

MTAG

MTAG GROUP BERHAD

Registration No. : 201801000029 (1262041-V)

Cultivating Growth, **EXPANDING REACH**

ANNUAL REPORT 2024

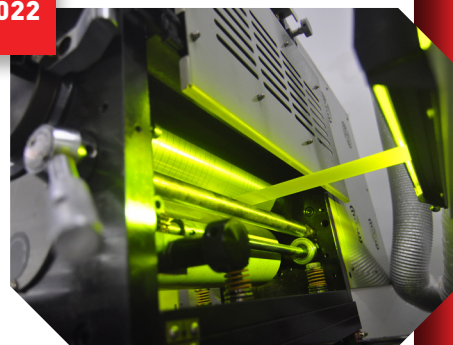
2023

JOSTAR SDN. BHD.



2022

**SUPER GOLD INDUSTRIAL
SDN. BHD.**



2020

MTAG LAND SDN. BHD.



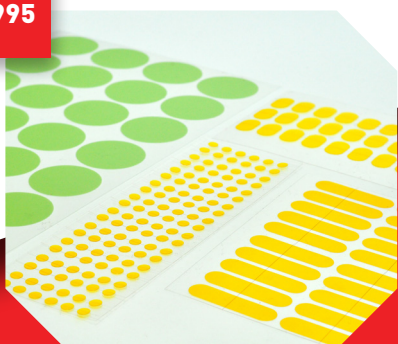
2018

MTAG GROUP BERHAD



1995

**TOYO SHO INDUSTRIAL
PRODUCTS SDN. BHD.**



2001

**INTAG INDUSTRIAL
SUPPLIES SDN. BHD.**



2005

**INTAG STEEL
HARDWARE SDN. BHD.**



Inside this Report

Corporate Profile	1
Corporate Information	3
Awards and Accreditations	4
Key Milestones	5
Corporate Structure	6
Financial Highlights	7
Directors' Profile	9
Key Senior Management's Profile	12
Chairman's Statement	13
Management Discussion and Analysis	16
Sustainability Statement	22
Corporate Governance Overview Statement	38
Additional Compliance Information	50
Audit Committee Report	52
Statement on Risk Management and Internal Control	59
Financial Statements	63
List of Properties	130
Analysis of Shareholdings	131
Notice of Annual General Meeting	133
Statement Accompanying the Notice of Annual General Meeting	139
Proxy Form	

7th

Annual General Meeting of MTAG Group Berhad

Venue :
Online Meeting Platform of
TIIH Online provided by
Tricor Investor & Issuing
House Services Sdn. Bhd. via
its website at <https://tiih.online>

Date:
Friday, 29 November 2024

Time:
10.00 a.m.



COVER RATIONALE

MTAG Group Berhad's ("MTAG" or "the Company") FY2024 Annual Report cover tells a story of growth and ambition. The ascending timeline showcases MTAG's subsidiaries, emphasising its strategic expansion since its inception in 1995 with the founding of Toyo Sho Industrial Products Sdn. Bhd.

The tagline **"Cultivating Growth, Expanding Reach"** encapsulates this journey: a company that adapts and evolves, while remaining rooted in its core values.

About Us

ABOUT MTAG

MTAG Group is a group of companies that encompasses MTAG Group Berhad, Toyo Sho Industrial Products Sdn. Bhd., Intag Industrial Supplies Sdn. Bhd., Intag Steel Hardware Sdn. Bhd., MTAG Land Sdn. Bhd., Super Gold Industrial Sdn. Bhd., Jostar Sdn. Bhd., and MTAG Industrial Pte. Ltd.

CORPORATE PROFILE

MTAG Group Berhad ("MTAG" or "the Company") is an investment holding company, and through its subsidiaries (collectively known as "MTAG Group" or "the Group"), is one of the leading labels and stickers printing and materials converting specialists in the country. In addition, we are the authorised distributor of industrial tape and adhesive products for two world-renowned brands – 3M and Henkel.

Established in 1995, MTAG Group has been serving a diversified clientele of approximately 600 customers including multinational corporations from various industries and sectors such as Electrical & Electronics ("E&E"), Medical & Healthcare, Mechanical & Engineering ("M&E"), Food & Beverage ("F&B"), and Fast-Moving Consumer Goods ("FMCG"). Operating from MTAG Group's headquarters in Johor Bahru, we have advanced manufacturing capabilities with a lean and skilled workforce of about 236 employees.

OUR COMPETITIVE STRENGTHS

- **Customisation:** We offer flexible, innovative, and customised solutions tailored to meet our customers' specifications;
- **Versatility:** We can convert a wide variety of materials such as, among others, adhesive tapes and papers, mesh materials, metal, polyethylene plastics, foams, and cardboards;
- **Quality Printing:** We deliver high-quality printing of labels and stickers with sharp colours and consistent quality within a short lead time;
- **Experience:** We have a solid track record of close to 30 years with an established clientele base;
- **Partnerships:** We are an authorised distributor for leading brands of industrial tapes and adhesives;
- **Leadership:** We have sound leadership with an experienced and dedicated Board and management team at the forefront; and
- **Customer-centric:** We prioritise customer satisfaction through the quality of our services and products.

FEATURE IN THIS ANNUAL REPORT



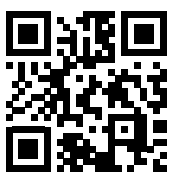
Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



Get access to the soft copy of our reports and contact information



The softcopy version of MTAG GROUP BERHAD Annual Report 2024 is available from our website. We also welcome your feedback to make sure we are covering the things that matter to you.

OUR MISSION

To provide a comprehensive range of products and services while meeting customers' specifications.

OUR VISION

We strive to be a company that customers can fully depend on for quality products and services.



OUR CORE VALUES

M

Make It Happen

Mission-Driven Action:
Turn vision into reality with proactive determination.

T

Think Ahead

Thoughtful Innovation: Anticipate future needs and drive progress with strategic insight.

A

Accomplished Excellence

Achieve Mastery:
Lead with unparalleled expertise and set industry benchmarks.

G

Growth and Expansion

Go Beyond Limits:
Foster continuous learning and pursue expansive opportunities.

Corporate Information

BOARD OF DIRECTORS

Lee Ting Kiat

Independent Non-Executive
Chairman

Chaw Kam Shiang

Group Managing Director

Lau Cher Liang

Executive Director

Jason Tan Kim Song

Independent Non-Executive
Director

Dyana Sofya Binti Mohd Daud

Independent Non-Executive
Director

AUDIT COMMITTEE

Jason Tan Kim Song (Chairman)

Lee Ting Kiat

Dyana Sofya Binti Mohd Daud

NOMINATING COMMITTEE

Dyana Sofya Binti Mohd Daud
(Chairman)

Lee Ting Kiat

Jason Tan Kim Song

REMUNERATION COMMITTEE

Lee Ting Kiat (Chairman)

Jason Tan Kim Song

Dyana Sofya Binti Mohd Daud

RISK MANAGEMENT COMMITTEE

Jason Tan Kim Song (Chairman)

Lee Ting Kiat

Dyana Sofya Binti Mohd Daud

Chaw Kam Shiang

COMPANY SECRETARY

Wong Chee Yin (MAICSA 7023530)

(SSM PC No. 202008001953)

HEAD OFFICE

PL0 226, Jalan Kencana Mas
Kawasan Perindustrian Tebrau III
81100 Johor Bahru
Tel No. : 07 – 351 3333
Fax No. : 07 – 353 5555
Website : www.mtaggroup.com
E-mail : ir@mtaggroup.com

REGISTERED OFFICE

Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Tel No. : 07 – 335 4988
Fax No. : 07 – 332 8096
E-mail : info@my.tricorglobal.com

PRINCIPAL BANKERS

CIMB Bank
Public Bank
RHB Bank
RHB Investment Bank

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : 03 – 2783 9299
Fax No. : 03 – 2783 9222
E-mail : is.enquiry@vistra.com

AUDITORS

Grant Thornton Malaysia PLT
Suite 28.01, 28th Floor
Menara Zurich
No.15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Tel No. : 07 – 332 8335

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia
Securities Berhad
Stock Name: MTAG
Stock Code: 0213
Listed on 25 September 2019

Awards and Accreditations

2000

- Appreciation Recognition by NITTO DENKO

2001

- Best Supplier Quality Improvement Award by HITACHI
- Official 3M Converter
- Best Supplier Award in Quality and Delivery by HONDA

2002

- Best Supplier Quality Performance Award by HITACHI
- Best Supplier Award in Quality and Delivery by HONDA

2003

- Best Supplier Quality Performance Award by HITACHI

2004

- Official 3M Distributor
- Accredited with Underwriters Laboratories Inc. ("UL")

2005

- 100% Achievement in Quality and Delivery by HONDA

2006

- 100% Achievement in Quality and Delivery by HONDA
- Accredited with ISO 9001:2015 QMS Certification

2007

- Outstanding Sales Achievement Award by Henkel
- 100% Achievement in Quality and Delivery by HONDA

2010

- Regional Henkel distributor
- Accredited with ISO 14001:2015 EMS Certification

2013

- Designated Fabrication Certification by INOAC

2016

- Best Supplier Award by Panasonic

2017

- 3M Strategic Channel Partner for Industrial & Filtration Products
- Henkel Best Sales Performance Award
- 3M Channel Achiever

2018

- 3M Strategic Channel Partner for Industrial & Filtration Products

2020

- Outstanding Improvement Award by Henkel

2023

- Accredited with FSC® (Forest Stewardship Council®) Chain of Custody Certification (Toyo Sho Industrial Products Sdn. Bhd. [FSC-C185693])
- 3M Strategic Channel Partner Industrial & Safety, Filtration Products

2024

- 3M Strategic Channel Partner for Industrial Products
- Appreciation Recognition by Henkel
- Accredited with FSC® (Forest Stewardship Council®) Chain of Custody Certification [Super Gold Industrial Sdn. Bhd. (FSC-C198351)]



Key Milestones

1995
1996
2001
2004
2005
2010
2011
2012

- Founded Toyo Sho Industrial Products to provide printing of labels and stickers and converting of tapes to E&E manufacturers.
- Started supplying printed labels and stickers to Hitachi.
- Set up Intag Industrial Supplies to distribute industrial tapes, adhesives, and other products.
Appointed as 3M converter.
- Selected by Underwriters Laboratories Inc. to print its registered marks.
Appointed as 3M distributor.
- Established Intag Steel Hardware to provide metal converting services.
- Began to distribute Henkel products.
Obtained ISO 14001:2004 EMS certification.
- Relocated to current premises in Tebrau, JB to facilitate growth and business expansion.
- Invested in ultrasonic technology to enhance converting capabilities.

