasehold land – adjusted market comparison approach by reference to observable prices per square foot ("psf") in an active market or recent market transactions (Level 3).

- Buildings and plant, machinery and electrical installation - depreciated replacement cost approach, which is based on the current cost of replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation (Level 3).

(ii) Assets acquired under hire-purchase arrangements

Additions to plant, machinery and electrical installation of the Group during the financial year includes those acquired by means of hire-purchase arrangements totalling RM400,000 (2023: RM1,165,000).

As at 30 June 2024, the net book value of the property, plant and equipment under hire-purchase arrangements in the Group is RM2,161,115 (2023: RM2,226,378).

(iii) Assets pledged as securities

Property, plant and equipment amounting to RM302,958,495 (2023: RM310,597,361) of the steel subsidiaries are pledged as securities for certain banking facilities granted to the Group. Refer Note 26 to the financial statements for further details.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) Fair value measurements using significant unobservable inputs (Level 3)

	Plant, machinery and electrical installation	
	2024 RM	2023 RM
GROUP		
At 1 July	174,654,553	180,608,399
Additions	4,063,361	9,192,571
Disposals	(196,856)	(125,411)
Revaluation during the financial year	(552,124)	2,382,600
Impairment charge for the financial year	(587,894)	(6,655,645)
Depreciation charge for the financial year	(12,048,476)	(11,465,917)
Write-offs	(240)	-
Transfer from construction work-in-progress and spare parts	483,003	717,956
At 30 June	165,815,327	174,654,553
COMPANY		
At 1 July	450,000	470,000
Revaluation during the financial year	42,244	44,244
Write back/(Impairment charge) for the financial year	(7,724)	5,919
Depreciation charge for the financial year	(34,520)	(70,163)
At 30 June	450,000	450,000

The following table presents the valuation techniques and key inputs that were used to determine the fair value of plant, machinery and electrical installation categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 30 June 2024 RM	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Plant, machinery and electrical installation	165,815,327	Depreciated replacement cost approach	Useful life of 10-18 years	The longer the useful life, the higher the fair value.

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) Fair value measurements using significant unobservable inputs (Level 3) (continued)

The external valuation of the Level 3 plant, machinery and electrical installation have been performed using depreciated replacement cost approach. The external valuer, in discussion with the Group's management, has determined the unobservable input based on the useful life of the plant, machinery and electrical installation.

As at 30 June 2024, if the unobservable input based on the useful life of the plant, machinery and electrical installation increases/decreases by one year, the fair value of the plant, machinery and electrical installation will increase/decrease by approximately RM12,048,476 (2023: RM11,465,917) respectively.

	Land and buildings	
	2024 RM	2023 RM
GROUP		
At 1 July	134,111,323	128,611,322
Additions	548,488	101,230
Revaluation during the financial year	2,656,978	8,212,063
Depreciation charge for the financial year	(2,570,756)	(2,554,127)
Impairment reversed/(charged) for the financial year	1,065,289	(259,165)
At 30 June	135,811,322	134,111,323
COMPANY		
At 1 July / 30 June	111,322	111,322

The unobservable inputs used to determine the fair value of land, which includes leasehold land classified under ROU assets, is the adjusted price per square foot ("psf") (ranging from RM100 to RM133 psf) which are adjusted by key attributes such as property size and location. The higher the price psf, the higher the fair value of the subject property.

The unobservable inputs used to determine the fair value of buildings is the adjusted depreciated building cost psf (ranging from RM27 to RM104 psf) which are adjusted by key attributes such as property size and building condition. The higher the cost psf, the higher the fair value of the subject property.

In assessing the reasonableness of the fair value of the land, building, plant, machinery and electrical installation that has been determined by the external valuer, management had separately assessed these plant, machinery and electrical installation as separate Cash-Generating Units ("CGU's") for the Group's Cold Rolled Coil (CRC) and Steel Tube segments. Management had determined the recoverable amount of these plant, machinery and electrical installation based on the discounted cash flows of the CGU's using the value-in-use ("VIU") model.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) Fair value measurements using significant unobservable inputs (Level 3) (continued)

It was determined that no impairment was necessary as the indicative recoverable amount is higher than its carrying amount.

The VIU assessments included the following key assumptions:

Assumption	2024 rates		2023 rates	
	MCRC	MST	MCRC	MST
Projection period	27 years	18 years	28 years	18 years
Pre-tax discount rate	11.5%	11.5%	11.5%	11.5%

The anticipated sales volume growth rate included in the cashflow projections are based on historical sales and expected growth rate in the industry.

The Directors and management have considered and assessed reasonable variations in the underlying key assumptions used in the computation of the recoverable amount and is satisfied with the headroom of the CGU's recoverable amount over its carrying amount.

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment are initially stated at cost. Freehold land, buildings, plant, machinery and electrical installation are subsequently shown at fair values, based on periodic valuation by external valuer, less subsequent depreciation and impairment losses, with sufficient regularity or when the fair value of the revalued assets differ materially from the carrying amounts. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Increases in the carrying amounts arising on revaluation of freehold land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. When property, plant and equipment is revalued, the carrying amount of property, plant and equipment is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the property, plant and equipment. The revaluation surplus included in equity in respect of property, plant and equipment will be transferred directly to retained earnings when the assets are de-recognised.

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Material accounting policy information (continued)

(a) Recognition and measurement (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss. When revalued assets are sold, the revaluation surplus included in equity is transferred directly to retained earnings when the asset is retired or disposed of.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

(b) Depreciation

Freehold land is not depreciated as it has infinite life. Other property, plant and equipment are depreciated on the straight-line basis based on cost of the assets or their revalued amounts, to their residual values, over their estimated useful lives as follows:

Buildings	50 years
Plant, machinery and electrical installation	4 – 40 years
Motor vehicles, furniture, fittings and equipment	5 – 20 years

Depreciation on assets under construction commences when the assets are ready for its intended use.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

14 LEASES

Information on the Group's leases and accounting changes over the current financial year are outlined below:

(A) Group

Leases as lessee

	Note	ROU assets		Lease liabilities	
		2024 RM	2023 RM	2024 RM	2023 RM
At 1 July					
Leasehold land	(a)	94,000,000	85,500,000	-	-
Rented properties	(b)	2,439,623	2,171,072	2,599,453	2,228,244
Total		96,439,623	87,671,072	2,599,453	2,228,244
Changes to ROU assets					
Revaluation during the year	(c)	1,858,677	10,064,284	-	-
Depreciation during the year:	(d)				
- leasehold land	8	(1,758,677)	(1,564,284)	-	-
- rented properties	8	(421,659)	(371,050)	-	-
Additions		-	469,852	-	-
Derecognition		(116,806)	-	-	-
Remeasurements	(g)	515,772	58,804	-	-
Currency exchange difference		16,944	110,945	-	-
Total		94,251	8,768,551	-	-
Changes to Lease liabilities					
Lease payment	(e)	-	-	(543,774)	(541,590)
Interest expense	(f)	-	-	199,988	243,701
Currency exchange differences		-	-	21,287	140,442
Additions		-	-	-	469,852
Derecognition		-	-	(126,532)	-
Remeasurements	(g)	-	-	497,922	58,804
Total		-	-	48,891	371,209
At 30 June					
Leasehold land		94,100,000	94,000,000	-	-
Rented properties		2,433,874	2,439,623	2,648,344	2,599,453
Total	(h)	96,533,874	96,439,623	2,648,344	2,599,453

14 LEASES (CONTINUED)

(A) Group (continued)

Leases as lessee (continued)

(a) The Group's leasehold land comprise of the following properties on-which its factory plants were erected. The property lessor is the Selangor State Government with no corresponding lease liabilities to the lessor. The leasehold land under the Group's Steel Tube subsidiary is pledged against a banking facility.

Description	Registered title owner	Lease expiry date	Remaining leasehold period	Value (RM)
i. Lot 53, Persiaran Selangor	MST	22.05.2078	54	26,100,000
ii. Lot 49, Jalan Utas 15/17	MIG	13.04.2072	48	41,000,000
iii. Lot 10, Persiaran Selangor	MIG	11.05.2085	61	27,000,000
				94,100,000

The total net book value of these leasehold land that would have been included in the financial statements had these assets been carried at deemed costs less accumulated depreciation is RM35,227,796 (2023: RM35,894,933).

(b) The Group rented properties comprise of buildings for its steel segment, office space for its corporate-office, rented facilities, shop lots and outlets for food segment. As a tenant, the Group does not have ownership rights to full 'risk and reward' of the properties.

The lease liabilities are derived from the stream of fixed rent commitments over the remaining term of the tenancy with the economic assumption on whether the next renewal option is exercised, and discounted using the tenant or lessee's estimated incremental borrowing rates ranging from 5.8% to 9.0% (2023: 5.8% to 9.0%). The ROU assets comprised of this lease liabilities sum adjusted for any pre-payments and restoration cost where contractually applicable. Lease commitments for items (iv) to (viii) above relates to the Group's food trading, distribution, and retail businesses. These lease liabilities or ROU assets for rental properties are excluded from any financial covenant ratios computation unless the netting effect from both is included.

(c) This amount represents the revaluation gain on the leasehold land which are subject to monthly depreciation based on its balanced lease-life, and re-measured at fair value towards the close of the financial year. The assumptions used in the valuation of ROU assets are consistent with the assumptions used for land and buildings as disclosed in Note 13(v) to the financial statements.

(d) This amount represents the depreciation of the ROU assets on straight-line basis over the term of the lease and assumed renewal period where applicable.

(e) This amount represents the contractual rent payments for the rented properties which denotes as settlement of the amortised lease liabilities and corresponding implicit interest expense over the current financial year.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

14 LEASES (CONTINUED)

(A) Group (continued)

Leases as lessee (continued)

(f) This amount represents the implicit effective interest charged on the carrying amount of lease liabilities on a reducing balance monthly rest basis. This implicit interest expense, equivalent to the assumed discount rate used, is excluded from any financial covenant ratios computation.