2019
2020
2021
2022
2023
2024

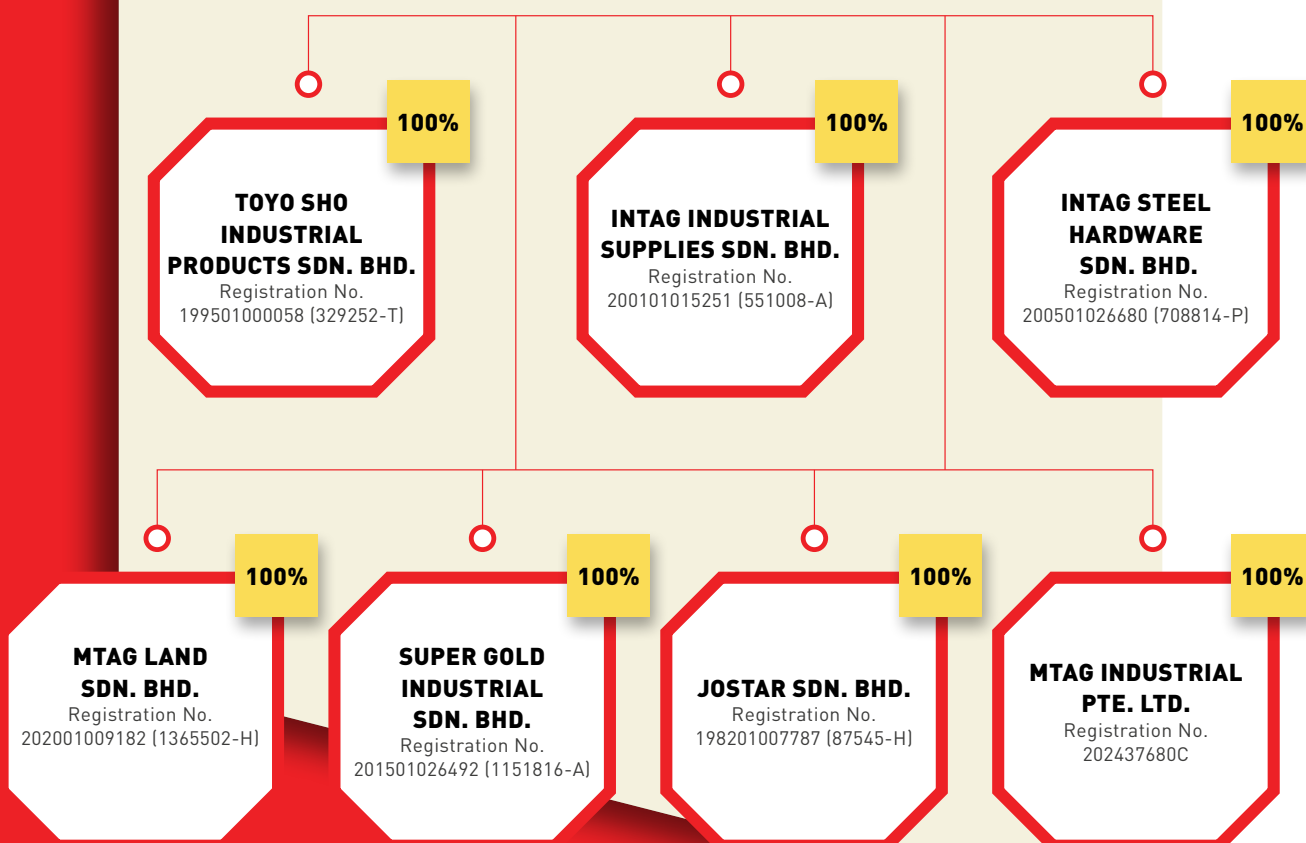
- Completed the acquisition of 100% of the issued share capital of Jostar Sdn. Bhd. ("Jostar") in October 2023. Jostar is principally engaged in the operations of a printing factory. This acquisition marks a strategic expansion for MTAG Group, as it brings a new dimension to the Group's product portfolio to include offset printing solutions.
- Completed the acquisition of a new factory in February 2024. The expenditure comes from the reallocation of IPO funds from land acquisition and construction of manufacturing plants.
- Acquired 100% equity interest in Super Gold Industrial Sdn. Bhd. ("Super Gold"), a company specialising in the manufacturing of labels, stickers and tapes, as well as related industrial supplies.
- Invested in digital press printing and silkscreen technology to enhance converting capabilities and automation of manufacturing processes as part of the Group's transformation towards Industry 4.0.
- Achieved record high revenue of RM193.6 million.
- The 25th Anniversary of MTAG.
- Listed on the ACE Market of Bursa Malaysia.

Corporate Structure

MTAG Group Berhad was incorporated in Malaysia under the Companies Act 2016 on 2 January 2018 as a private limited company under the name MTAG Group Sdn. Bhd. and was subsequently converted to a public limited company on 23 October 2018, assuming the name MTAG Group Berhad. The Group was formed following the completion of acquisitions of the entire equity interest in Toyo Sho Industrial Products, Intag Industrial Supplies, and Intag Steel Hardware on 28 June 2019. Thereafter, the Group established a new wholly owned subsidiary, MTAG Land Sdn. Bhd. on 22 March 2020. On 31 October 2022, MTAG acquired 100% stake in Super Gold, a company specialising in the manufacturing of labels, stickers and tapes, and related industrial supplies. On 31 October 2023, MTAG completed the acquisition of 100% of the issued share capital of Jostar. Jostar is principally engaged in the operations of a printing factory. This acquisition marks a strategic expansion for MTAG Group, as it brings a new dimension to the Group's product portfolio to include offset printing solutions. On 12 September 2024, the Group established a new wholly-owned subsidiary, MTAG Industrial Pte. Ltd.

MTAG MTAG GROUP BERHAD

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Financial Highlights

Financial Year Ended 30 June (RM million)

	2020	2021	2022	2023	2024
Financial Results					
Revenue	166.1	193.6	180.2	153.9	106.0
Profit Before Tax	40.3	44.8	39.8	39.6	26.5
Net Profit	30.2	33.6	30.1	30.1	20.3
Financial Position					
Shareholders' Funds	179.7	192.9	202.5	213.5	220.2
Total Assets	201.6	214.3	233.9	229.0	235.3
Net Current Assets	158.2	173.0	181.2	186.9	178.0
Total Borrowings	-	-	-	0.1	0.4
Cash and Cash Equivalents ⁽⁴⁾ , and Other Investments ⁽⁵⁾	109.7	120.0	127.6	144.4	148.0
Financial Ratio					
Basic Earnings per Share ⁽¹⁾ (sen)	4.4	4.9	4.4	4.4	3.0
Net Profit Margin (%)	18.2	17.4	16.7	19.6	19.1
Net Gearing Ratio (times)	Net cash	Net cash	Net cash	Net cash	Net cash
Return on Equity (ROE)	16.8% ⁽³⁾	17.4%	14.9%	14.1%	9.2%
Dividend per Share ⁽²⁾ (sen)	3.0	3.0	3.0	3.0	2.0

Note:

⁽¹⁾ Based on the share capital of 681,617,400 shares in issue as at 30 June 2024.

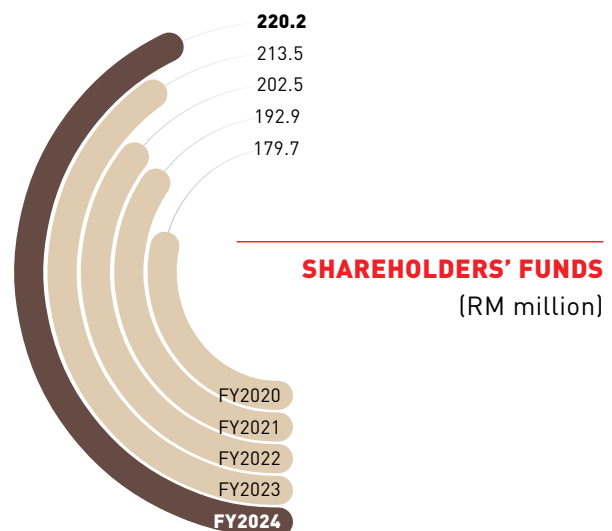
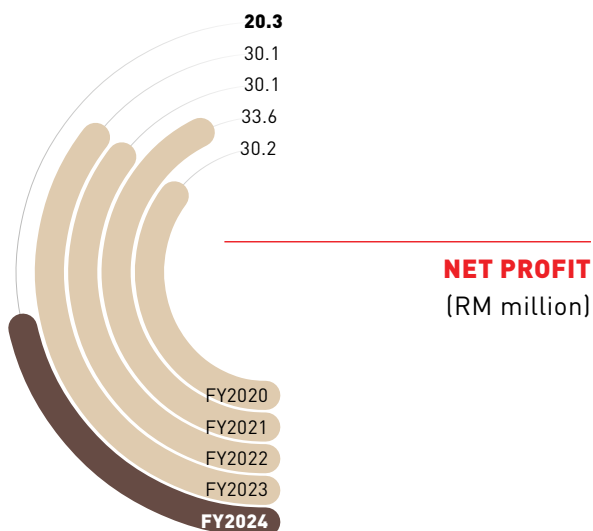
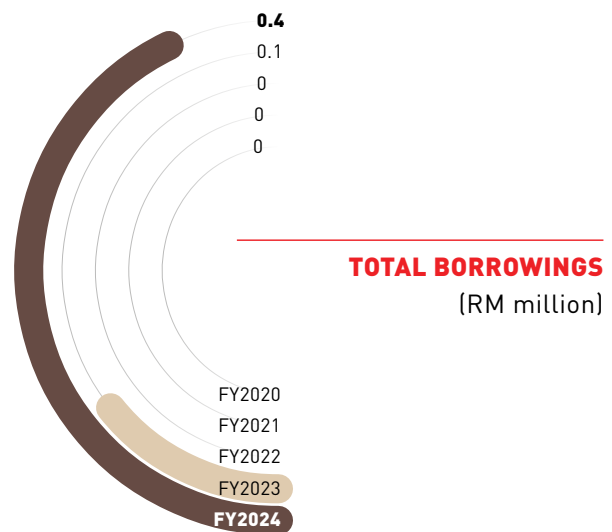
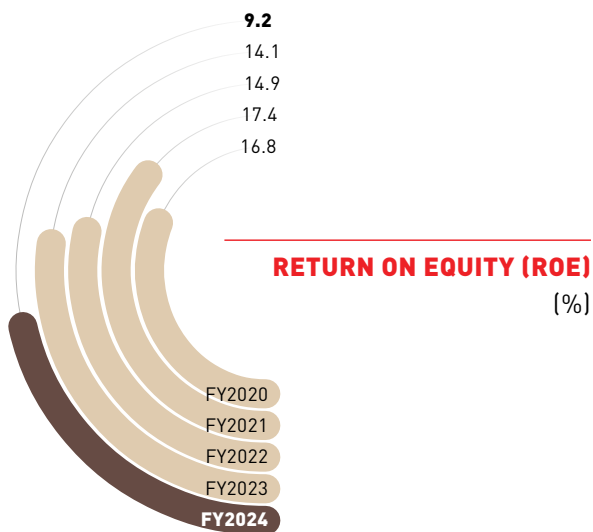
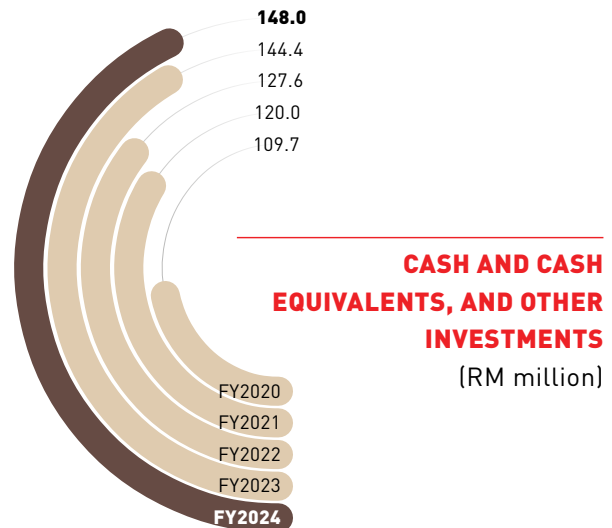
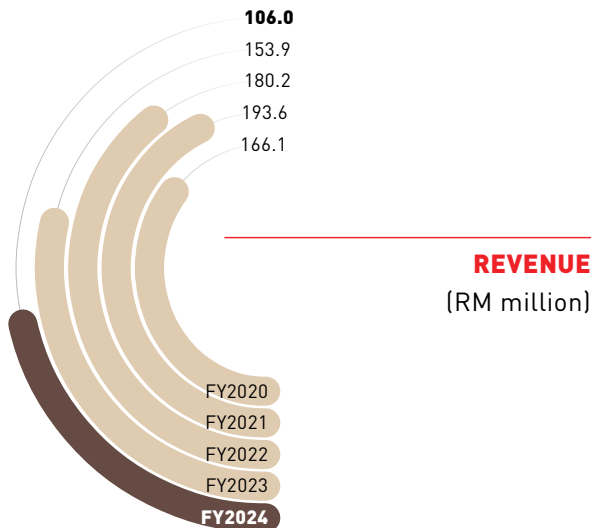
⁽²⁾ Upon MTAG Group's listing on the ACE Market on 25 September 2019, and based on the enlarged share capital of 681,617,400 shares.

⁽³⁾ Upon completion of public issue after MTAG Group's listing on the ACE Market on 25 September 2019, new ordinary shares increased from RM76,341,148 to RM148,592,603 comprising 681,617,400 shares.

⁽⁴⁾ Cash and Cash Equivalents consist of cash and bank balances, and fixed deposits with licensed banks.

⁽⁵⁾ Other Investments consist of other investments in unit trusts.

Financial Highlights



Directors' Profile

• LEE TING KIAT

Independent Non-Executive Chairman

Appointed to the Board on 19 October 2018

 Aged 56

 Male

 Malaysian

Mr. Lee Ting Kiat was appointed to the Board on 19 October 2018 as MTAG Group Berhad's ("MTAG Group" or "the Group") Independent Non-Executive Chairman. He is the Chairman of the Remuneration Committee and a member of the Audit Committee, Risk Management Committee, and Nominating Committee.

Mr. Lee graduated with a Bachelor of Laws from University of Malaya, Malaysia, in 1991 and was admitted as an advocate and solicitor of the High Court of Malaya in 1992. He has been a General Committee Member of the Malaysian International Chamber of Commerce and Industry ("MICCI") since 2018 and is the Chairman of the MICCI (Southern Region).

Upon his graduation, Mr. Lee started his pupillage in 1991 and subsequently commenced his legal practice in 1992. He has continued to practice law ever since, having served as a partner at Messrs Andrew Wong & Co and Messrs Zaid Ibrahim & Co respectively over the course of his professional career. In 2005, he co-founded Messrs Lee & Tengku Azrina where he presently serves as the managing partner and practising lawyer specialising in corporate, commercial, finance, and property matters.

Mr. Lee does not have any family relationship with any Director or Major Shareholder of MTAG Group and does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

• CHAW KAM SHIANG

Group Managing Director

Appointed to the Board on 2 January 2018

 Aged 63

 Male

 Malaysian

Mr. Chaw Kam Shiang was appointed to the Board on 2 January 2018 as the Group's Managing Director. He is also the Group's first Director and a member of the Risk Management Committee.

Equipped with more than 30 years of experience in the label printing and converting industry, Mr. Chaw currently spearheads the Group's business direction, overall strategies and policies as the Group Managing Director.

Mr. Chaw graduated from Kochi University, Japan with a Bachelor of Economics in 1991. Since then, he has worked at various local manufacturing companies, amassing knowledge and experience in the areas of strategy, sales, and procurement.

In 1995, with his entrepreneurial spirit and sharp business acumen, Mr. Chaw established Toyo Sho Industrial Products Sdn. Bhd. ("Toyo Sho") to specialise in providing printing of labels and stickers and converting of double-sided tapes, polyethylene plastics, foams, and cardboard to electrical and electronic ("E&E") manufacturers. In 2001, he seized the opportunity to establish Intag Industrial Supplies Sdn. Bhd. ("Intag Industrial") with Lau Cher Liang after seeing increased demand from Toyo Sho's existing E&E customers for other products such as cleanroom products, disposable

products, wipers, and gloves. During this time, Mr. Chaw provided business directions and strategies, as well as financial support for the introduction of various converting services of Intag Industrial. In 2005, he set up Intag Steel Hardware Sdn. Bhd. ("Intag Steel") to further expand the Group's converting capabilities to include metal products.

Under Mr. Chaw's leadership, MTAG Group has grown in size and stature, increasing the Group's range of services, securing world-renowned consumer electronic brands as key customers as well as clinching distributorships with multinational corporations ("MNCs") in adhesives. Today, he continues to actively steer the Group in its long-term growth and towards commercial success. His leadership and entrepreneurial skills have greatly contributed to the advancement of the Group since its inception.

Mr. Chaw is the spouse of Ms. Ang Yam Fung, a substantial shareholder and the Chief Human Resource Officer ("CHRO") of MTAG Group. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

Directors' Profile

• LAU CHER LIANG

Executive Director

Appointed to the Board on 2 January 2018

 **Aged 48**

 **Male**

 **Malaysian**

Mr. Lau Cher Liang was appointed to the Board on 2 January 2018 as the Group's Executive Director. He is also the Group's first Director and the Business Unit Head of Intag Industrial, a wholly-owned subsidiary of the Group, where he is responsible for formulating and implementing its business strategies, business development, and daily management of operations.

Mr. Lau holds the Chartered Institute of Marketing's Advanced Certificate in Marketing. He brings with him a wealth of experience in the areas of business development as well as sales and marketing, having served at various companies where he was responsible for marketing activities and client relationship management.

In 2001, Mr. Lau established Intag Industrial with Chaw Kam Shiang to capitalise on the opportunity to fulfil the demand for, among others, cleanroom and disposable products, and wipers and gloves for E&E customers. Since then, he has played a pivotal role in the business development activities of the Group and has been instrumental in managing the Group's strategic initiatives to accelerate growth.

Mr. Lau has deep industry understanding and proven management experience across commercial and marketing roles and boasts a strong track record of delivering tangible business results with a firm emphasis on quality and customer satisfaction.

Under his stewardship, the Group secured distributorships from leading global brands such as 3M and Henkel, enabling MTAG to further solidify its market position in the industry. Furthermore, he also led the Group in expanding its capabilities to convert mesh using ultrasonic technology. Equipped with strong business acumen and more than 20 years of experience in business development as well as sales and marketing, he has played a key role in the Group's advancement and expansion to where it is today.

Mr. Lau does not have any family relationship with any Director or Major Shareholder of MTAG Group, and does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

Mr. Lau resigned from the Board on 30 October 2024.

• JASON TAN KIM SONG

Independent Non-Executive Director

Appointed to the Board on 19 October 2018

 **Aged 46**

 **Male**

 **Malaysian**

Mr. Jason Tan was appointed to the Board on 19 October 2018 as the Group's Independent Non-Executive Director. He is the Chairman of the Audit Committee and Risk Management Committee. He is also a member of the Remuneration Committee and Nominating Committee.

Mr. Tan has more than 15 years of experience in the fields of accounting and auditing as well as business and financial advisory. He had worked in commercial and accounting firms in Singapore and Malaysia between 2001 and early 2009. He has since been managing his own business and financial consulting firm. Presently, he is the Director of the Creative group of companies and is in charge of overseeing its daily operations. The Creative group of companies is involved in the provision of corporate secretarial and management, accountancy, audit and assurance, company tax, and personal tax planning services in Malaysia and Singapore.

Mr. Tan is a registered company secretary for several private companies.

Mr. Tan holds a Bachelor of Commerce and Administration in Commercial Law from Victoria University of Wellington, New Zealand. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, a member of Malaysian Institute of Accountants, Malaysia Institute of Taxation, Institute of Singapore Chartered Accountants and Singapore Institute of Directors.

Mr. Tan does not have any family relationship with any Director or Major Shareholder of MTAG Group and does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

Directors'
Profile

• DYANA SOFYA BINTI MOHD DAUD

Independent Non-Executive Director

Appointed to the Board on 19 October 2018

 **Aged 37**

 **Female**

 **Malaysian**

Ms. Dyana Sofya Binti Mohd Daud was appointed to the Board on 19 October 2018 as the Group's Independent Non-Executive Director. She is the Chairman of the Nominating Committee and a member of the Audit Committee, Risk Management Committee, and Remuneration Committee.

Ms. Dyana graduated with a Bachelor of Laws with Honours from Universiti Teknologi MARA, Malaysia in 2010. She was admitted as an advocate and solicitor of the High Court of Malaya in the following year. She subsequently obtained a Master of Arts in International Studies and Diplomacy from the School of Oriental and African Studies, University of London, UK, in 2016.

Ms. Dyana is presently a partner in Corporate Commercial Practice Group of the legal firm, Messrs. Zharif Nizamuddin.

Ms. Dyana does not have any family relationship with any Director or Major Shareholder of MTAG Group and does not have any conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

Key Senior Management's Profile

• NG BOON SIANG

Group Chief Financial Officer

Aged 42  **Male**  **Malaysian**

Mr. Ng Boon Siang was appointed as the Group's Chief Financial Officer ("Group CFO") in January 2022. As the Group CFO, he is responsible for managing the Group's financial reporting, mergers and acquisitions, tax planning, corporate treasury, and any other corporate activities. He holds directorship in MTAG Industrial Pte. Ltd.

Mr. Ng brings with him more than 15 years of experience in various finance-related areas including auditing, initial public offerings, international tax, accounting, and finance. He started his career with Ernst & Young Malaysia in January 2006, before joining KPMG LLP Singapore. Thereafter, he served several multinational corporations in Singapore such as Verigy Limited, Advantest Corporation and Sea Limited, in different capacities.

Mr. Ng holds a Bachelor of Arts ("BA") in Accountancy and Finance degree from Heriot-Watt University, Scotland and a Master of Business Administration ("MBA") in Finance degree from University of Derby, England, and currently pursuing his Doctor of Philosophy ("PhD") in Management degree from local university. He obtained his professional qualification from the Chartered Institute of Management Accountants ("CIMA"), United Kingdom, with the designations of Associate Chartered Management Accountant ("ACMA"), Chartered Global Management Accountant ("CGMA"), ASEAN Chartered Professional Accountant ("CPA") and as well as Chartered Accountant ("CA") of the Malaysian Institute of Accountants ("MIA").

Mr. Ng does not have any family relationship with any Director or Major Shareholder of MTAG Group and does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

• CHOO JACK KIE

Business Unit Head of Toyo Sho

Aged 52  **Male**  **Malaysian**

Mr. Choo Jack Kie is the Business Unit Head of Toyo Sho Industrial Products Sdn. Bhd. ("Toyo Sho"), a wholly-owned subsidiary of the Group, where he oversees its daily production operations. He joined Toyo Sho in 1995 and currently holds directorship in Toyo Sho.

Mr. Choo has more than 30 years of experience in the label printing and converting industry, having served for a number of companies, including overseas exposure in Taiwan and Japan. His area of expertise relates to the operation and technical aspects of a wide range of printing and converting machines.

Mr. Choo does not have any family relationship with any Director or Major Shareholder of MTAG Group and does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

• ANG YAM FUNG

Chief Human Resource Officer

Aged 54  **Female**  **Malaysian**

Ms. Ang Yam Fung has been the Group's Chief Human Resource Officer since 2018. She is responsible for managing the Group's human resource functions. She holds directorship in Toyo Sho.

Ms. Ang brings with her more than 25 years of experience in production planning, procurement, and administration. She began her career as a planner for Sharp-Roxy Electronics Corporation (M) Sdn. Bhd. in 1990. She worked closely with the Production team to manage production planning as well as coordinate the required raw materials and production schedules. In 1994, she joined Aiwa Electronics (M) Sdn. Bhd., a company involved in the manufacturing of audio and video products as a Procurement Officer, where she was in charge of liaising with suppliers to procure materials for the company's operations.

Ms. Ang obtained her Diploma in Computer Science offered by the National Computing Centre Education (UK) from Systematic Computer Centre Sdn. Bhd. Kuala Lumpur in 1990. She subsequently completed the Manufacturing Management Assistant Programme from The SANNO Institute of Management Japan in 1993.

Ms. Ang is the spouse of Mr. Chaw Kam Shiang, Group Managing Director of MTAG Group. She does not have any conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years nor any public sanctions or penalties imposed by regulatory bodies during the financial year.

Chairman's Statement

DEAR ESTEEMED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS ("THE BOARD") OF MTAG GROUP BERHAD ("MTAG" OR "THE COMPANY") AND ITS SUBSIDIARIES ("MTAG GROUP" OR "THE GROUP"), IT IS MY PRIVILEGE AND PLEASURE TO SHARE WITH YOU MTAG'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 ("FY2024").



Independent Non-Executive Chairman

LEE TING KIAT

ECONOMIC ENVIRONMENT

FY2024 was yet another demanding year, echoing the challenges of FY2023. The global landscape remained fraught with heightened market uncertainties, fuelled by a confluence of macroeconomic factors. Geopolitical tensions cast long shadows, while inflationary pressures and rising interest rates squeezed economies worldwide. The spectre of an economic downturn loomed large, further amplifying apprehensions. Furthermore, the elevated interest rate environment contributed to weaker household spending, further dampening economic activity. As a result, the global economic growth trajectory moderated, with the International Monetary Fund ("IMF") projecting a slower growth of 3.2% in 2024, as compared to 3.3% in the previous year.

Back home in Malaysia, our gross domestic product ("GDP") growth normalised to 3.7% in 2024 versus the high base of 8.7% in the previous year. On a positive note, our country's economy expanded by 4.2% in the first quarter of 2024, propelled by strong private expenditure and a rebound in exports. This positive momentum accelerated further in the second quarter with a commendable growth of 5.9%, boosted by increased household spending, business investments, and sustained export performance, as reported by Bank Negara Malaysia ("BNM").

Chairman's Statement

BUSINESS & FINANCIAL OVERVIEW

The spillover of uncertainties from the previous fiscal year compounded the challenges we faced in FY2024. These uncertainties have added further complexities to the taxing business operating landscape on top of the subdued consumer household spending.

MTAG Group's FY2024 revenue came in at RM106.0 million versus RM153.9 million a year ago. Profit after tax and non-controlling interest ("PATNCI" or "net profit") stood at RM20.3 million in the financial year under review vis-à-vis RM30.1 million in FY2023. The top- and bottom-line performance were both affected by the abovementioned softer demand.

On dividend, we have maintained the consistent trend of rewarding our shareholders every year since our listing in 2019 despite the headwinds we faced. For the financial year under review, MTAG Group declared and paid a total dividend of 2.0 sen per ordinary share, totalling RM13.6 million. This works out to a dividend payout of 67.2% based on FY2024 net profit of RM20.3 million, much higher than our dividend policy of distributing 20% of net profit.