(g) Included in remeasurement of lease liabilities is the changes in lease payment and lease term.

(h) The ROU assets are classified under non-current assets in the statements of financial position, whilst the lease liabilities are segregated into current and non-current liabilities as follows:

	2024 RM	2023 RM
Current	368,327	300,370
Non-current	2,280,017	2,299,083
	2,648,344	2,599,453

Leases as lessor

The Group does not have any lease arrangement to report as a 'Lessor' during the current financial year.

(B) Company

Leases as lessee

		ROU assets		Lease liabilities	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
At 1 July					
Rented office space	(a)	32,224	109,561	21,546	104,678
Changes to ROU assets					
Remeasurements	(e)	515,772	-	-	-
Depreciation during the year (Note 8)	(b)	(82,368)	(77,337)	-	-
		433,404	(77,337)	-	-

14 LEASES (CONTINUED)

(B) Company (continued)

Leases as lessee (continued)

		ROU assets		Lease liabilities	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Changes to Lease liabilities					
Lease payment	(c)	-	-	(84,228)	(87,016)
Interest expense (Note 9)	(d)	-	-	22,651	3,884
Remeasurements	(e)	-	-	497,922	-
		-	-	436,345	(83,132)
At 30 June					
Rented office space	(f)	465,628	32,224	457,891	21,546

(a) The Company rents an office space as its head office. As a tenant, the Company does not have ownership rights to full 'risk and reward' of the property, typical of operating lease.

The lease liability is derived from the stream of fixed rent commitments over the remaining term of the tenancy with the economic assumption whether the next renewal option is exercised, and discounted using the tenant or lessee's estimated incremental borrowing rate at 8.0% p.a. The ROU assets comprised of the lease liability sum adjusted for any pre-payments and restoration cost where contractually applicable.

(b) This amount represents the depreciation of the ROU assets on straight-line basis over the term of the lease and the assumed renewal period.

(c) This amount represents the contractual rent payments for the rented properties which denotes settlement of the amortised lease liabilities and corresponding implicit interest expense over the current financial year.

(d) This amount represents the implicit effective interest charged on the carrying lease liabilities based on a reducing balance monthly rest basis. This implicit interest expense, equivalent to the assumed discount rate used is excluded from any financial ratio covenants computation.

(e) Included in remeasurement of lease liabilities are the changes in lease payment and lease term of Level 15, No. 566 Jalan Ipoh.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

14 LEASES (CONTINUED)

(B) Company (continued)

Leases as lessee (continued)

(f) The ROU assets are classified under non-current asset in the statements of financial position, whilst the lease liabilities are segregated into current and non-current liabilities as follows:

	2024 RM	2023 RM
Current	73,108	21,546
Non-current	384,783	-
	457,891	21,546

The Company does not have any lease arrangement to report as a 'Lessor'.

Material accounting policy information

(a) Recognition and measurement

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Initial direct costs; and
- Decommissioning or restoration costs, if any.

ROU assets that are leasehold land properties are subsequently remeasured based on 'fair value' determination by independent certified real-estate valuers. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the statement of financial position. The Company does not have ROU assets that meet the definition of investment properties.

(b) Lease and non-lease components

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Company is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(c) Recognition exemption

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise of small items such as office equipment. Payments associated with short term leases of equipment and vehicles and all leases of low value assets, are recognised on a straight-line bases as an expense in profit or loss.

15 INVESTMENT PROPERTIES

	Company	
	2024 RM	2023 RM
Leasehold land and buildings		
At 1 July	78,000,000	72,000,000
Additions	479,190	101,230
Fair value (loss)/gain (Note 8)	(279,190)	5,898,770
At 30 June	78,200,000	78,000,000

The Company's closing fair values on their investment properties are determined based on methods within Level 3 of the fair value hierarchy. Level 3 fair values of the Company's properties were derived using the sales comparison approach in combination with other market value indicators. Sales prices 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 selling price per square foot. Valuation on buildings is based on depreciated replacement cost method. The fair values of the properties at the close of the current financial years have been determined by PA International Property Consultants (KL) Sdn. Bhd., an independent professional valuation firm.

The Company's investment properties comprise of two separate leasehold land with factory buildings erected thereon, which are rented out to its Steel Tube subsidiary.

Description	Lease expiry date	Remaining leasehold period	Value (RM)
i. Lot 49, Jalan Utas 15/17	13.04.2072	48	47,100,000
ii. Lot 10, Persiaran Selangor	11.05.2085	61	31,100,000
			78,200,000

Direct operating expenses attributable to the rental income generated from these investment properties at Company level totalled RM620,063 (2023: RM451,430).

Minimum lease payments receivable on leases of investment properties are as follows:

	2024 RM	2023 RM
Not later than 1 year	4,620,000	5,040,000
Later than 1 year but not later than 2 years	-	4,620,000
Total	4,620,000	9,660,000

Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

16 INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Investments in subsidiaries at cost:		
- Quoted shares	87,844,865	87,844,865
- Unquoted shares	22,632,819	22,632,819
	110,477,684	110,477,684
Less: Accumulated impairment losses	(21,962,819)	(22,410,229)
	88,514,865	88,067,455
Market value of quoted shares	107,894,818	80,011,887

The movements of investments in subsidiaries are as follows:

At 1 July	88,067,455	88,067,457
Less: Impairment reversed/(charged) for the year (Note 8)	447,410	(2)
At 30 June	88,514,865	88,067,455

Investments in Mycron Steel Berhad ("MSB")

The cost of investment in MSB amounting to RM87.8 million has been assessed for impairment based on a VIU model in additions to the market value of the shares which are quoted to determine its recoverable amount. The indicative recoverable amount (based on its VIU) of the respective investments is higher than its carrying amount.

The VIU assessments were performed based on a 5-year cashflow projection extrapolated to perpetuity using a terminal growth rate which was based on the following key assumptions:

Assumption	2024 rates		2023 rates	
	MCRC	MST	MCRC	MST
Terminal growth rate	0%	0%	0%	0%
Pre-tax discount rate	16%	16%	15.5%	15.5%

The anticipated sales volume growth rate included in the cashflow projections are based on historical sales and expected growth rate in the industry.

The Directors and management have considered and assessed reasonable variations in the underlying key assumptions used in the computation of the recoverable amount and is satisfied with the headroom of the cost of investments' recoverable amount over its carrying amount.

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name	Principal activities	Group's effective interest	
		2024 %	2023 %
Mycron Steel Berhad ("MSB") (1)	Investment holding and provision of management services to subsidiaries	74.1	74.1
Melewar Steel Services Sdn Bhd ("MSS") (1)	Dormant	100.0	100.0
Melewar Steel Assets Sdn Bhd ("MSA") (1)	Dormant	100.0	100.0
Melewar Steel Mills Sdn Bhd ("MSM") (1)	Trading of steel and iron products/ scraps	100.0	100.0
Ausgard Quick Assembly Systems Sdn Bhd ("Ausgard") (1)	Supply and construct quick assembly homes	100.0	100.0
Melewar Imperial Limited ("MIL") (1)	Investment holding	100.0	100.0
3Bumi Sdn Bhd ("3Bumi") (1)	Investment holding	100.0	100.0
<u>Subsidiaries of MSB</u>			
Mycron Steel CRC Sdn Bhd ("MCRC") (1)	Manufacturing and trading of steel cold rolled coils	74.1	74.1
Melewar Steel Tube Sdn Bhd ("MST") (1)	Manufacturing and trading of steel tubes and pipes	74.1	74.1
Silver Victory Sdn Bhd ("SV") (1)	Trading and export of steel related products	74.1	74.1
<u>Subsidiaries of MIL</u>			
Melewar Steel UK Ltd ("MSUK") (2)	Dormant	100.0	100.0
Jack Nathan Limited ("JNL") (2)(3)	Wholesale and distribution of steel tubes in the United Kingdom	100.0	100.0
<u>Subsidiaries of 3Bumi</u>			
3Bumi Trading Sdn Bhd ("3BT") (1)(5)	Trading of frozen meat and seafood	100.0	90.0
3Bumi Oleo Sdn Bhd ("3BO") (1)	Bottling and distribution of palm olein edible oil	80.0	80.0
3Bumi (Cambodia) Co., Ltd ("3BC") (4)	Food distribution and retail business	100.0	100.0
3Padi Growers Sdn Bhd ("3Padi") (1)	Dormant	100.0	100.0
3Dara Sdn Bhd ("3Dara") (1)	Dormant	100.0	100.0

(1) The entity's principal place of business and country of incorporation is in Malaysia and audited by KPMG PLT Malaysia.
(2) The entity's principal place of business and country of incorporation is in England and Wales which exempts it from statutory audit requirement.
(3) JNL is exempted from audit under the UK laws for small private limited companies.
(4) 3BC's principal place of business and country of incorporation is in Cambodia and exempted from audit under the Cambodian laws for small private limited companies.
(5) On 1 August 2023, 3Bumi has purchased an additional 100,000 shares in 3BT from a non-controlling interest, with a total cash consideration of RM1, thereby increasing its shareholding in 3BT from 90% to 100%. Refer Note 29 to the financial statements for further details.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Information relating to subsidiary with a material non-controlling interest

The summarised financial information of MSB are as follows:

	MSB Group	
	2024 RM	2023 RM
Statement of Comprehensive Income		
Revenue for the financial year	801,811,804	539,994,710
Net profit/(loss) for the financial year	16,971,649	(12,335,858)
Total comprehensive profit/(loss)	18,845,357	(1,218,254)
Statement of Financial Position		
Current assets	451,110,332	327,213,196
Non-current assets	366,838,276	378,913,573
Current liabilities	(238,265,121)	(143,087,491)
Non-current liabilities	(67,394,317)	(69,595,465)
Net assets	512,289,170	493,443,813
Statement of Cash Flows		
Net operating cash flows	(29,560,551)	(13,302,718)
Net investing cash flows	(1,211,396)	(7,700,082)
Net financing cash flows	19,481,513	(12,634,584)
Net change in cash and cash equivalents	(8,867,642)	(33,637,384)
Non-controlling interests effective equity interest	25.9%	25.9%
Carrying amount of non-controlling interests	132,509,680	127,635,105
Net profit/(loss) for the financial year attributable to non-controlling interests of the Group	4,389,919	(3,190,816)
Total comprehensive income/(loss) attributable to non-controlling interests of the Group	4,874,576	(315,116)

Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

17 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	300,103	591,026	-	-
Deferred tax liabilities				
- deferred tax liabilities to be settled after more than 12 months	(58,595,796)	(56,555,473)	(18,148,061)	(18,262,284)
	(58,295,693)	(55,964,447)	(18,148,061)	(18,262,284)
At 1 July	(55,964,447)	(56,335,656)	(18,262,284)	(17,594,464)
(Debited)/Credited to the profit or loss (Note 11):				
- property, plant and equipment	166,594	1,533,275	56,651	(2,118,840)
- investment properties	-	-	67,006	1,463,030
- right-of-use assets	445,167	215,035	(104,018)	18,561
- lease liabilities	23,763	86,650	104,723	(19,952)
- unutilised tax losses	(283,539)	(57,509)	-	-
- unabsorbed capital allowances	(1,770,412)	2,605,262	-	-
- unutilised reinvestment allowance	43,200	(173,357)	-	-
	(1,375,227)	4,209,356	124,362	(657,201)
(Debited)/Credited to asset revaluation reserve:				
- property, plant and equipment	(509,936)	(1,422,719)	(10,139)	(10,619)
- right-of-use assets	(446,083)	(2,415,428)	-	-
	(2,331,246)	371,209	114,223	(667,820)
At 30 June	(58,295,693)	(55,964,447)	(18,148,061)	(18,262,284)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

17 DEFERRED TAX (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position: (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subject to income tax:				
Deferred tax assets (before offsetting):				
- lease liabilities	642,331	618,568	109,894	5,171
- unutilised reinvestment allowance	10,392,532	10,349,332	-	
- unutilised tax losses	2,868,058	3,151,597	-	-
- unabsorbed capital allowances	834,850	2,605,262	-	-
	14,737,771	16,724,759	109,894	5,171
Offsetting	(14,437,668)	(16,133,733)	(109,894)	(5,171)
Deferred tax assets (after offsetting)	300,103	591,026	-	-
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(48,167,058)	(47,823,716)	(2,191,825)	(2,238,337)
- investment properties	-	-	(15,954,378)	(16,021,384)
- right-of-use assets	(18,585,380)	(18,584,464)	(111,752)	(7,734)
	(66,752,438)	(66,408,180)	(18,257,955)	(18,267,455)
Offsetting	14,437,668	16,133,733	109,894	5,171
	(52,314,770)	(50,274,447)	(18,148,061)	(18,262,284)
Subject to real property gains tax:				
Deferred tax liabilities:				
- freehold land	(6,281,026)	(6,281,026)	-	-
Deferred tax liabilities (after offsetting)	(58,595,796)	(56,555,473)	(18,148,061)	(18,262,284)
Deferred tax liabilities (cumulative amount charged to equity)	(9,923,249)	(8,967,230)	(144,869)	(134,730)

Based on the Malaysia Finance Act 2022 gazetted on 31 December 2022, the allowable carry forward period for ‘unutilised tax losses’ is 10 consecutive years. The Group’s “unutilised tax losses” mainly expire in year of assessment (“YA”) 2028 and YA 2029. The allowable carry forward period for ‘unutilised reinvestment allowance’ mainly expires in YA 2029. Our recognition of deferred tax assets in relation to these deductibles is to the extent of foreseeable taxable profits for offset within the legislated time limits.

17 DEFERRED TAX (CONTINUED)

As such, the amount of unutilised tax losses and unutilised capital allowances for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group	
	2024 RM	2023 RM
Deductible temporary differences	316,184	319,496
Unutilised capital allowances	14,084,686	13,754,194
<u>Unutilised tax losses</u>		
2028	310,705	310,705
2029	111,614	111,614
2030	128,722	128,722
2031	567,854	567,854
2032	2,650,765	2,650,765
2033	3,739,906	3,739,906
2034	2,337,743	-
	24,248,179	21,583,256
Deferred tax assets not recognised at 24% (2023: 24%)	5,819,563	5,179,981

Deductible temporary differences and unutilised capital allowances have no expiry. Deferred tax assets were not recognised as the subsidiaries do not have foreseeable taxable profits against which the deductible temporary differences, unutilised tax losses and unutilised capital allowances can be utilised.

Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

18 INVENTORIES

	Group	
	2024 RM	2023 RM
Raw materials	174,076,741	94,434,678
Work-in-progress	16,334,043	2,017,860
Finished goods	69,524,507	74,229,308
Consumables	8,600,112	8,869,353
	268,535,403	179,551,199
Write-down of inventories	-	(1,182,080)
	268,535,403	178,369,119

Included in raw materials and finished goods are goods-in-transit amounting to RM49,647,759 (2023: RM1,434,505).

For the Food Trading subsidiary, specific high-quality raw meat products have experienced a continuous decrease in selling prices since November 2022, with the decline exceeding 20% from its peak beyond the previous reporting period. As a result, an inventory write-down of RM1,182,080 has been made in the previous financial year. There was no write-down of inventory during the year. The subsidiaries also wrote-off inventory of RM223,447 (2023: RM150,222) during the year mainly due to the expiration of the products.

Inventories expensed to 'cost of sales' during the current financial year amounted to RM678,896,204 (2023: RM471,339,146).

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables [a]	107,122,862	68,927,084	-	-
Less: Accumulated impairment	(1,164,007)	(1,270,635)	-	-
	105,958,855	67,656,449	-	-
Other receivables [b]	4,119,190	2,215,391	6,237	16,575
Less: Accumulated impairment	(2,153,211)	(1,090,080)	-	-
	1,965,979	1,125,311	6,237	16,575
Refundable deposits	778,700	1,565,176	72,034	72,890
Prepayments	1,145,524	1,449,832	86,522	86,843
	1,924,224	3,015,008	158,556	159,733
Total receivables, deposits and prepayments	109,849,058	71,796,768	164,793	176,308

[a] Based on the Expected Credit Loss ("ECL") model assessment, a few subsidiaries have made impairment allowance and a write-off of its impairment allowance when it was determined to be irrecoverable in the current financial year.

[b] For the current financial year, the Steel Tube subsidiary has made a reversal of impairment on other receivables upon settlement of its outstanding debts. A few subsidiaries have made impairment allowance and a write-off of its impairment allowance when it was determined to be irrecoverable in the current financial year.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The impact on the carrying amount of other receivables presented by the categories of credit risk rating are as follows:

	Performing RM	Under-performing RM	Non-performing RM	Total RM
GROUP				
2024				
Gross carrying amount	1,965,979	-	2,153,211	4,119,190
Loss allowance	-	-	(2,153,211)	(2,153,211)
Net carrying amount	1,965,979	-	-	1,965,979
2023				
Gross carrying amount	1,125,311	-	1,090,080	2,215,391
Loss allowance	-	-	(1,090,080)	(1,090,080)
Net carrying amount	1,125,311	-	-	1,125,311
COMPANY				
2024				
Gross/Net carrying amount	6,237	-	-	6,237
2023				
Gross/Net carrying amount	16,575	-	-	16,575

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 July	5,002,733	2,600,000	2,102,733	-
Additions	6,769,900	2,132,000	6,769,900	2,132,000
Fair value (loss)/gain (Note 8)	(3,387,378)	269,284	(3,087,378)	(30,716)
Interest income	11,156	1,449	11,156	1,449
Redemption	(2,000,000)	-	(2,000,000)	-
At 30 June	6,396,411	5,002,733	3,796,411	2,102,733

GROUP

a) Quoted shares

(i) On 14 June 2022, the Company's listed subsidiary, Mycron Steel Berhad ("MSB") subscribed for 10,000,000 Unitrade Industries Berhad's ("Unitrade") Initial Public Offerings ("IPO") shares at 32.0 sen per share for a total outlay of RM3,200,000, which represented around 0.6% of Unitrade's enlarged post-IPO share capital.

The investment was made by MSB at the recommendation of its steel subsidiaries on the agreement that the steel subsidiaries borne the capital gains/(losses) of the said investment. MSB stands to benefit from its direct 100% holdings in the steel subsidiaries, and any dividends arising from the said investment.

Unitrade is the Steel Tube subsidiary's single largest customer with a long business relation history. Unitrade is unrelated to the Group or any of its Directors or management. Unitrade's share price closed at 26.0 sen per share on 30 June 2024 (2023: 29.0 sen), resulting in a mark-to-market loss of RM300,000 (2023: mark-to-market gain of RM300,000) charged to the Group's statement of comprehensive income (Note 8). The fair value of the investment in Unitrade as at 30 June year 2024 is RM2,600,000 (2023:RM2,900,000).

This investment is also reflected in Note 6 as a financial instrument fair valued at Level 1 hierarchy. There is no holding-period moratorium on the investment, and MSB is free to deal as it sees fit.