From an operational standpoint, the challenges persisted this year as the Group continued to grapple with managing production levels amidst the slowdown in orders. Meanwhile, our team remains committed to expanding our clientele through proactive business development initiatives, while simultaneously exploring strategic inorganic growth opportunities.

On that note, we are delighted to share that the acquisition of Super Gold Industrial Sdn. Bhd. ("Super Gold"), which was completed in FY2023, has started contributing positively to the Group in the financial year under review. More excitingly, we have successfully secured new customers from previously untapped sectors, effectively broadening our customer base.

Separately, we have also concluded the acquisition of a 100% stake in Jostar Sdn. Bhd. ("Jostar") in FY2024 for a cash consideration of RM8.7 million. This strategic acquisition is significant as Jostar possesses printing capabilities that complement and expand our existing offerings. This move further enhances our value proposition to our customers, providing them with a more comprehensive and integrated suite of solutions.



FY2024 REVENUE

RM106.0
MILLION



FY2024 NET PROFIT

RM20.3
MILLION



FY2024 DIVIDEND PAYOUT

67.2%
OF NET PROFIT



Chairman's Statement



On the business development front, we continue to see vast opportunities ahead, particularly with the upcoming of the Johor-Singapore Special Economic Zone ("JSSEZ"). The zone's strategic location and enticing incentives are anticipated to attract significant foreign direct investment, fostering the creation of new businesses and industries.



LOOKING AHEAD

The IMF is forecasting moderate global growth rates of 3.2% and 3.3% for 2024 and 2025, respectively. This outlook is tempered by escalating trade tensions, ongoing geopolitical conflicts, persistent inflationary pressures and restrictive monetary policies. These challenges collectively contribute to a dampening effect on economic activity. Additionally, the IMF highlights that prevailing global uncertainties are impeding growth by complicating the implementation of effective economic stimulus measures.

On the home front, GDP growth is projected to expand between 4.8% to 5.3%, an upward revision from 4.0% to 5.0% previously according to Budget 2025. This optimistic forecast is underpinned by resilient domestic expenditure and an anticipated rebound in exports. The healthy 5.9% GDP expansion in the second quarter of 2024 further strengthens this outlook.

The Group is cognisant of the prevailing market environment and challenges. Our key focus remains on the execution of our strategic initiatives while maintaining a prudent and measured approach to navigate the complexities ahead.

One of our key plans centres around the newly acquired factory in FY2024. We intend to consolidate the operations of Super Gold and Jostar within this facility to centralise processes and optimise costs. This strategic relocation is expected to significantly enhance overall efficiency from both a production and management perspective, as the new facility is conveniently situated in close proximity to our existing plant and head office.

On the business development front, we continue to see vast opportunities ahead, particularly with the upcoming of the Johor-Singapore Special Economic Zone ("JSSEZ"). The zone's strategic location and enticing incentives are anticipated to attract significant foreign direct investment, fostering the creation of new businesses and industries.

Additionally, the positive economic ripple effects of the JSSEZ are likely to extend beyond the zone itself, stimulating increased economic activity in the broader region. This presents us with a promising landscape to further scale our business and capitalise on emerging market opportunities.

Apart from that, the Group is steadfastly investing in new capabilities and capacities to solidify our position within the industry. We are cautiously optimistic on the Group's outlook, supported by the aforementioned factors, while remaining cognisant of potential stumbling blocks in the way.

APPRECIATION

Finally, I would like to extend my heartfelt appreciation to our team at MTAG Group for their commitment and immense contribution during these trying times. I am confident that with our collective effort, we can overcome any headwinds.

A huge thank you to all our valued customers, business partners, associates, suppliers and the respective regulatory authorities for their unwavering support to the Group. To our shareholders, my deepest gratitude goes to you for your patience throughout the difficult period, and for your confidence in us as we continue to grow our business.

To my esteemed colleagues on the Board, I want to express my sincere appreciation for your resolute professionalism and the sheer pleasure it has been to collaborate with each of you. I am confident that with the stewardship of the Board and our team, MTAG Group will steer through the prevailing challenges towards greater heights.

Lee Ting Kiat

Independent Non-Executive Chairman

Management Discussion & Analysis

OVERVIEW

DURING THE YEAR UNDER REVIEW, MTAG GROUP BERHAD (“MTAG” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“MTAG GROUP” OR “THE GROUP”) HAD TO WEATHER THROUGH THE SUBDUED ECONOMIC LANDSCAPE MARKED BY GEOPOLITICAL TENSIONS AND MACROECONOMIC AMBIGUITIES.



Nevertheless, we adapted to the market conditions while remaining laser-focused on the execution of our strategic plans to broaden our revenue base and expand our capabilities, reinforcing our commitment for long-term business sustainability and success.

The Group had leveraged on our vast experience, established track record and healthy balance sheet as a leading printing and material converting specialist to navigate through the prevailing challenges. Against the backdrop of taxing business operating conditions, MTAG Group reported a fair set of results for the financial year ended 30 June 2024 (“FY2024”). Our performance, achieved amidst a demanding environment, underscores our resilience as well as our continued commitment to enhancing shareholder value through consistent dividends.

Group Managing Director

CHAW KAM SHIANG

Management Discussion & Analysis

BUSINESS & OPERATIONAL REVIEW

MTAG is a leading Malaysian specialist in printing and material conversion. We provide customised solutions, transforming diverse materials—from adhesive tapes and papers to plastics, foams and even metal—into precise shapes and sizes tailored to our clients' unique needs. Our emphasis on flexibility, innovation and timely delivery is underpinned by custom-designed machinery, enabling us to offer a wide spectrum of conversion services, including printing, laminating, varnishing, slitting, cutting, welding and die-cutting.

As an authorised distributor for 3M and Henkel, we also offer a comprehensive selection of industrial tapes and adhesives. Our client base of over 600 spans diverse sectors, including Electrical & Electronics ("E&E"), Medical & Healthcare, Mechanical & Engineering ("M&E"), Food & Beverage ("F&B"), and Fast-Moving Consumer Goods ("FMCG").

FY2024 proved challenging as uncertainties carried over from the previous year, adding to the existing difficult operating landscape. Reduced consumer spending translated into lower orders, thus impacting our business. To address this, we have been proactively expanding our customer base and industry reach since the preceding financial year.

On that note, we are thrilled to share that our acquisition of Super Gold Industrial Sdn. Bhd. ("Super Gold") in October 2022 has already begun to bear fruit with contributions to our FY2024 earnings. Furthermore, it has opened doors to new opportunities for us as it enabled us to reach customers in previously untapped sectors.

This broadens our market presence as we now have access to the non-Licensed Manufacturing Warehouse ("LMW") companies, a segment that we had not served previously due to our LMW licenses. In the financial year under review, we successfully secured customers from the food and beverage ("F&B"), personal care and cosmetics industries.

In February 2024, Super Gold was awarded the Forest Stewardship Council's ("FSC®") Chain-of-Custody certification. Founded in 1993, the Germany-based Forest Stewardship Council® is a global nonprofit organisation with a multi-stakeholder approach that promotes responsible management of the world's forests. This milestone underscores our Group's commitment to sustainability and the provision of eco-conscious solutions, which are particularly attractive to the commercial sectors.



Super Gold's Forest Stewardship Council certification

Building on the positive momentum of this acquisition, we continued to pursue a dual growth strategy, combining inorganic expansion with organic growth. In October 2023, we successfully acquired Jostar Sdn. Bhd. ("Jostar") for a cash consideration of RM8.7 million, of which RM8.0 million was funded by IPO proceeds and the remaining balance through internally generated funds. Jostar is one of the pioneers of offset printing in Johor with over 40 years of experience in the domestic and Southeast Asian Markets.



With this second acquisition, we have strategically expanded our printing capabilities, further enhancing our ability to provide comprehensive solutions to our customers. More excitingly, Jostar's existing foothold in the industrial sector, a market we had not previously served, provides exciting opportunities for expansion and growth.

For our existing business, we remain steadfast in our commitment to invest in upgrading machines and capabilities to ensure continuous improvement and efficiency. Meanwhile, our team has been proactively managing production levels in response to the slowdown in orders, while maintaining strict fiscal discipline to optimise cost control.

Management Discussion & Analysis

Latest Utilisation of Proceeds from the Initial Public Offering (“IPO”)

Details of Utilisation	Proposed Utilisation (RM million)	Revision of Balance Unutilised (RM million)	Actual Utilisation (RM million) as of 30 June 2024	Balance of IPO Proceeds Unutilised (RM million)	Revised Timeframe for Utilisation from 25 August 2022	Revised Timeframe for Utilisation from 25 August 2023	Revised Timeframe for Utilisation from 23 August 2024
Land acquisition and construction of manufacturing plant	33.0	(18.0)	5.4	9.6	12 months	12 months	Within 12 months
Capital expenditure	13.0	-	7.5	5.5	12 months	12 months	Within 12 months
Factory acquisition	-	10.0	10.0	-		12 months	
Merger and acquisition	-	8.0	8.0	-		12 months	
Repayment of bank borrowings	10.0	-	10.0	-			
Working capital	12.5	-	12.5	-			
Listing expenses	3.8	-	3.8	-			
Total	72.3	-	57.2	15.0*			

* Figure does not add precisely due to rounding

Back in 2019, we raised RM72.3 million through our IPO exercise to facilitate our expansion plans. As of 30 June 2024, a total of RM57.2 million of the total proceeds has been utilised. The utilisation timeline was extended a year each in August 2022 and August 2023. Subsequently in August 2024, after taking into account the current operating landscape and careful deliberation by the Board of Directors of MTAG Group (the “Board”), it has resolved to further extend the timeframe to utilise the balance RM15.0 million of the IPO proceeds for 12 months from 23 August 2024.

Out of the remaining RM15.0 million, RM9.6 million is earmarked for land acquisition and construction of manufacturing plant while the balance RM5.5 million is allocated for capital expenditure.

FINANCIAL REVIEW

Revenue

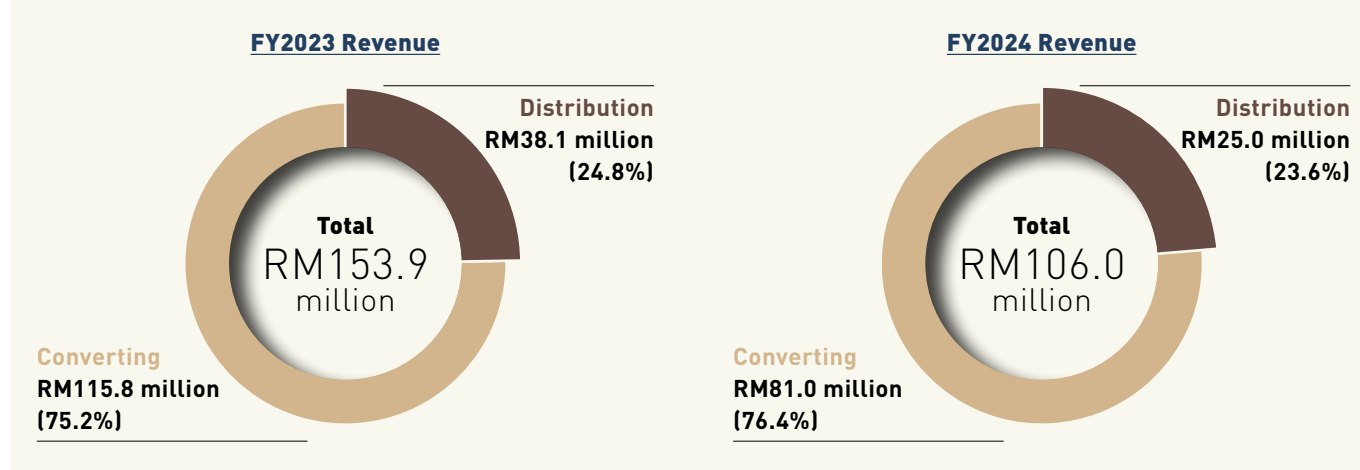
MTAG’s revenue came in at RM106.0 million in FY2024 versus RM153.9 million in FY2023, largely due to lower demand. On a positive note, Super Gold contributed to the Group’s top-line in the financial year under review.

In terms of revenue breakdown by segment, the converting segment remained the primary revenue contributor, accounting for 76.4% or RM81.0 million of FY2024 total revenue. The distribution business segment contributed the balance 23.6% or RM25.0 million.

Management Discussion & Analysis

Geographically, the domestic market accounted for the lion's share of FY2024 total revenue at 84.7% or RM89.7 million while the remainder came from overseas sales.

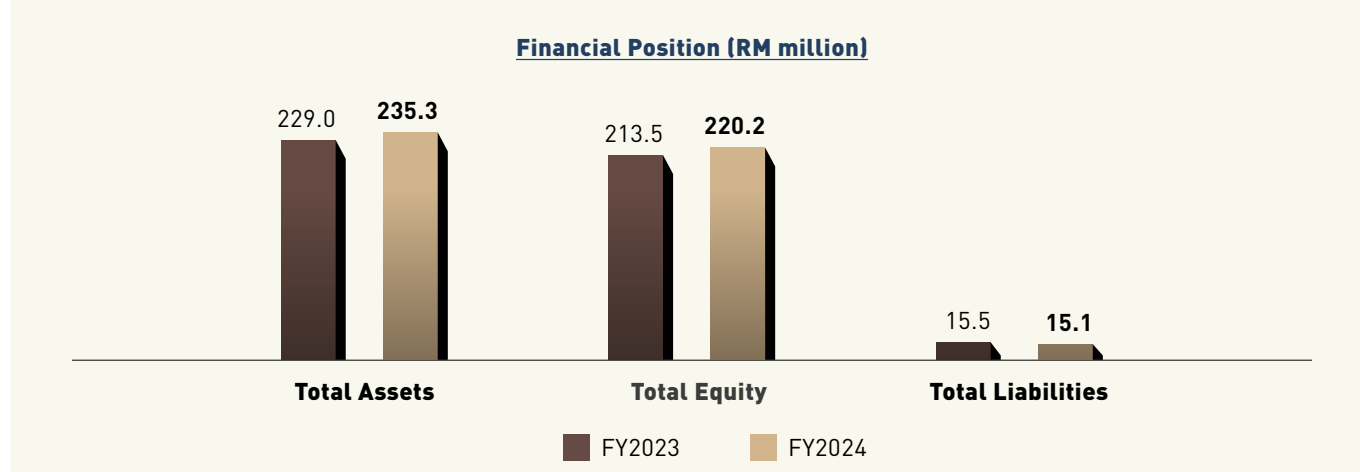
REVENUE BREAKDOWN BY SEGMENT



Profit After Tax and Non-Controlling Interest ("Net Profit")

For the financial year under review, the Group's net profit stood at RM20.3 million vis-à-vis RM30.1 million in FY2023, chiefly attributed to the aforementioned factors.

CAPITAL STRUCTURE & CAPITAL RESOURCES



Total asset as at 30 June 2024 rose RM6.3 million to RM235.3 million from RM229.0 million a year ago, following the increase in investment properties due to the acquisition of a new factory building. Our aggregate cash and cash equivalents, fixed deposits and other investment in unit trust was at RM148.0 million at the close of the financial year under review as compared to RM144.4 million in the preceding year.

Meanwhile, total equity continued its upward trend, increasing by RM6.7 million to RM220.2 million as at 30 June 2024, compared RM213.5 million in FY2023. This was largely due to higher retained earnings arising from profit for the financial year less dividend paid out.

Total liabilities declined to RM15.1 million as at 30 June 2024 versus RM15.5 million previously, predominantly owing to reduction in other payables. Our total borrowings continued to be low at RM0.4 million as at 30 June 2024 vis-à-vis RM0.1 million a year ago.

Management Discussion & Analysis

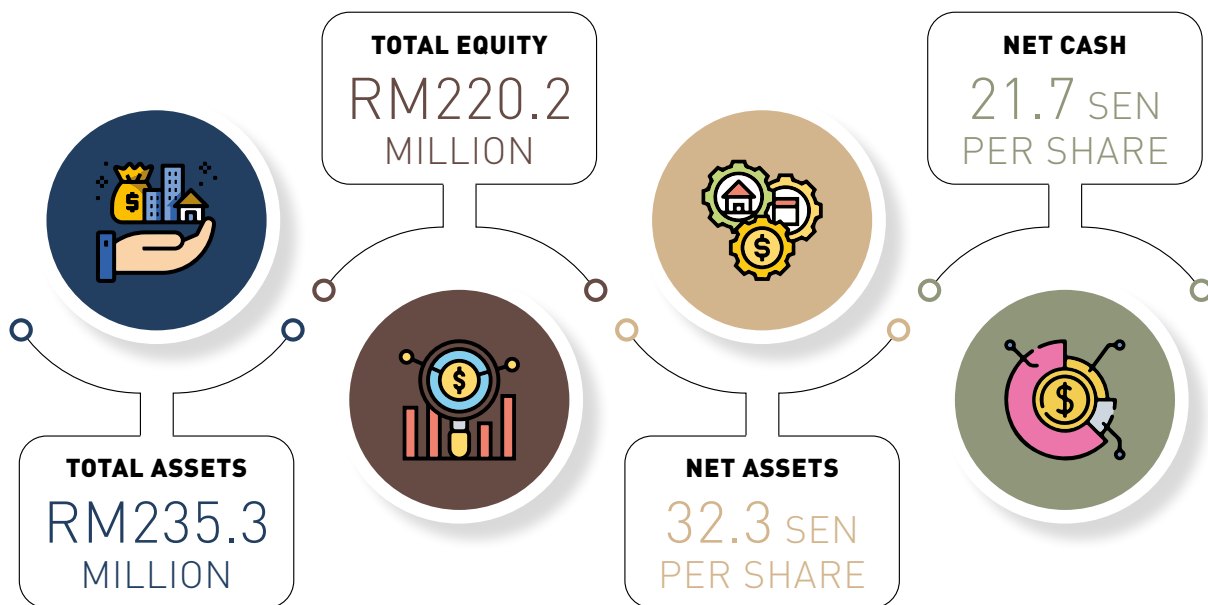
Net Gearing & Net Cash Per Share

As at 30 June 2024, the Group continued to be in net cash position with net cash per share of 21.7 sen. We have been in a net cash position since our listing in 2019.

Net Operating Cash Flow (“NOCF”)

In the financial year under review, MTAG continued the consistent trend of reporting positive NOCF since going public in 2019. We generated another positive NOCF of RM33.0 million as compared to RM41.1 million last year.

BALANCE SHEET HIGHLIGHTS AS AT 30 JUNE 2024



ANTICIPATED OR KNOWN RISKS

Dependency on Major Customers

Our financial performance is heavily influenced by a select group of major customers. The absence of long-term contracts in our industry presents a potential risk, whereby the loss of a major customer or delays in payment could impact our financial performance.

To address this risk, we are actively pursuing a strategy to broaden and diversify our customer base. The recent acquisition of Super Gold has already expanded our reach, and we continue to explore new opportunities for further diversification. Additionally, the acquisition of Jostar is also part of this strategic initiative. At the same time, our dedicated credit control team actively monitors customer credit risk and payment collections to safeguard our financial stability.

Fluctuation in Foreign Currency Exchange Rates

The Group transacted in currencies such as the United States Dollar, Singapore Dollar and Swiss Franc exposes us to potential foreign exchange risks. Any unfavourable shifts in these exchange rates might negatively affect our financial performance. As part of our mitigation efforts, we constantly monitor exchange rate volatility and employ appropriate risk mitigation strategies if necessary.

Supply Chain Disruptions

Like many businesses, we are not immune to potential issues in the supply chain. To mitigate the risk of operational disruptions and their potential financial impact, we maintain close communication with our suppliers, actively monitoring for any signs of interruption and carefully managing our inventory levels.

Operational Disruptions

Our performance is predominantly dependent on the efficiency and functionality of the operations in which any disruptions or unplanned shutdowns may cause adverse impacts to the Group. In mitigation, the Group has proactively secured adequate insurance policies that offer comprehensive coverage against fire, burglary and personal accidents for our facilities and workers. However, it is crucial to acknowledge that certain external business risks lie beyond our control. These include natural disasters, pandemics, civil unrest, and general strikes, all of which have the capacity to substantially and adversely affect our operations.

Management Discussion & Analysis

OUTLOOK FOR FY2025

The new financial year ahead ("FY2025") is expected to remain demanding, with ongoing geopolitical tensions, a prolonged slowdown in China's economy, and elevated material and energy costs continue to exert pressure on businesses. On a positive note, the prospective easing of monetary policies across major central banks is expected to bring some relief as we navigate the challenges in the coming financial year.

At MTAG, we shall maintain a prudent approach while pursuing our strategic initiatives. For Super Gold, we expect to gain further traction in securing new customers. We are confident in our ability to leverage these opportunities to expand our market share in this segment.



On the other hand, we are excited by the potential of Jostar as it opens up a new spectrum of opportunities for the Group to tap into. This strategic move has widened our printing capabilities and together with MTAG Group's network and resources, we are poised to elevate the business to a higher level. Jostar's existing presence in the industrial sector not only diversifies our revenue stream but also enables us to potentially cross-sell our existing products. Besides, we are also able to explore new segments such as fast-moving consumer goods.

Separately, we have also acquired a factory with a built-up area of 54,724 square feet ("sf.") in FY2024 for RM10.0 million, funded by the IPO proceeds. It is located near our existing facilities and head office in Kawasan Perindustrian Tebrau III, Johor and aligns with our plan to consolidate Super Gold and Jostar's production under one roof. Centralising operations enhances supervision by streamlining logistics functions and improving coordination between existing and new facilities, ultimately boosting cost and production efficiency.

Both organic and inorganic growth remain our core strategy as we move forward. For our existing business, we have made positive progress in diversifying our customer base by engaging with front-end manufacturers and high-value segments across various supply chains. Next, building on our successful merger and acquisition ("M&A") track record, the

team continues to actively seek opportunities within our value chain to accelerate market and customer diversification. Our focus is on strategic acquisitions that expand our capabilities, enabling us to offer a wider range of products and services. Additionally, we are targeting M&A opportunities that allow us to extend our geographic footprint and tap into new markets. This multi-pronged approach, which is supported by our lean and solid balance sheet, will strengthen our position in the industry and drive sustainable growth.

On another note, our commitment to sustainable practices continues to yield positive results. The solar photovoltaic ("PV") system on the roof of our main plant in Tebrau, Johor Bahru has been generating clean energy to considerably power our offices and production operations while contributing to a reduction in our utility cost. In FY2024, the PV system contributed to a reduction of around 102.2 metric tonnes in carbon dioxide ("CO₂") emissions.

On balance, we are cautiously optimistic on the outlook of the Group while being mindful of the challenging environment. MTAG is confident to sail past these headwinds backed by our healthy balance sheet with net cash position, and to emerge stronger than before.

DIVIDENDS

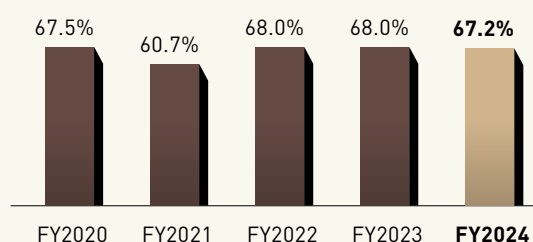
In the financial year under review, the Board has declared and paid a total dividend of 2.0 sen per ordinary share, totalling RM13.6 million. This translates to a payout of 67.2% based on FY2024 net profit. This exceeds our dividend policy of distributing 20% of net profit, a commitment we have consistently upheld since our listing. Our track record underscores our dedication to rewarding shareholders while maintaining a prudent financial approach despite the taxing operating conditions.



FY2024 DIVIDEND PAYOUT

67.2%
OF NET PROFIT

DIVIDEND PAYOUT RATIO



Chaw Kam Shiang

Group Managing Director

Sustainability Statement



— ABOUT THIS STATEMENT

MTAG GROUP BERHAD (“MTAG” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“MTAG GROUP” OR “THE GROUP”) REMAINS DEDICATED TO INTEGRATING SUSTAINABILITY ACROSS OUR OPERATIONS DURING THE FINANCIAL YEAR ENDED 30 JUNE 2024 (“FY2024”). THIS COMMITMENT REFLECTS OUR BELIEF THAT SUSTAINABILITY IS NOT MERELY A STRATEGIC PRIORITY, BUT THE FOUNDATION UPON WHICH WE BUILD A RESILIENT AND FUTURE-READY ORGANISATION. BY EMBEDDING SUSTAINABLE PRACTICES, WE CREATE ENDURING VALUE FOR OUR STAKEHOLDERS, INCLUDING SHAREHOLDERS, EMPLOYEES, CUSTOMERS, AND SUPPLIERS. SUSTAINABILITY GUIDES OUR DECISION-MAKING, HELPING US ACHIEVE FINANCIAL AND NON-FINANCIAL SUCCESS.