(ii) During the current financial year, the Company has further subscribed for 37,000,000 shares of KNM Group Berhad ("KNM") from the open market for a total outlay of RM6,269,900. KNM share price closed at 9.0 sen per share on 30 June 2024, resulting in a mark-to-market loss of RM3,124,900 (2023: mark-to-market loss of RM30,000) charged to the Company's statement of comprehensive income for the current financial year (Note 8). The investment is disclosed in Note 32 as related party transaction. In the previous financial year, the Company has subscribed for 1,200,000 shares of KNM at 11.0 sen per share for a total outlay of RM132,000.

The fair value of the investment in KNM as at 30 June 2024 is RM3,247,000 (2023:RM102,000).

This investment is reflected in Note 6 as a financial instrument fair valued at Level 1 hierarchy.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

GROUP (CONTINUED)

b) Investment funds

The Company has on 10 June 2024 injected RM500,000 into an investment funds, which generated an interest income of RM11,156 (2023: RM1,449) with a resulting fair value gain of RM37,522 (2023: fair value loss of RM716) as at the close of the financial year. See Note 8.

During the current financial year, the Company has redeemed the invested amount of RM2,000,000, which has been placed in investment funds since the previous financial year. The fair value of the investment funds as at 30 June year 2024 is RM549,411 (2023:RM2,000,733).

This investment is reflected in Note 6 as a financial instrument fair valued at Level 2 hierarchy.

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

GROUP

The Group's derivatives comprise solely of forward foreign currency exchange contracts incepted to hedge its foreign currency exposures arising mainly from purchases of raw materials in USD and to a lesser extent export sales in SGD as disclosed in Note 5(e) to the financial statements. These forward foreign currency exchange contracts generally have a maturity period of less than 6 months and their fair values are classified under current assets/(liabilities) by way of marking-to-market.

Material accounting policy information

Foreign currency hedges which meet qualifying criteria under MFRS 9 are designated on inception for fair value hedge accounting where the changes in fair value for both the hedge items and the hedge instruments are charged to the statement of comprehensive income, and closing fair values are recognised in the statements of financial position as either current financial assets or liabilities.

	Group			
	2024		2023	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
Forward foreign currency exchange contracts - fair value through profit and loss (designated)	124,763	(32,629)	1,061,863	-
	124,763	(32,629)	1,061,863	-

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below:

(i) Derivatives designated and fair value hedge accounted

As at 30 June 2024

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2024	8,735,000	4.7195	33,480	(12,035)
August 2024	4,802,000	4.6941	91,283	(20,594)
Total	13,537,000		124,763	(32,629)

Contracted payment obligation and/or a/c payables as hedge item

Maturity period of contract	Notional value short USD	Average basis rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2024	8,735,000	4.7195	12,035	(33,480)
August 2024	4,802,000	4.6941	20,594	(91,283)
Total	13,537,000		32,629	(124,763)

Net fair value gain from the hedging instruments of RM92,134 and the corresponding net fair value loss from the hedged item of RM92,134 are taken up in the statement of comprehensive income.

As at 30 June 2023

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2023	7,035,000	4.5655	784,118	-
August 2023	2,348,000	4.5777	223,998	-
September 2023	1,280,000	4.6161	53,747	-
Total	10,663,000		1,061,863	-

Contracted payment obligation and/or a/c payables as hedge item

Maturity period of contract	Notional value short USD	Average basis rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2023	7,035,000	4.5655	-	(784,118)
August 2023	2,348,000	4.5777	-	(223,998)
September 2023	1,280,000	4.6161	-	(53,747)
Total	10,663,000		-	(1,061,863)

Net fair value gain from the hedging instruments of RM1,061,863 and the corresponding net fair value loss from the hedged item of RM1,061,863 were taken up in the statement of comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below: (continued)

(ii) Derivatives not designated and not hedge accounted

Forward foreign currency exchange contracts as undesignated hedge instrument

In the current and the preceding financial years, there were no forward foreign currency exchange contracts as undesignated hedge instrument.

Besides the abovementioned unrealised marked-to-market position of the currency derivatives as at the close of the financial year, the Group has recorded a total realised net foreign exchange gain of around RM3,852,295 (2023: gain of RM4,165,177) from its forward foreign currency exchange contracts with a corresponding realised net foreign exchange loss of RM2,245,394 (2023: loss of RM4,238,489) on its hedge items over the current financial year. The Group's net gain/(loss) position on foreign exchange has been disclosed in Note 8 to the financial statements.

COMPANY

In the preceding financial year, the Company's derivatives comprised solely of 20,188,722 free detachable warrants arising from the subscription of MSB's Rights Issue. These warrants were exercisable options listed on Bursa Malaysia and were tradable anytime over its 5 years' tenure to maturity. In that regard, these derivatives were fair valued at initial recognition and at each period's close based on the active market quoted closing price, with the changes in fair value charged to profit or loss (Note 6).

	2024 RM	2023 RM
At 1 July	2,119,816	8,378,320
Fair value loss on derivatives (Note 8)	(2,034,834)	(6,258,504)
Disposal of warrants	(84,982)	-
At 30 June	-	2,119,816

In the current financial year, the Company disposed 3,809,300 listed detachable warrants at 2.23 sen per warrant for a cash consideration of RM84,982.

On 26 January 2024, the remaining 16,379,422 unexercised listed detachable warrants lapsed and were no longer valid. At the Company level, these warrants that were previously classified as 'Derivative Financial Assets' were derecognised.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

22 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are generally unsecured and interest free.

Intercompany balances which are trade in nature are subject to credit terms between 30 to 90 days (2023 30 to 90 days) whilst, non-trade transactions are repayable upon demand. For the current and the comparative preceding reporting period, there are no outstanding balances in relation to trade.

	Company	
	2024 RM	2023 RM
Amounts due from subsidiaries: [(a)]		
Non-trade	30,703,406	28,329,574
Less: Accumulated impairment (Note 5(c)(iv)) [(b)]	(30,699,940)	(28,325,500)
	3,466	4,074
Amounts due to subsidiaries: [(c)]		
Non-trade	(3,613,557)	(1,580,100)
	(3,613,557)	(1,580,100)

(a) The 'amounts due from subsidiaries' for the current financial year comprise mostly advances, and charge-back of payments made on behalf.

(b) During the current financial year, the Company made impairment charges on the advances made to its subsidiaries of RM2,374,440 (2023: RM6,699,616) due to non-performance.

(c) The 'amounts due to subsidiaries' comprise mainly of advance given by subsidiaries to the Company.

23 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits with licensed banks	18,591,689	37,151,335	-	-
Cash and bank balances	51,985,934	43,901,512	205,377	1,340,505
Cash and cash equivalents	70,577,623	81,052,847	205,377	1,340,505

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

23 CASH AND CASH EQUIVALENTS (CONTINUED)

The weighted average placement interest rates that are effective at the reporting date are as follows:

	Group		Company	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Deposits with licensed banks	2.84	2.84	-	-

These unrestricted deposits with licensed banks of the Group and of the Company are mainly in the forms of short-term fixed deposits and money market REPO (repurchase agreements) having placement periods ranging between 1 and 45 days (2023: 1 and 45 days). The Company does not have any money market REPO at the close of the current financial year.

24 PAYABLES AND ACCRUED LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	88,218,674	27,957,603	-	-
Other payables	9,394,107	10,336,259	704,647	757,776
Shareholder's advances	1,500,000	-	1,500,000	-
Accruals	10,233,120	4,552,246	539,784	567,383
Provision for construction contracts	20,197	25,734	-	-
Provision for restoration costs	119,000	119,000	-	-
Advances received from customers	400,000	400,000	-	-
	109,885,098	43,390,842	2,744,431	1,325,159

Included in trade payables are interest bearing suppliers' credit with balances amounting to RM39,169,997 (2023: RM27,558,486). These credit facilities have interest bearing credit periods of up to 150 days (2023: 150 days).

Included in other payables are the interest payable relating to shareholder's advances and factoring of RM8,877 and RM7,120 respectively.

Shareholder's advances comprise of a temporary bridging loan of RM5.0 million obtained from a major shareholder, Melewar Khyra Sdn Bhd for a maximum tenure of 12 months with interests payable at 8.00% per annum. The Company has obtained RM1.5 million of temporary bridging loan in the current financial year. Interests charged for the current financial year amounting to RM8,877 as disclosed in Note 9 to the financial statements.

The remaining payables and accrued liabilities are generally interest free and within accorded interest free credit periods ranging between cash term to 60 days (2023: cash term to 60 days).

25 CONTRACT LIABILITIES

	Group	
	2024 RM	2023 RM
Contract liabilities	338,805	6,418,669

The contract liabilities reflect the Group's outstanding obligations in relation to consideration received from contracts comprising mostly of upfront non-refunded deposits.

Significant changes to contract liabilities during the financial year are as follows:

	Group	
	2024 RM	2023 RM
At 1 July	6,418,669	7,838,246
- considerations received	4,351,704	8,248,070
- revenue recognised	(10,431,568)	(9,667,647)
At 30 June	338,805	6,418,669
Composition of closing contract liabilities:		
- payment received or receivable for work not performed	338,805	6,418,669

The Group applies the practical expedient in MFRS 15 "*Revenue from Contracts with Customers*" for not disclosing the aggregate amount of the revenue expected to be recognised in the future as the contracted performance obligation would be fulfilled in less than one year.

Revenue from contract with customers of the Group of RM6,418,669 (2023: RM7,838,246) recognised in the current financial year relates to brought forward contract liabilities.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

26 BORROWINGS

The Company does not have any borrowings from financial institutions. The Group's borrowings as tabulated below are incepted directly by the operations at subsidiary level.