As one of the leading integrated labels and stickers printing and materials converting specialists in Malaysia, we recognise our responsibility extends beyond commercial success. As we move forward, we aim to balance financial growth with environmental and social responsibility. We strive to maintain strong governance practices and uphold the highest standards of integrity to ensure responsible and ethical conduct in all our endeavours.

This Sustainability Statement (“SS2024”) outlines MTAG Group’s sustainability efforts and performance in the areas of Economic, Environmental, Social, and Governance (“EESG”) for FY2024.

Sustainability Statement

MTAG Group is committed to effectively managing risks and opportunities in the areas of economic, environment, society, and governance.



ECONOMIC

1

ENVIRONMENTAL

2

SOCIAL

3

GOVERNANCE

4

REPORTING PERIOD

The statement covers the reporting period from 1 July 2023 to 30 June 2024, in line with MTAG Group's financial year. MTAG Group discloses its sustainability performance on an annual basis, promoting transparency and accountability. Data and information from previous years are also included to provide meaningful comparisons for stakeholders.

REPORTING SCOPE

Unless otherwise stated, this SS2024 incorporates the sustainability initiatives and progress of MTAG Group's manufacturing operations and head office located in Tebrau, Johor. The information presented encompasses our subsidiaries, unless otherwise stated:

- Toyo Sho Industrial Products Sdn. Bhd. ("Toyo Sho")
- Intag Industrial Supplies Sdn. Bhd. ("Intag Industrial")
- Intag Steel Hardware Sdn. Bhd. ("Intag Steel")
- MTAG Land Sdn. Bhd. ("MTAG Land")
- Super Gold Industrial Sdn. Bhd. ("Super Gold")
- Jostar Sdn. Bhd. ("Jostar")

REPORTING FRAMEWORK

This statement was prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR") and the Sustainability Reporting Guide and Toolkits (3rd Edition) ("Sustainability Reporting Guide").

STATEMENT OF ASSURANCE

This statement has not been subjected to an assurance process by an internal or independent auditor. Nonetheless, information and data disclosed in the SS2024 has been verified for accuracy by respective data owners and subsidiaries within the Group.

Our Sustainability Commitment

At MTAG Group, our success is measured not solely by financial performance but also by our ability to deliver sustained value across our business.

We are focused on generating sustainable returns while mindful that the EESG factors are integral to our long-term growth. To solidify this commitment, we have established a Sustainability Policy to guide our actions towards achieving these goals.

At MTAG Group, we strive to promote health and well-being, sustainable economic growth and practice responsible consumption and production. Through our efforts, we aim to deliver long-term value to our stakeholders including shareholders, employees, customers and suppliers, for the benefit of our organisation as well as the local and national communities we operate in.



Sustainability Statement

SUSTAINABILITY GOVERNANCE

MTAG Group's sustainability governance structure serves as the foundation for EESG-related efforts across the Group. The Board of Directors (the "Board") provides oversight, while the Key Senior Management team offers strategic guidance. The Sustainability Working Group ("SWG") coordinates these efforts, maintaining a comprehensive approach to managing sustainability risks and opportunities across the Group. This collaborative framework maintains a holistic and integrated approach throughout the organisation. The roles and responsibilities of each entity are outlined in the diagram below:

MTAG GROUP'S SUSTAINABILITY GOVERNANCE STRUCTURE

BOARD OF DIRECTORS



- Accountable for defining and setting the Group's sustainability agenda.
- Responsible for setting sustainability goals and strategies.
- Ensures accountability and oversight in identification and management of sustainability matters.

KEY SENIOR MANAGEMENT



- Group Managing Director, Executive Director, Chief Financial Officer & Chief Human Resource Officer
- Responsible for overseeing, monitoring, and implementing sustainability-related initiatives and actions to align with the Group's long-term strategic plans and business processes.

SUSTAINABILITY WORKING GROUP



- Business Unit Head / Planning / Marketing Manager / Supply Chain / Production / Quality / Human Resources Managers of Toyo Sho / Intag Industrial / Intag Steel / Super Gold
- Responsible for executing, monitoring, and reporting of sustainability-related initiatives.



Sustainability Statement

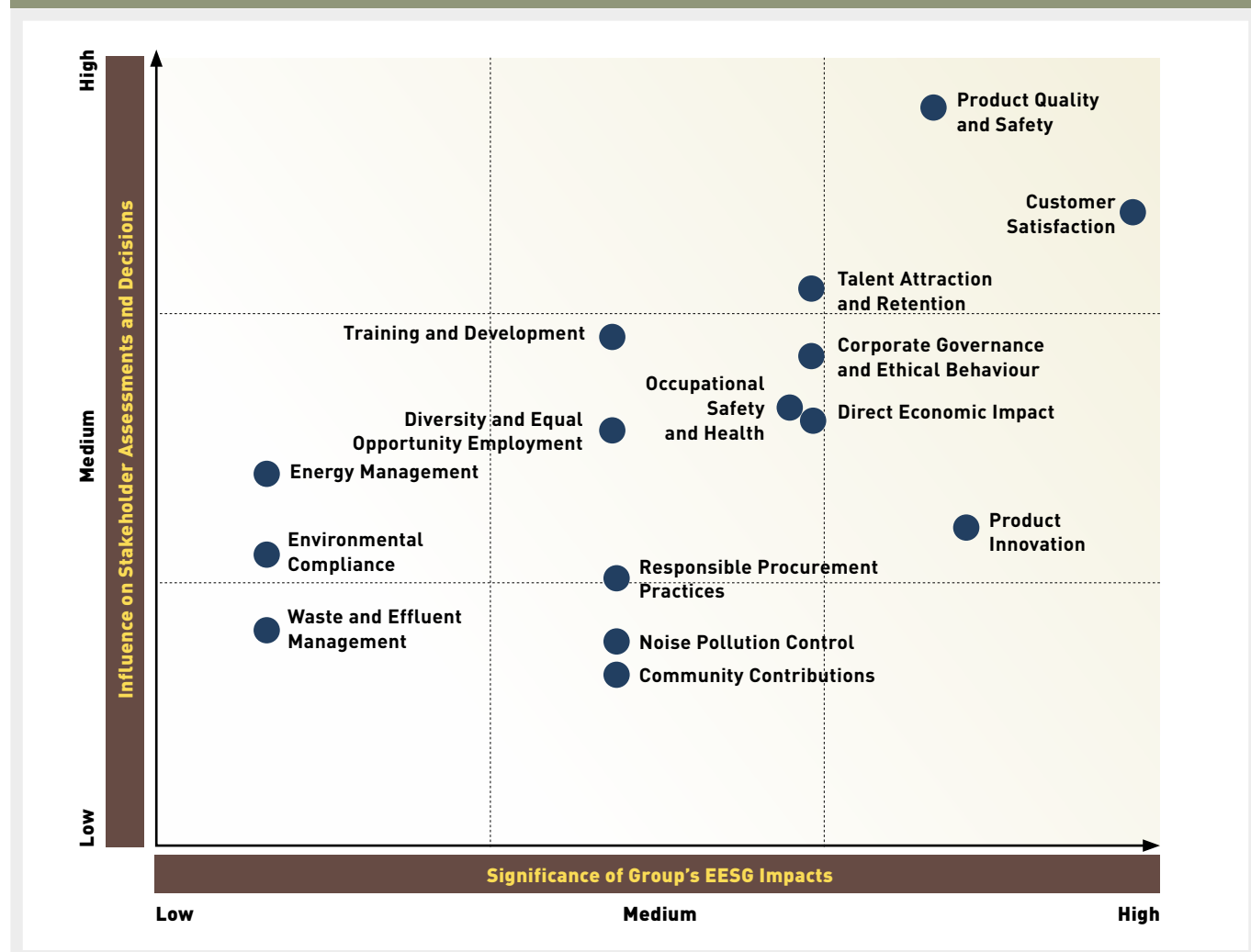
MATERIALITY ASSESSMENT

The materiality assessment helps us identify and prioritise key sustainability issues that bear significance on MTAG Group and our stakeholders. The Group's materiality assessment exercise ("MAE") involves evaluating the relevance of various sustainability matters to ensure alignment with stakeholder interests. This process follows a structured approach that enables us to effectively understand and address these priorities, as shown in the following diagram.



For FY2024, the Group maintained the 15 material matters from the previous year as they are deemed relevant in the current operating environment. These topics also reflect the Common Sustainability Matters of Bursa Securities as part of the AMLR. These material matters are presented in the materiality matrix below:

MTAG GROUP'S MATERIALITY MATRIX



Sustainability Statement

STAKEHOLDER ENGAGEMENT

MTAG Group seeks input from our stakeholders to understand the impact of our business practices. In FY2024, we remained focused on fostering open communication and exploring various channels to facilitate meaningful dialogue with stakeholders. This enables us to develop strategies that lead to more informed decision-making, align with stakeholder interests, and ultimately achieve our business goals.

Stakeholder Group	Type of Engagement	Areas of Interest
 Shareholders / Investors	- Annual General Meeting - Announcements to Bursa Securities - Meetings and briefings - Corporate website - Quarterly Financial Reports and Annual Reports	- Business continuity - Economic performance - Shareholders' returns - Corporate governance
 Customers	- Regular engagements - Products and services briefings - Customer satisfaction surveys - Media announcements	- Customer satisfaction - Product quality and safety - Quality assurance
 Suppliers	- Regular interactions - Procurement agreements - Business reviews - Meetings	- Supply chain management - Ethical and transparent procurement policies - Payment arrangements
 Employees	- Daily interactions - Memos and intranet - Annual performance reviews - Trainings and development sessions - Office events	- Fair HR policies and practices - Health and safety - Workplace satisfaction - Professional growth - Key Performance Indicators
 Industry Peers	- Conferences - Corporate website	Fair and ethical practices
 Government / Regulatory agencies	- Periodic site visits and meetings - Consultation on regulatory matters	Compliance with regulations

Sustainability Statement

1

ECONOMIC



DIRECT ECONOMIC IMPACT

We take a holistic approach to success, recognising that financial performance is intrinsically linked to our broader impact on society and the environment. With this in mind, we endeavour to create sustainable value that extends beyond the Group, reaching our stakeholders. Our financial strength enables us to invest in responsible practices, empower our workforce, and drive positive change. We affirm that by fostering a sustainable business, we contribute to the economic well-being of our stakeholders.

More information on MTAG Group's financial and business overview for FY2024 can be found in the Management Discussion & Analysis section of this Annual Report.

PRODUCT QUALITY AND SAFETY

Product quality and safety are paramount at MTAG Group. We continuously push to innovate and deliver cost-effective customised solutions for our clientele base. Our Quality Policy reinforces our dedication to customer satisfaction through product quality and timely delivery. Understanding and fulfilling our customers' needs and requirements is fundamental to the Group's success.

QUALITY POLICY

- To achieve utmost customer satisfaction through excellence in product quality and timely delivery.
- To address and fulfil customers' needs, requirements, and concerns.
- To comply with the requirements of ISO 9001:2015 standards and other regulatory requirements.
- To educate and train all employees to enhance technical knowledge and efficiency.

As one of the leading integrated labels and stickers printing and materials converting specialists in Malaysia, we leverage advanced machinery and industry expertise to serve a wide range of sectors. Our comprehensive capabilities allow us to offer flexible solutions for various materials, from design and printing to precision cutting and converting. We invest in cutting-edge technology, such as silkscreen and digital press printing, to further enhance our efficiencies.

We have a robust assurance system governed by the Group's Quality Control Procedures. Our Quality Control team upholds product excellence by meticulously managing quality during the procurement and operational stages. This includes comprehensive visual and automated inspections of both incoming materials and finished products, allowing us to maintain our standards.

MTAG Group's Economic Value Distribution for FY2024



RM15.4
MILLION
EMPLOYEES' WAGES
AND BENEFITS



RM16.7
MILLION
OPERATING COSTS



RM13.6
MILLION
DIVIDEND TO
SHAREHOLDERS



RM8.3
MILLION
PAYMENTS TO
GOVERNMENT TAXES



RM12,700
CONTRIBUTION TO
COMMUNITY

Sustainability Statement

QUALITY CONTROL PROCEDURES



IN-COMING QC

- The Group adopts and maintains strict procedures in the selection of suppliers based on criteria such as track record and market reputation, stability of supplies, and reasonableness of pricing, to ensure the quality of the incoming goods and finished products procured. A visual inspection of goods and finished products delivered to the manufacturing plant is also conducted.



IN-PROCESS QC

- In order to minimise defective and rejected products, the Group conducts pilot production to ensure that defects are identified and corrected before mass production. For printing of labels and stickers and customised converting services, the defects that are generally identified include inconsistent colour output, and incorrect positioning of roll sticks die cutter units. On the other hand, defects that generally occur in the converting of metal products are non-conformity of dimensional tolerances.
- QC personnel also conduct continuous inspections throughout the production processes to maintain process consistency



OUTGOING QC

- Outgoing QC is carried out to ensure the finished products are compliant with sales orders. A final inspection is conducted before the finished products are delivered to customers.

The Group's recent acquisition of Jostar, a printing solutions provider and a pioneer of offset printing in Johor, further solidifies MTAG Group's market position and reinforces our resolution to creating value for our shareholders.

Our pledge to quality is unwavering. This is exemplified by our subsidiary, Toyo Sho, achieving International Organisation for Standardisation ("ISO") 9001:2015 Quality Management System ("QMS") certification for its manufacturing processes of printed labels, die-cut double-sided tapes, and polyester tapes.

Meanwhile, in our distribution business, we partner with reputable brands like 3M and Henkel to source industrial tapes and adhesives. To guarantee these products meet our rigorous standards, we conduct sample checks on all incoming purchases.

PRODUCT INNOVATION

We rely on technology and innovation to create products tailored to our customers' specific needs. This distinguishes MTAG Group within our niche market and gives MTAG Group a unique competitive edge.

Our advanced and custom machinery enables us to offer flexible converting solutions for various industries including electrical and electronics to automotive, medical & healthcare, mechanical engineering, and fast-moving consumer goods. With that, we can work on materials such as adhesive tapes, papers, mesh materials, metal, polyethylene plastics, foams, and cardboards, among others.

We use various converting methods such as, ultrasonic technology for mesh; rewind slitting for adhesive tapes, papers, and plastics; die-cutting for foams and cardboards; as well as bandsaw cutting, plasma cutting, and oxy-gas cutting for metals. We also provide different finishing options for papers to guarantee colour sharpness and uniformity.

Our printing capabilities further allow us to convert these materials into specific shapes and sizes based on our customers' requirements. We have invested in silkscreen and digital press printing to increase automation and reduce our dependency on manual labour.

Beyond production, we offer comprehensive support, including consultation and guidance on material selection and converting methods. This holistic approach demonstrates our commitment to providing tailored solutions that align with our customers' goals.

CUSTOMER SATISFACTION

It is essential for MTAG Group to build strong and trusting relationships with customers for the Group's longevity. As such, MTAG Group endeavours to meet our customers' expectations by delivering quality products and services on time, every time.

In our pursuit of continuous improvement, we seek and value feedback from customers. Through our periodic Customer Satisfaction Surveys, we gain insights that help us understand and identify areas where we can enhance our offerings. This customer-centric approach allows us to align our products and services with their requirements, ultimately enhancing customer experience.

Sustainability Statement

We take our customers' feedback seriously and aim to address any concerns promptly. In FY2024, we received four (4) instances of feedback in relation to product quality. In these situations, our team analyses each response to identify areas for improvement and implement timely solutions. This feedback loop is integral to refining our offerings to meet evolving customer needs. We also follow up with customers after any issues are addressed to ensure their satisfaction.

By maintaining open communication and obtaining feedback, we are committed to nurturing long-lasting relationships with our valued customers.

RESPONSIBLE PROCUREMENT PRACTICES

MTAG Group's approach to procurement revolves on creating a supply chain that is resilient and responsible. This involves seeking out partners who share our dedication to ethical business practices.

We understand that our suppliers are an extension of our company, and their practices reflect on us. Therefore, we have a rigorous vendor selection process that evaluates potential suppliers based on a set of criteria, including work track record, market reputation, pricing, as well as product and service quality, to name a few. Following this process, majority of our key suppliers are determined and approved by our customers.

We have established solid relationships with our vendors through our collaborative approach. This helps mitigate risks and maintain business continuity. As we move forward, we continue to refine our procurement practices to optimise our supply chain.

At the same time, we prioritise local sourcing whenever possible. By procuring locally, we contribute to the socioeconomic growth of the surrounding communities, in addition to reducing costs and enabling faster turnaround times.

In FY2024, 91% of our suppliers are domestic vendors, while the remaining 9% are foreign suppliers.



91%
OF OUR SUPPLIERS
ARE LOCALS

CORPORATE GOVERNANCE AND ETHICAL BEHAVIOUR

We uphold high standards of corporate governance to protect stakeholder interests and achieve long-term growth. At all times, we strive to conduct business ethically and comply with all relevant laws and regulations.

To uphold these responsibilities, we establish a robust corporate governance framework with internal controls, policies, and procedures that foster accountability and responsible decision-making at every level of the organisation. These policies are regularly reviewed and updated to reflect current best practices. Where possible, we made reference to the Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

KEY POLICIES AT MTAG GROUP

- Whistleblowing Policy
- Anti-Corruption & Anti-Bribery Policy
- Remuneration Policy & Procedure for Directors & Keyman
- Code of Corporate Conduct & Ethics
- Diversity Policy
- Corporate Disclosure Policy & Procedures
- Directors' Fit & Proper Policy

Code of Conduct & Ethics

Our Code of Conduct & Ethics provides a clear framework for responsible and ethical business practices throughout MTAG Group. The code guides the behaviours and decision-making of our employees and directors, covering areas such as conflicts of interest, confidentiality, asset protection, and anti-money laundering, to name a few.

Whistleblowing Policy

MTAG Group encourages a culture of openness and accountability through our Whistleblowing Policy. This policy creates a safe and confidential channel for employees and external parties to raise concerns about any suspected misconduct or unethical behaviour. All reports are handled with utmost discretion, ensuring the protection of whistleblowers from any form of retaliation. All whistleblowing reports are directed to the Audit Committee Chairman for review and action.

Anti-Corruption & Anti-Bribery Policy ("ACAB")

We endeavour to provide a conducive corruption-free working environment. This is embodied in the Group's ACAB Policy, setting out the guidelines for employees to follow in matters relating to corruption. At MTAG Group, our employees are required to comply with all anti-bribery and anti-corruption legislations.

Since its establishment, MTAG Group has maintained its solid record of zero (0) confirmed incidents of corruption.



ZERO
CASES OF POLICY
BREACHES OR
CORRUPTION

Sustainability Statement

2

ENVIRONMENTAL



ENVIRONMENTAL COMPLIANCE

At MTAG Group, we acknowledge the environmental impact of our business activities. As such, we remain focused on minimising our carbon footprint and maintaining compliance with the environmental laws and standards. As part of our sustainability agenda, we continuously monitor our processes to guarantee compliance with applicable regulations.

Our dedication is demonstrated through the following initiatives and certifications:

- **ISO 14001:2015 Environmental Management System ("EMS") Certification:** Our subsidiaries, Toyo Sho and Super Gold, have achieved the internationally recognised standard for environmental management, reflecting our resolution to continuous improvement.
- **FSC® (Forest Stewardship Council®) Chain-of-Custody ("COC") certification:** Toyo Sho's FSC® certification confirms our products are sourced from responsibly managed forests, offering our customers eco-friendly printing solutions (FSC-C185693).



Additionally, we are proud to state that another printing subsidiary of the Group, Super Gold, has also achieved the FSC® certification in FY2024. This milestone reinforces our pledge to sustainable practices, especially given that a majority of Super Gold's customer base is in the fast-moving consumer goods ("FMCG") industry, where the volume and usage of goods and products are high. With the increasing demand for sustainability in this sector, Super Gold's FSC® certification assures our customers that our products are responsibly sourced (FSC-C198351).

- **Environmental Policy:** The Group's Environmental Policy guides our decision-making, outlining our vow to minimise our carbon footprint and promote sustainable practices across the Group.
- **Clean Environmental Record:** We are proud of our track record, having maintained zero (0) reported cases of major environmental non-compliance incidents since the Group's establishment in 1995.

In FY2024, MTAG Group recorded zero (0) reported cases of major incidents resulting in fines or non-monetary sanctions for non-compliance with environmental laws and regulations.



ZERO

**CASES OF ENVIRONMENTAL
NON-COMPLIANCE IN FY2024**

CLIMATE CHANGE & ENERGY MANAGEMENT

Climate change is a pressing global issue that requires collective global action to secure a sustainable future. At MTAG Group, we support Malaysia's pursuit of a low-carbon economy. We do our part to reduce our greenhouse gas ("GHG") emissions through effective energy management. Our goal is to optimise energy efficiency and reduce carbon emissions across our operations.

The majority of MTAG Group's energy usage is electricity that is sourced from the national power grid. We monitor the Group's energy consumption using an Energy Measuring Meter. This allows us to gauge our energy usage patterns and identify areas for improvement that can lead to enhanced energy efficiency and lower GHG emissions.

Sustainability Statement

Renewable Energy

To reduce our carbon footprint, we have installed a solar photovoltaic ("PV") system with an approximate capacity of 379.9 kilowatt-peak ("kWp") on the rooftop of our main plant in Tebrau, Johor Bahru.

This system provides partial power to our offices and production operations and has offset approximately 102.2 tonnes of carbon dioxide ("CO₂") in FY2024.

Our energy conservation efforts have yielded positive results. Despite higher production, MTAG Group's energy consumption decreased from 1.2 million kilowatt-hours ("kWh") in FY2023 to 0.8 million kWh in FY2024, as a result of the new solar PV system.

In addition, we have also established annual energy utilisation targets and conduct regular scheduled maintenance of equipment and machinery to minimise inefficiencies in energy consumption.

WATER CONSUMPTION

Water is a precious resource, and at MTAG Group, we prioritise responsible consumption.

While our operations as a labels and stickers printing and materials converting specialists require relatively low water usage compared to other manufacturing industries, we remain committed to minimising our impact and promoting water conservation.

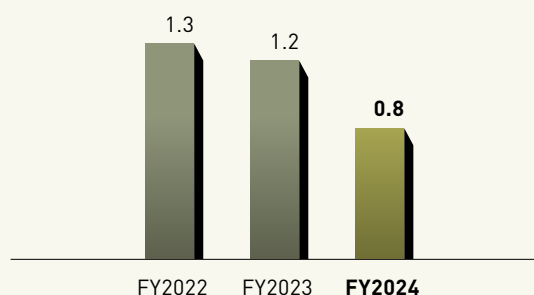
We utilise water sourced from the municipal water supply mainly for production and general purposes. At our office premises, we promote water conservation by raising awareness and circulating informative memos. At the same time, we organise briefings for operators to emphasise the importance of responsible water usage.

In FY2024, MTAG Group utilised 5,596 m³ of water, a reduction from the previous year's 6,269 m³.

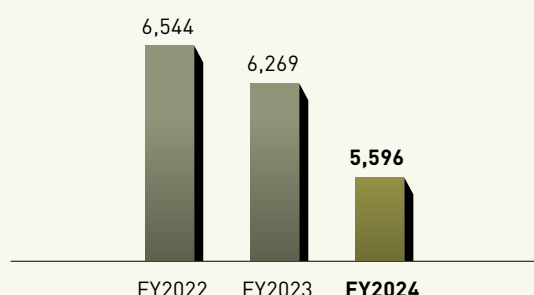


Solar PV system at MTAG Group

ENERGY CONSUMPTION (MILLION KWH)



WATER CONSUMPTION (M³)



Sustainability Statement

WASTE AND EFFLUENTS MANAGEMENT

Responsible waste management is an integral part of the Group's sustainability agenda.

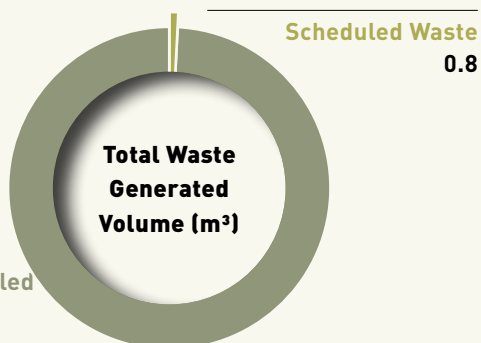
Our waste disposal processes are guided by the Group's Environmental Policy and follows standard operating procedures ("SOPs") in compliance with national standards for waste and effluents management methods, including the Environmental Quality Act ("EQA") 1974. This alignment with internal guidelines and external regulations underpins our robust approach to waste management.

Our approach to waste management takes into account the different nature of by-products we generate, ensuring each type of waste is handled in the most appropriate manner.

We produce various types of by-products, including scheduled and non-scheduled wastes. Non-scheduled wastes, such as paper cartons, kraft paper, and plastics, are segregated and channelled towards recycling through waste collectors authorised by the Department of Environment ("DOE"), with approval from the Malaysia Custom Industries Department. Other non-scheduled wastes, like adhesive papers and tapes, are disposed of responsibly in designated areas before being collected and transferred to authorised landfills by waste collectors.