	Group	
	2024 RM	2023 RM
Current		
Bankers' acceptance	118,960,000	78,010,000
Hire-purchase creditors	415,664	478,476
Term loan	4,347,552	10,180,884
Mortgage loan	2,377,033	2,193,665
Factoring	355,507	-
	126,455,756	90,863,025
Non-current		
Hire-purchase creditors	458,118	645,715
Mortgage loan	7,841,639	10,088,559
	8,299,757	10,734,274
Total		
Bankers' acceptance	118,960,000	78,010,000
Hire-purchase creditors	873,782	1,124,191
Term loan	4,347,552	10,180,884
Mortgage loan	10,218,672	12,282,224
Factoring	355,507	-
	134,755,513	101,597,299

The Group's total interest cost attributed to the above borrowings for the current financial year is RM6,722,121 (2023: RM4,791,297) compared to the preceding financial year. The Group does not have any overdue position on the outstanding borrowings from financial institutions.

The carrying amounts of the borrowings approximate their fair values as at the reporting date.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

26 BORROWINGS (CONTINUED)

Contractual terms of borrowings

	Contractual interest rate at reporting date per annum	Functional currency/ currency exposure	Total carrying amount RM	Maturity profile					
				< 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	> 5 years RM
GROUP									
At 30 June 2024									
Secured									
- Bankers' acceptance [a]	4.57% - 5.78%	RM	118,960,000	118,960,000	-	-	-	-	-
- Hire-purchase creditors	2.23% - 2.55%	RM	873,782	415,664	213,902	140,906	103,310	-	-
- Term loan [a]	5.59%	RM	4,347,552	4,347,552	-	-	-	-	-
- Mortgage loan [b]	5.84%	RM	10,218,672	2,377,033	2,323,914	2,416,730	2,513,252	587,743	-
- Factoring [c]	15.00%	RM	355,507	355,507	-	-	-	-	-
			134,755,513	126,455,756	2,537,816	2,557,636	2,616,562	587,743	-
At 30 June 2023									
Secured									
- Bankers' acceptance [a]	4.49% - 5.23%	RM	78,010,000	78,010,000	-	-	-	-	-
- Hire-purchase creditors	2.29% - 2.55%	RM	1,124,191	478,476	257,565	151,932	132,909	103,310	-
- Term loan [a]	5.52%	RM	10,180,884	10,180,884	-	-	-	-	-
- Mortgage loan [b]	5.49%	RM	12,282,224	2,193,665	2,234,663	2,323,913	2,416,730	2,513,252	600,000
			101,597,299	90,863,025	2,492,228	2,475,845	2,549,639	2,616,562	600,000

[a] The term loan and a portion of the bankers' acceptance are secured with fixed and floating charge via a debenture by the Cold Rolled Coil subsidiary. A portion of the bankers' acceptance is secured with fixed and floating charge via a separate debenture by the Steel Tube subsidiary (Note 13(iii)).

[b] Mortgage loan is taken by the Steel Tube subsidiary and secured against a corporate guarantee from its immediate holding company, Mycron Steel Berhad and a first party open charge on the leasehold land and building.

[c] Factoring facility taken by the Group's Food segment.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

26 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

	Group	
	2024 RM	2023 RM
Total carrying amount		
Secured	134,400,006	101,597,299

At amortised cost

The carrying amount of the borrowings approximated their fair values at reporting date.

The weighted average contracted interest rates of borrowings at the reporting date are as follows:

	Group	
	2024 per annum	2023 per annum
Bankers' acceptance	4.85%	4.83%
Hire-purchase creditors	2.37%	2.36%
Term loan	5.59%	5.52%
Mortgage loan	5.84%	5.49%
Factoring	15.00%	-

The stated contractual interest rate for the hire-purchase is at 'flat-rate', whilst the rest are on 'reducing balance' basis.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

26 BORROWINGS (CONTINUED)

The details of the hire-purchase creditors at the reporting date are as follows:

	Group	
	2024 RM	2023 RM
Future minimum lease payment of hire-purchase creditors:		
Payable within one year	451,349	530,456
Payable between one and two years	229,649	282,149
Payable between two and three years	148,149	165,249
Payable between three and four years	105,037	140,049
Payable between four and five years	-	105,038
	934,184	1,222,941
Less: Future finance charges	(60,402)	(98,750)
Present value	873,782	1,124,191
Carrying amount of hire-purchase creditors:		
Payable within one year	415,664	478,475
Payable between one and two years	213,902	257,565
Payable between two and three years	140,906	151,932
Payable between three and four years	103,310	132,909
Payable between four and five years	-	103,310
Carrying amount	873,782	1,124,191

Hire-purchase creditors are effectively secured as the rights to assets revert to the lessors in the event of default.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

27 SHARE CAPITAL

	Group/Company			
	2024		2023	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
Issued and fully paid with no par value				
At 1 July	359,417,703	250,207,537	359,417,703	250,207,537
Exercise of warrants	38,400	17,407	-	-
Transfer of lapsed warrants not exercised	-	3,566,250	-	-
At 30 June	359,456,103	253,791,194	359,417,703	250,207,537

On 10 August 2023, the Company has increased its issued and paid-up share capital by way of issuance of 38,400 new ordinary shares arising from the exercise of warrants amounting to cash consideration of RM15,360 (Note 28).

On 18 August 2023, 66,909,018 units of the unexercised warrants expired and delisted from Bursa Securities on 21 August 2023 (Note 28).

The nominal value of the shares in FY2023 is net of warrant reserve. In FY2024, the warrant reserve was transferred back to the nominal value of the shares upon the expiry of the said warrants.

28 WARRANT RESERVE

	Group/Company			
	2024		2023	
	Number of warrants	Nominal value RM	Number of warrants	Nominal value RM
At 1 July	66,947,418	3,568,297	66,947,418	3,568,297
Exercise of warrants	(38,400)	(2,047)	-	-
Transfer of lapsed warrants not exercised	(66,909,018)	(3,566,250)	-	-
At 30 June	-	-	66,947,418	3,568,297

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

28 WARRANT RESERVE (CONTINUED)

Pursuant to the 'Rights issue with warrant' exercise listed on 24 August 2018, 66,947,418 free detachable warrants with salient terms were outlined as below.

(a) The warrants can be exercised any time during the tenure of 5 years commencing from the date of issue on 24 August 2018 to 23 August 2023 ("Exercise Period"). Warrants which are not exercised during the Exercise Period will lapse and cease to be valid; and

(b) Each warrant entitles the holder to subscribe for one new ordinary share in the Company at the exercise price of RM0.40 at any time during the Exercise Period.

These issued warrants represent the obligation of the Company to issue new shares at the fixed exercise price upon election by the holder, normally under circumstances when the traded market price of the mother share exceeds the 'exercise price'.

The Company allocates a portion of the sum raised from the Rights issue to represent the fair value of these issued free warrants as reserve to meet the aforementioned obligation. The Company has determined the initial recognition value of the warrant reserve at RM0.0533 per warrant (or RM3,568,297) based on the Black-Scholes model which took into consideration of the underlying variables such as the mother share-price, time-to-maturity, exercise price, and risk-free rate at the initial listing date.

On 10 August 2023, the Company has increased its issued and paid-up share capital by way of issuance of 38,400 new ordinary shares arising from the exercise of warrants (Note 27).

On 18 August 2023, the remaining 66,909,018 units of the unexercised warrants expired and delisted from Bursa Securities on 21 August 2023, which resulted in the remaining reserve been transferred back to share capital.

29 ACQUISITION OF NON-CONTROLLING INTERESTS

In August 2023, the Group acquired the remaining 10% interest in 3BT for RM1 in cash, increasing its ownership from 90% to 100%. The carrying amount of 3BT's net liabilities in the Group's financial statement on the date of acquisition was RM8,410,202. The Group recognised an increase in non-controlling interests of RM841,020, and a decrease in retained earnings of RM841,021.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

30 ASSETS REVALUATION RESERVE

The assets revaluation reserve is used to record changes on fair value surplus of the Group's property, plant and equipment (see Note 13) and right-of-use assets (see Note 14) pursuant to its annual independent revaluation. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 July	90,751,990	76,806,889	426,656	393,031
Revaluation surplus on:				
- property, plant and equipment	2,124,733	10,594,663	42,244	44,244
- right-of-use assets	1,858,677	10,064,284	-	-
Deferred tax:				
- property, plant and equipment	(509,936)	(1,422,719)	(10,139)	(10,619)
- right-of-use assets	(446,083)	(2,415,428)	-	-
Non-controlling interests share in revaluation surplus on:				
- property, plant and equipment	(371,359)	(2,301,130)	-	-
- right-of-use assets	(113,298)	(574,569)	-	-
At 30 June	93,294,724	90,751,990	458,761	426,656

31 DEFERRED INCOME ON GRANT

	Group	
	2024 RM	2023 RM
At 1 July	5,731,458	5,883,958
Addition	3,900,000	-
Recognised in profit or loss (Note 8)	(1,527,523)	(152,500)
At 30 June	8,103,935	5,731,458
Analysed as:		
- Non-current	8,103,935	5,731,458

In financial year 2021, the Group's Cold Rolled Coil subsidiary received a government grant of RM6,100,000 under the Domestic Investment Strategic Fund for its qualifying 'high technology' investments on plant and equipment while the balance of the grant of RM3,900,000 was received in the current financial year. The grant received is recorded as 'deferred income on grant' under non-current liabilities and to be amortised to profit or loss over the useful life of the assets in tandem with its depreciation.

31 DEFERRED INCOME ON GRANT (CONTINUED)

Material accounting policy information

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income on grant and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions with related parties.

The Group has a controlling related party relationship with its subsidiaries.

The Director of the Company, Tunku Dato' Yaacob Khyra have or deemed to have financial interests in the companies set out below and thus these companies are deemed to be the related parties to the Group:

- Trace Management Services Sdn Bhd
- MAA Corporation Sdn Bhd
- MAAX Factor Sdn Bhd
- Melewar Khyra Sdn Bhd
- KNM Group Berhad

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty):

Entity	Type of transaction	Group 2024 RM	Group 2023 RM
Trade related – received/receivable			
Related companies			
MAAX Factor Sdn Bhd	Factoring proceeds	355,507	-
	Interest charged	7,120	-
Melewar Khyra Sdn Bhd	Shareholder's advances	1,500,000	-
	Interest charged	8,877	-
KNM Group Berhad	Acquisition of quoted shares	6,269,900	132,000
Non-trade related – paid/payable			
Related companies			
Trace Management Services Sdn Bhd	Corporate secretarial services	(378,522)	(365,378)
MAA Corporation Sdn Bhd	Rental	(126,621)	(107,098)

Entity	Type of transaction	Company 2024 RM	Company 2023 RM
Trade related – received/receivable			
Subsidiaries			
Melewar Steel Tube Sdn Bhd	Rental income	5,040,000	5,040,000
	Management fee income	1,260,000	1,260,000
	Payment received	(6,300,000)	(6,300,000)
Mycron Steel CRC Sdn Bhd	Management fee income	1,260,000	1,260,000
	Payment received	(1,260,000)	(1,260,000)
Melewar Steel Mills Sdn Bhd	Dividend income	500,000	150,000

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty): (continued)

Entity	Type of transaction	Company 2024 RM	Company 2023 RM
Non-trade related – received/receivable			
Subsidiaries			
Melewar Steel Tube Sdn Bhd	Advances repaid	(437,484)	(476,070)
	Expenses paid on behalf	437,377	473,479
Mycron Steel CRC Sdn Bhd	Expenses paid on behalf	88,009	281,122
	Advances repaid	(88,009)	(281,122)
Melewar Steel Assets Sdn Bhd	Advances given	6,000	8,000
	Interest charged	1,334	-
Melewar Imperial Limited	Advances given	1,016,374	1,365,919
	Expenses paid on behalf	9,402	30,372
	Interest charged	157,169	-
Ausgard Quick Assembly Systems Sdn Bhd	Expenses paid on behalf	500	-
	Interest charged	10,707	-
3Bumi Sdn Bhd	Advances given	1,274,815	5,104,763
	Advances repaid	(654,050)	-
	Expenses paid on behalf	199,853	190,562
	Interest charged	351,285	-
3Padi Growers Sdn Bhd	Interest charged	1,551	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty): (continued)

Entity	Type of transaction	Company 2024 RM	Company 2023 RM
Trade related – paid/payable			
Subsidiaries			
Mycron Steel CRC Sdn Bhd	Advances received	2,033,441	-
Non-trade related – paid/payable			
Subsidiaries			
Melewar Steel Mills Sdn Bhd	Advances received	-	(290,000)
Melewar Steel Tube Sdn Bhd	Advances repaid	138,242	17,544
	Expenses paid on behalf	(138,258)	(17,444)
Related companies			
Trace Management Services Sdn Bhd	Corporate secretarial services	(173,373)	(167,363)
MAA Corporation Sdn Bhd	Rental	(126,621)	(107,098)
Melewar Khyra Sdn Bhd	Shareholder's advances	1,500,000	-
	Interest charged	8,877	-
KNM Group Berhad	Acquisition of quoted shares	6,269,900	132,000

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant outstanding balances arising from the above are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amounts due from subsidiaries				
Ausgard Quick Assembly System Sdn Bhd	-	-	-	500
Melewar Steel Tube Sdn Bhd	-	-	3,350	3,474
	-	-	3,350	3,974
Amounts due to subsidiaries				
Melewar Steel Services Sdn Bhd	-	-	500,000	500,000
Melewar Steel Mills Sdn Bhd	-	-	1,080,000	1,080,000
Mycron Steel CRC Sdn Bhd	-	-	2,033,441	-
	-	-	3,613,441	1,580,000
Amount due to related companies				
Trace Management Services Sdn Bhd	10,958	861	8,185	376
Melewar Khyra Sdn Bhd	1,508,877	-	1,508,877	-
MAAX Factor Sdn Bhd	362,627	-	-	-
	1,882,462	861	1,517,062	376

(c) The Directors of the Company are of the opinion that the above transactions and balances were carried out on terms and conditions negotiated and agreed amongst the related parties.

(d) Key management personnel are those persons, having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and thus are considered related parties of the Group and of the Company. Remuneration details of the key management personnel of the Group and of the Company comprising all Directors and Non-Director Executives are set out below.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, bonuses and other emoluments	9,807,777	12,606,641	1,826,239	1,496,786
Allowances	419,254	423,563	141,226	322,263
Estimated monetary value of benefits-in-kind	105,331	112,766	29,183	34,329
Defined contribution plan	1,357,622	1,780,302	189,616	170,932
	11,689,984	14,923,272	2,186,264	2,024,310

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

33 SEGMENTAL ANALYSES

Reportable Segments

(a) The Steel Tube segment is in the business of manufacturing and sales of steel pipes and tubes.

(b) The Cold Rolled Coil segment is in the business of manufacturing and sales of cold rolled coils.

(c) The investment holding segment refers to companies with investments in subsidiaries, and companies with investments in quoted and unquoted equity securities.

(d) 'Others' comprise of companies involved in the food, trade retail business, modular construction, and metal scraps trading businesses; plus dormant companies, where sectorally they do not meet the minimum financial thresholds to be reported separately as a material segment.

The reported segments are strategic business units offering different products and services, and are managed separately. The Group's Executive Committee comprising key functional heads and Executive Directors monitors the operating results of the strategic business units as well as relying on the segmental information as disclosed below for purposes such as resource allocation and performance assessment.

The Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and are established on negotiated terms and conditions agreed between the related parties. Geographic segment is not applicable as the business of the Group are substantially carried out in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2024					
Revenue					
Total revenue	283,853,863	547,651,930	14,426,712	10,498,112	856,430,617
Inter segment	-	(29,693,990)	(14,426,712)	(2,142,300)	(46,263,002)
Total revenue	283,853,863	517,957,940	-	8,355,812	810,167,615
Segmented by steel products:					
- cold rolled coils	-	502,225,937	-	-	502,225,937
- steel tubes and pipes	281,170,828	-	-	24,128	281,194,956
- steel scraps and by-products	1,018,994	15,734,035	-	-	16,753,029
Processing service income	1,664,041	(2,032)	-	-	1,662,009
Trading of foods	-	-	-	8,133,908	8,133,908
Lease rental income:					
- others	-	-	-	197,776	197,776
Total revenue	283,853,863	517,957,940	-	8,355,812	810,167,615
Segment results					
Profit/(loss) from operations	13,137,899	14,342,262	(6,240,210)	(4,152,361)	17,087,590
Finance income	707,993	1,115,717	549,329	23	2,373,062
Finance costs	(4,951,812)	(3,913,058)	(63,137)	(676,942)	(9,604,949)
Profit/(loss) before tax	8,894,080	11,544,921	(5,754,018)	(4,829,280)	9,855,703
Consolidation elimination *	9,047,641	7,203,756	(10,275,078)	(1,968,913)	4,007,406
	17,941,721	18,748,677	(16,029,096)	(6,798,193)	13,863,109
Tax expense	(440,546)	(2,833,385)	(786,242)	(253,213)	(4,313,386)
Net profit/(loss) after tax	17,501,175	15,915,292	(16,815,338)	(7,051,406)	9,549,723

* Major items include net intercompany impairments of RM3,985,838, reversal of fair value gain on investment properties of RM279,190, reversal of fair value loss on derivative financial assets of RM2,034,834, intercompany elimination of depreciation on ROU assets of RM4,463,813 and recognition of depreciation of RM1,735,072 arising from conversion of investment properties ("IP") to property, plant and equipment ("PPE") at Group level and inter segment elimination.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2024					
Segment assets					
Total segment assets	358,321,123	461,873,493	87,710,989	9,474,365	917,379,970
Consolidation elimination #	(48,331,614)	(7,505,399)	138,570	(1,297,670)	(56,996,113)
Total segment assets	309,989,509	454,368,094	87,849,559	8,176,695	860,383,857
Other information					
Depreciation:					
- property, plant and equipment	3,560,676	11,276,071	610,327	245,280	15,692,354
- right-of-use assets	476,336	-	1,364,709	339,291	2,180,336
Impairment loss/(reversal):					
- property, plant and equipment	257,266	(742,176)	7,724	-	(477,186)
- trade receivables	-	-	-	114,050	114,050
- other receivables	-	-	-	1,191,474	1,191,474
Additions of property, plant and equipment	3,093,231	2,225,837	479,190	154,957	5,953,215

Relates to reversal of fair value gain of IP of RM78,200,000 recognised as PPE at Group level, reversal of intangible assets of RM RM27,507,403 and offset by the elimination of intercompany ROU assets of RM 50,477,609 at Group level.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2023					
Revenue					
Total revenue	272,979,884	294,175,582	14,023,059	9,569,352	590,747,877
Inter segment	-	(25,184,504)	(14,023,059)	(1,876,913)	(41,084,476)
Total revenue	272,979,884	268,991,078	-	7,692,439	549,663,401
Segmented by steel products:					
- cold rolled coils	-	257,046,918	-	-	257,046,918
- steel tubes and pipes	269,134,440	-	-	85,104	269,219,544
- steel scraps and by-products	725,659	7,447,618	-	-	8,173,277
Processing service income	3,119,785	4,496,542	-	-	7,616,327
Trading of foods	-	-	-	7,015,034	7,015,034
Lease rental income:					
- others	-	-	-	166,994	166,994
Construction contracts	-	-	-	425,307	425,307
Total revenue	272,979,884	268,991,078	-	7,692,439	549,663,401
Segment results					
Profit/(loss) from operations	1,327,759	(12,644,194)	(11,267,749)	(6,189,870)	(28,774,054)
Finance income	413,819	1,077,561	45,098	40	1,536,518
Finance costs	(4,345,033)	(2,016,216)	(18,764)	(239,817)	(6,619,830)
Loss before tax	(2,603,455)	(13,582,849)	(11,241,415)	(6,429,647)	(33,857,366)
Consolidation elimination *	10,611,941	6,758,345	(1,096,643)	(891,626)	15,382,017
	8,008,486	(6,824,504)	(12,338,058)	(7,321,273)	(18,475,349)
Tax (expense)/credit	(643,051)	2,967,496	(684,978)	(50,827)	1,588,640
Net profit/(loss) after tax	7,365,435	(3,857,008)	(13,023,036)	(7,372,100)	(16,886,709)

* Major items include intercompany impairments of RM14,421,515, reversal of fair value gain on investment properties of RM5,898,770, reversal of fair value loss on derivative financial assets of RM6,258,504, intercompany elimination of depreciation on ROU assets of RM4,463,813 and recognition of depreciation of RM1,561,191 arising from conversion of investment properties ("IP") to property, plant and equipment ("PPE") at Group level and inter segment elimination.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2023					
Segment assets					
Total segment assets	303,128,561	406,347,063	86,895,240	13,242,788	809,613,652
Consolidation elimination #	(52,527,763)	(7,789,542)	135,614	(878,365)	(61,060,056)
Total segment assets	250,600,798	398,557,521	87,030,854	12,364,423	748,553,596
Other information					
Depreciation:					
- property, plant and equipment	3,451,705	10,898,766	610,076	122,120	15,082,667
- right-of-use assets	422,788	-	1,218,833	293,713	1,935,334
Impairment loss/(reversal):					
- property, plant and equipment	271,570	6,651,600	(5,919)	-	6,917,251
- trade receivables	-	-	-	6,878	6,878
- other receivables	(131,381)	-	-	13,476	(117,905)
Write-down of inventories	6,315,457	3,506,436	-	1,182,080	11,003,973
Additions of property, plant and equipment	4,693,335	5,902,150	126,781	1,161,917	11,884,183

Relates to reversal of fair value gain of IP of RM78,000,000 recognised as PPE at Group level, reversal of intangible assets of RM27,507,403 and offset by the elimination of intercompany ROU assets of RM46,013,796 at Group level.

33 SEGMENTAL ANALYSES (CONTINUED)

A reconciliation of the segment assets to the total assets is as follows:

	Group	
	2024 RM	2023 RM
Segment assets	860,383,857	748,553,596
Derivatives financial assets	124,763	1,061,863
Deferred tax assets	300,103	591,026
Current tax receivables	2,024,313	1,442,265
	862,833,036	751,648,750

<u>Information about major customers</u>

Revenue from two major customers amounting to RM125.4 million (2023: RM50.2 million) and RM104.5 million (2023: RM105.5 million) contributed to 28% (2023: 28%) of the Group's revenue. These two major customers are each from the Cold Rolled Coil segment and the Steel Tube segment.

<u>Geographic Areas</u>

Although the Group's businesses are carried out entirely in Malaysia for the domestic market, its Steel Tube and Cold Rolled Coil segments also serve foreign markets where feasible. The Group's export sales exceed the threshold of 10% or more of total revenue, warranting further analysis by geographic segments:

	Year-to-Date Revenue			
	Steel Tube RM	Cold Rolled Coil RM	Others RM	Total RM
2024				
Malaysia	241,039,847	318,951,840	7,941,848	567,933,535
ASEAN *	37,649,677	-	185,396	37,835,073
Non-ASEAN	5,164,339	199,006,100	228,568	204,399,007
Total external revenue	283,853,863	517,957,940	8,355,812	810,167,615
2023				
Malaysia	240,937,454	267,071,615	7,182,530	515,191,599
ASEAN *	31,802,330	-	257,811	32,060,141
Non-ASEAN	240,100	1,919,463	252,098	2,411,661
Total external revenue	272,979,884	268,991,078	7,692,439	549,663,401

* ASEAN: Association of South East Asian Nations

Non-current assets of the Group are mainly located in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

34 FINANCIAL GUARANTEES

As at 30 June 2024, the Company has corporate guarantees issued to lenders for suppliers' credit extended to its Steel Tube subsidiary amounting to RM23,000,000 (2023: RM20,000,000).

35 MATERIAL LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES

(a) At the end of the financial year, the Group's Cold Rolled Coil subsidiary and Steel Tube subsidiary have an outstanding capital commitment that has been approved and contracted for of around RM2.8 million and RM1.0 million respectively, for the upgrading of its existing plant and machineries.

Other than these, there are no other material capital expenditures approved but not contracted for at the close of the current financial year.

(b) The Directors are not aware of any circumstances or developments giving rise to contingent liabilities or assets warranting disclosure.

(c) The Cold Rolled Coil subsidiary has on 29 November 2023 obtained leave from the Kuala Lumpur High Court to commence judicial review proceedings on decisions made by the Ministry of Investment, Trade & Industry (MITI) to remove anti-dumping duties on Cold Rolled Coil imported from South Korea and Vietnam. At the same hearing in January 2024, the High Court granted a 'Stay of Proceedings' on the said MITI's ruling pending outcome of the judicial review which has since been initiated. The Korean & Vietnam parties (not originally named as parties to the judicial proceedings) have since applied for 'intervention & redaction' on the matter. In the 'case management' hearing on 6 August 2024, the Court has fixed various dates for the Respondents, Interveners, and Applicants to file their affidavits & affidavits-in-reply, followed by written submissions & submissions-in-reply lasting until 18 April 2025. Culminating from that, the Court has fixed the Judicial Review Application to be heard on 8 May 2025.

Besides the aforementioned, the Group did not currently engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or against the Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the Group.

36 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		2023	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
GROUP				
Financial assets per statements of financial position:				
Current				
Receivables and deposits	108,703,534	-	70,346,936	-
Financial asset at fair value through profit or loss	-	6,396,411	-	5,002,733
Derivative financial assets	-	124,763	-	1,061,863
Deposits with licensed banks	18,591,689	-	37,151,335	-
Cash and bank balances	51,985,934	-	43,901,512	-
Total financial assets	179,281,157	6,521,174	151,399,783	6,064,596
Financial liabilities per statements of financial position:				
Non-current				
Borrowings	8,299,757	-	10,734,274	-
Lease liabilities [a]	2,280,017	-	2,299,083	-
Current				
Payables and accrued liabilities (excluding payroll liabilities)	107,274,277	-	41,150,064	-
Borrowings	126,455,756	-	90,863,025	-
Derivative financial liabilities	32,629	-	-	-
Lease liabilities [a]	368,327	-	300,370	-
Total financial liabilities	244,710,763	-	145,346,816	-

[a] For the current financial year, the Group's financial liabilities is exaggerated by RM2,648,344 (2023: RM2,599,453) with the inclusion of 'lease liabilities' whilst its corresponding ROU is deemed as a non-financial asset.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024
(Continued)

36 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2024		2023	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
COMPANY				
Financial assets per statements of financial position:				
Current				
Receivables and deposits	78,271	-	89,465	-
Financial asset at fair value through profit or loss	-	3,796,411	-	2,102,733
Derivative financial assets	-	-	-	2,119,816
Amounts due from subsidiaries	3,466	-	4,074	-
Cash and bank balances	205,377	-	1,340,505	-
Total financial assets	287,114	3,796,411	1,434,044	4,222,549
Financial liabilities per statements of financial position:				
Non-current				
Lease liabilities [b]	384,783	-	-	-
Current				
Payables and accrued liabilities (excluding payroll liabilities)	2,011,147	-	1,161,776	-
Amounts due to subsidiaries	3,613,557	-	1,580,100	-
Lease liabilities [b]	73,108	-	21,546	-
Total financial liabilities	6,082,595	-	2,763,422	-

[b] For the current financial year, the Company's financial liabilities is exaggerated by RM457,891 (2023: RM21,546) with the inclusion of 'lease liabilities' whilst its corresponding ROU asset is deemed as a non-financial asset.

Properties Owned

By Melewar Industrial Group Berhad and its Subsidiaries

No.	Address of property	Lease expiry date	Brief description and existing use	Land area (*)	Approximate age of building (years) (^)	Net book value (RM)
1	Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor	22.5.2078	Factory cum office building	196,301 sq. ft. (4.51 acres)	33	32,100,000
2	Lot 49, Jalan Utas 15/17, Seksyen 15, 40200 Shah Alam, Selangor	13.4.2072	Factory building	315,802 sq. ft. (7.25 acres)	50	47,100,000
3	Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor	11.5.2085	Factory building	232,262 sq. ft. (5.33 acres)	39	31,100,000
4	Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor	Freehold	Factory cum office building	763,758 sq. ft. (17.53 acres)	34	119,500,000

The properties were revalued in June 2024.

* *Based on surveyed land area.*
^ *From the date of Certificate of Fitness for Occupation.*

Notice of 55th Annual General Meeting

NOTICE IS HEREBY GIVEN that the **55TH ANNUAL GENERAL MEETING ("AGM")** of the Company will be held electronically in its entirety via Remote Participation and Voting ("RPV") facilities at the Broadcast Venue at **Astana Meeting Room, 15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on Tuesday, 3 December 2024 at 11.30 a.m.** for the following purposes:

AGENDA	**RESOLUTION**
AS ORDINARY BUSINESS	
1. To receive the Audited Financial Statements for the year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon. ***[Please refer to Explanatory Note A]***	
2. To approve the payment of Directors' fees amounting to RM408,000.00 for the period from 1 January 2025 to 31 December 2025 to be payable quarterly in arrears to the Non-Executive Directors of the Company.	**1**
3. To approve an amount of up to RM93,000.00 as benefits payable to the Non-Executive Directors of the Company for the period from 1 January 2025 to 31 December 2025. ***[Please refer to Explanatory Note B]***	**2**
4. To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:	
(i) Azlan bin Abdullah	**3**
(ii) Datin Seri Raihanah Begum binti Abdul Rahman	**4**
5. To re-appoint Messrs KPMG PLT as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration.	**5**
AS SPECIAL BUSINESS	
6. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-	
(a) Proposed Renewal of Share Buy-Back Authority	**6**

"THAT subject to compliance with Section 127 of the Companies Act 2016 ("the Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, the Company be and is hereby unconditionally and generally authorised to purchase and hold such amount of shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time-to-time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and the maximum funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company available at the time of the intended purchase.

Notice of 55th Annual General Meeting

RESOLUTION

AND THAT such authority shall commence immediately upon passing of this Ordinary Resolution and will expire at the conclusion of the next AGM of the Company unless earlier revoked or varied by Ordinary Resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next AGM is required by law to be held whichever is earlier but not so as to prejudice the completion of purchase(s) made by the Company before the aforesaid expiry date.

AND THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and further THAT authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the shares so purchased as treasury shares or cancel them or both."

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd **7**

"THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 30 November 2023 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and/or its subsidiaries to enter into the recurrent related party transaction ("RRPT") of a revenue or trading nature as set out in Section 3.3(A)(i) of Part B of the Circular to Shareholders dated 30 October 2024 ("the Circular"), with Trace Management Services Sdn Bhd ("the Related Party") mentioned therein which are necessary, for the Company and/or its subsidiaries' for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting ("EGM") whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Notice of 55th Annual General Meeting

RESOLUTION

(c) Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **8**

"THAT the mandate granted by the shareholders of the Company on 30 November 2023 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries ("the MIG Group") to enter into the RRPTs which are necessary for MIG Group's day-to-day operations as set out in Sections 3.3(A)(ii) and 3.3(B) of Part B of the Circular with the related parties mentioned therein, be and are hereby renewed, AND THAT mandate be and is hereby granted by the shareholders of the Company to apply to the new RRPTs as set out in Section 3.3(C) of Part B of the Circular with the related parties mentioned therein, provided that:-

(i) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and

(ii) the transactions are made at arm's length and on normal commercial terms.

AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting) until:

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or EGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting of the Company;

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(d) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act **9**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

Notice of 55th Annual General Meeting

By Order of the Board

KENNETH GOH KWAN WENG (BC/G/88)
Company Secretary

Kuala Lumpur
30 October 2024

NOTES:-

1. *The 55th AGM will be conducted electronically in its entirety via RPV facilities which are available on the website at https://www.tracemanagement.com.my. Please follow the procedures provided in the Administrative Details of the 55th AGM in order to register, participate and vote remotely via the RPV facilities.*

2. *The Broadcast Venue of the 55th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be at the main venue of the meeting. No shareholders/proxies/corporate representatives from the public should be physically present at the Broadcast Venue on the day of the 55th AGM.*

3. *Members may submit questions to the Board of Directors prior to the 55th AGM to the Investor Relations at tracy@melewar-mig.com, looling.chan@melewar-mig.com, lily@crestcorp.com.my or kwgoh@crestcorp.com.my no later than 11.30 a.m. on Friday, 29 November 2024 or to use the Question and Answer platform to transmit questions to the Board of Directors via RPV facilities during live streaming.*

4. *Since the 55th AGM will be conducted electronically in its entirety via RPV facilities, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.*

5. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*

6. *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") as defined under the Securities Industry (Central Depositories) Act, 1991, 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.*

7. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*

8. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

9. *Any alteration in the Form of Proxy must be initialled.*

10. *Form of Proxy sent through facsimile transmission shall not be accepted.*

Notice of 55th Annual General Meeting

11. *For the purpose of determining a member who shall be entitled to attend this 55th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 27 November 2024. Only a depositor whose name appears on the Record of Depositors as at 27 November 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

12. *Explanatory Notes to Ordinary Business:*

    (A) Audited Financial Statements

    This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.

    (B) Benefits Payable to Non-Executive Directors (Ordinary Resolution 2)

    Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

    The proposed Ordinary Resolution 2 is to seek shareholders' approval for payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors for the period from 1 January 2025 to 31 December 2025.

    The benefits comprises the meeting allowances, benefits-in-kind and other emoluments payable to the Non-Executive Directors of the Company.

    In determining the estimated total amount of remuneration (excluding Directors' fees) for the Non-Executive Directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

    The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the directors' remuneration (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the relevant period.

13. *Explanatory Notes to Special Business of Agenda 6:*

    (C) Proposed Renewal of Share Buy-Back Authority (Ordinary Resolution 6)

    The Proposed Ordinary Resolution 6, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares ("the Proposal") by utilising its financial resources not immediately required. The Proposal may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

    (D) Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolutions 7 and 8)

    The Proposed Ordinary Resolutions 7 and 8, if passed, will empower the Company to conduct RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Notice of 55th Annual General Meeting

(E) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 9)

The Ordinary Resolution proposed under Resolution 9 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.

The Proposed Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 54th AGM held on 30 November 2023, which will lapse at the conclusion of the 55th AGM to be held on 3 December 2024.

14. Poll Voting

All the Resolutions mentioned above will be put to vote by Poll.

The detailed information on Special Business of Agenda 6 except for Ordinary Resolution 9 as mentioned above is set out in the Circular to Shareholders of the Company dated 30 October 2024 which is available at the Share Registrar's website at https://www.tracemanagement.com.my.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities, the details of the Directors who are seeking for re-election or re-appointment in Agenda 4 of the Notice of the 55th AGM of the Company are set out in the Directors' Profile on pages 60 and 63 of this Annual Report. Their securities holdings in the Company are set out in the Directors' Shareholdings which appears on page 70 of this Annual Report.

The detailed information relating to general mandate for issue of securities pursuant to Paragraph 6.03(3) of the Listing Requirements of Bursa Securities are set out under Note E of the Notice of the 55th AGM of the Company.

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NOTICE
There will be no distribution of e-vouchers

FORM OF PROXY

(please refer to the notes behind)

No. of Shares Held	CDS Account No.

MELEWAR INDUSTRIAL GROUP BERHAD
(Reg. No. 196901000102 (8444-W))
(Incorporated in Malaysia)

I/We ______________________________ NRIC No./Passport No./Reg. No.: ______________
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

of ____
(Full Address and Contact No.)

being a member/members of **MELEWAR INDUSTRIAL GROUP BERHAD** hereby appoint *** Chairman of the meeting** or

Name of Proxy		NRIC No./ Passport No. of Proxy	
Full Address		Contact No. & Email Address	

or failing him/her

Name of Proxy		NRIC No./ Passport No. of Proxy	
Full Address		Contact No. & Email Address	

as ***my/our proxy** to vote for ***me/us** and on ***my/our** behalf at the **55th Annual General Meeting ("AGM")** of the Company to be conducted electronically in its entirety via Remote Participation and Voting ("RPV") facilities at the Broadcast Venue at Astana Meeting Room, 15th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on **Tuesday, 3 December 2024 at 11.30 a.m.** or at any adjournment thereof on the following resolutions referred to in the Notice of the 55th AGM. My/our proxy is to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
Resolution	**Ordinary Business**				
1	To approve the payment of Directors' fees amounting to RM408,000.00 for the period from 1 January 2025 to 31 December 2025 to be payable quarterly in arrears to the Non-Executive Directors of the Company.				
2	To approve an amount of up to RM93,000.00 as benefits payable to the Non-Executive Directors of the Company for the period from 1 January 2025 to 31 December 2025.				
	To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:				
3	(i) Azlan bin Abdullah				
4	(ii) Datin Seri Raihanah Begum binti Abdul Rahman				
5	To re-appoint Messrs KPMG PLT as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration.				
	Special Business				
6	To approve the Proposed Renewal of Share Buy-Back Authority.				
7	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd.				
8	To approve the Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				
9	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.				

[Please indicate with a "√" or "x" in the spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy/Proxies will vote or abstain at his/her discretion]

The proportion of my holdings to be represented by my ***proxy/proxies** are as follows:

	Number of Shares	Percentage
First Proxy		%
Second Proxy		%
Total		**100%**

Dated this ____________ day of ____________ 2024

____
[Signature of Shareholder(s)/Common Seal]

NOTES:-

1. *The 55th AGM will be conducted electronically in its entirety via RPV facilities which are available on the website at https://www.tracemanagement.com.my. Please follow the procedures provided in the Administrative Details of the 55th AGM in order to register, participate and vote remotely via the RPV facilities.*
2. *The Broadcast Venue of the 55th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be at the main venue of the meeting. No shareholders/proxies/corporate representatives from the public should be physically present at the Broadcast Venue on the day of the 55th AGM.*
3. *Members may submit questions to the Board of Directors prior to the 55th AGM to the Investor Relations at tracy@melewar-mig.com, looling.chan@melewar-mig.com, lily@crestcorp.com.my or kwgoh@crestcorp.com.my no later than 11.30 a.m. on Friday, 29 November 2024 or to use the Question and Answer platform to transmit questions to the Board of Directors via RPV facilities during live streaming.*
4. *Since the 55th AGM will be conducted electronically in its entirety via RPV facilities, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.*
5. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
6. *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") as defined under the Securities Industry (Central Depositories) Act, 1991, 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.*
7. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*
8. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
9. *Any alteration in the Form of Proxy must be initialed.*
10. *Form of Proxy sent through facsimile transmission shall not be accepted.*
11. *For the purpose of determining a member who shall be entitled to attend this 55th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 27 November 2024. Only a depositor whose name appears on the Record of Depositors as at 27 November 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

****Please strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he/she thinks fit).***

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STAMP

The Secretary
MELEWAR INDUSTRIAL GROUP BERHAD
Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur

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