Meanwhile, scheduled wastes, such as contaminated containers, rags, papers, and gloves, demand more stringent measures. These are meticulously segregated and managed according to the Environmental Quality (Scheduled Wastes) Regulations 2005 of the EQA 1974. A DOE-authorised licensed waste contractor collects the waste materials. The entire process is overseen by a Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") registered under the DOE.

In FY2024, MTAG Group complied with all applicable regulations and procedures regarding waste management.



NOISE POLLUTION CONTROL

We are mindful that noise generated from our operations is an inherent aspect of our business activities. With this in mind, we have implemented internal controls to minimise its effect on our workforce as well as on the surrounding environment.



VOLUNTARY ASSESSMENTS

We conduct voluntary noise assessments at our operating sites on a periodic basis to identify potential sources of excessive noise. This allows us to put in place mitigation measures to prevent noise pollution.



EQUIPMENT SPECIFICATIONS

Whenever possible, we prioritise the use of equipment designed with noise-reducing features, minimising noise emissions at their source.



WORKER PROTECTION

We prioritise the health and safety of our employees. We provide appropriate hearing protection to workers in noise-prone areas, and machine operators undergo regular hearing tests to monitor their auditory health.



EXTERNAL ASSESSMENTS

We engage independent environmental consultants approved by the Department of Occupational Safety & Health ("DOSH") to conduct periodic noise level assessments. In FY2024, two of our operating sites, Toyo Sho and Intag Industrial, achieved 100% compliance with noise regulations. The third-party validation ensures that our noise control measures are effective.

Sustainability Statement

3 SOCIAL



TALENT ATTRACTION AND RETENTION

Our employees are the driving force behind MTAG Group's success. MTAG Group's achievements are a direct result of the dedication and contributions of our talented employees. We seek to cultivate an environment where our people can thrive, grow, and reach their full potential. Our approach to attracting and retaining talent includes:



TARGETED RECRUITMENT

We leverage various channels, including our corporate website, online job portals, social media, and employee referrals, to reach a diverse pool of qualified candidates. Our transparent recruitment process focuses on merit, qualifications, and experience to ensure we find the best fit for each role.



COMPETITIVE COMPENSATION & BENEFITS

We offer competitive remuneration and benefits packages that align with industry standards and are regularly reviewed to ensure they remain attractive. These include performance-based bonus payments, in addition to non-monetary benefits such as annual leave, sick leave, maternity leave, group personal accident coverage for foreign workers, and phone allowances for selected employees.



NURTURING & MOTIVATIONAL CULTURE

We foster a supportive and rewarding work environment that values and celebrates hard work. We also organise employee engagement activities to boost morale and recognise the collective achievements of our team.

TRAINING AND DEVELOPMENT

We believe that our employees' growth is synonymous with our company's success. That is why we prioritise continuous learning and development, offering a variety of opportunities to enhance our people's skills and knowledge. These include workshops, seminars, and on-the-job training that equip employees to perform in their roles.

Our training initiatives are tailored to meet the changing needs of our industry. We assess our employees' training needs and skillsets on a yearly basis during yearly performance reviews to identify opportunities for our employees to better themselves.



39

TOTAL TRAINING PROGRAMMES IN FY2024



349

TOTAL TRAINING HOURS IN FY2024

In FY2024, our training and development initiatives encompass wide range of areas, ensuring a holistic approach:

- a) **Technical Proficiency:** We provide training to keep our teams at the forefront of industry advancements, covering areas like manufacturing techniques, and quality control, to name a few.
- b) **Leadership & Management:** We recognise the importance of strong leadership at all levels. The Group's training programmes equip individuals with the skills needed to lead and guide effectively.
- c) **Soft Skills Enhancement:** We understand that success goes beyond technical expertise. We offer workshops and training sessions focused on communication, problem-solving, critical thinking, and teamwork, fostering collaboration and effective interpersonal skills.
- d) **Safety & Compliance:** We prioritise the safety and well-being of our employees by providing training on safety protocols, risk management, and regulatory compliance.
- e) **Personal & Professional Growth:** We encourage employees to pursue individual development goals, offering support for further education, certifications, and career advancement opportunities. This helps maximise employee potential and benefits both the employees and the Group.

Sustainability Statement

In FY2024, we recorded a total of 349 training hours across 39 training programmes.

Indicator	FY2022	FY2023	FY2024
Total training hours	88	64	349
- Executive	64	32	121
- Non-Executive	24	32	228
No. of training programmes	10	12	39



Training programmes at MTAG Group

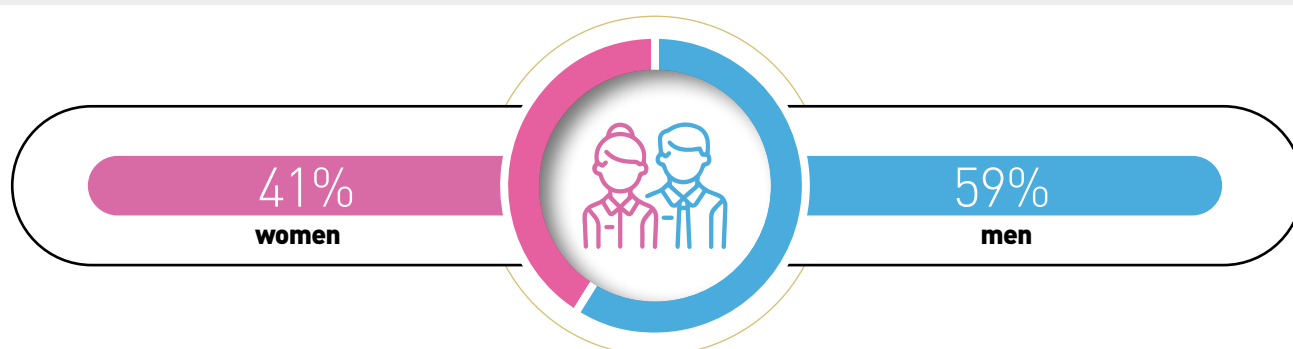
DIVERSITY AND EQUAL EMPLOYMENT OPPORTUNITY

Diversity is a source of strength and innovation at MTAG Group. As we progress, we aim to create an inclusive workplace where everyone feels respected and empowered to contribute perspectives and talents.

Our pledge to fostering diversity goes hand-in-hand with our commitment to providing equal employment opportunities for all our employees. The Group's Diversity Policy underscores our resolute and guides our efforts to provide equal employment opportunities for all, regardless of age, gender, religion, race or nationality, among others

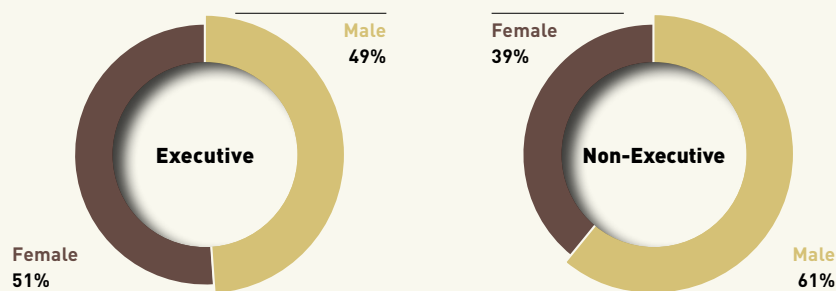
As of 30 June 2024, MTAG Group's workforce is made up of 236 employees, of which 41% are women, while the remaining 59% are men. We also have a young talent pool, with 53% of our employees below the age of 35. This secures our talent pipeline for MTAG Group's leadership continuity.

WORKFORCE BY GENDER

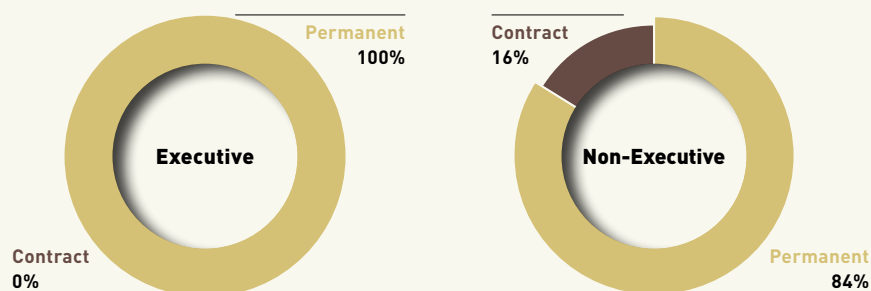


Sustainability Statement

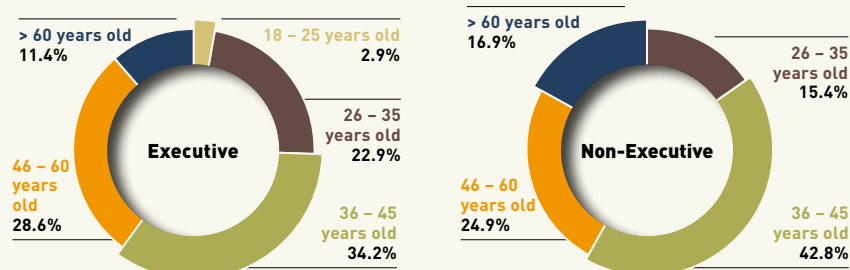
GENDER BY EMPLOYEE CATEGORY



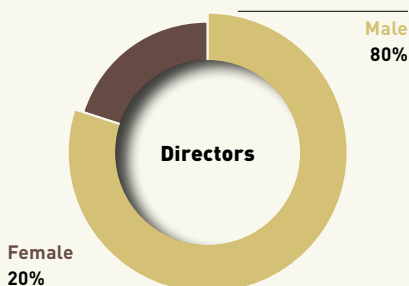
EMPLOYMENT TYPE BY EMPLOYEE CATEGORY



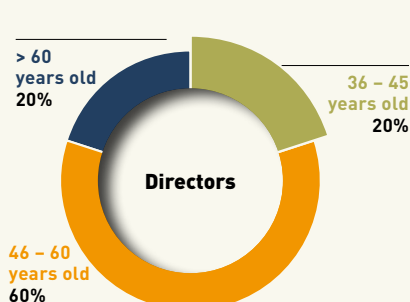
AGE GROUP BY EMPLOYEE CATEGORY



DIRECTORS BY GENDER



DIRECTORS BY AGE GROUP



FAIR EMPLOYMENT PRACTICES

Human rights are fundamental freedoms accorded to every individual, regardless of their nationality, race, religion, gender or social status. At MTAG Group, we hold fairness and respect at the core of our employment practices. This pledge extends throughout our operations, as well as our value chain.

We have a zero-tolerance approach relating to discrimination or any form of unfair treatment within the Group. Our policies and practices are designed to protect the rights and interests of all our employees.

In FY2024, we comply with all relevant labour laws and regulations, including the Employment (Amendment) Act 2022, which prohibits exploitative labour practices and sets the minimum wage level for workers, in line with international labour standards.

In FY2024, MTAG Group had zero (0) non-compliance cases with applicable labour standards, laws, and regulations, and recorded zero (0) substantiated complaints concerning human rights violations.

-  **ADHERENCE TO MINIMUM WAGE**
-  **NO FORCED LABOUR**
-  **PREVENTION OF CHILD LABOUR**
-  **FAIR DISCIPLINARY PRACTICES**
-  **PROHIBITION OF HARASSMENT**

Sustainability Statement

OCCUPATIONAL SAFETY AND HEALTH

Employee safety is of utmost priority at MTAG Group. Stringent internal controls are implemented at our facilities to prevent risks of work-related injuries to demonstrate our goal of securing our employees' safety and well-being to achieve an injury-free workplace.

We pledge to uphold workplace safety and comply with all relevant laws, including the Occupational Safety and Health Act 1994. Our Occupational Safety and Health ("OSH") Policy outlines our responsibilities and guides our efforts to continuously enhance safety standards. This policy is reviewed periodically and applies to all employees, contractors, visitors, and other stakeholders involved in our operations.

Guided by our OSH Policy, the OSH Committee oversees safety and health matters at MTAG Group. This committee, composed of representatives across various departments, is tasked with identifying hazards, developing safety protocols, and promoting a culture of "safety first" within the Group.

Additionally, we have established an Emergency Response Team ("ERT") to effectively and competently manage potential emergencies. The ERT consists of members from various divisions. The team is divided into four section teams, each trained to handle specific hazards during urgent situations, including Chemical, Fire Fighting, Fire Wardens, and First Aid Rescue. We provide our employees with OSH-related training, fostering their confidence and competence in carrying out their duties safely and effectively.

OSH POLICY

- Providing a healthy and safe environment for our employees and visitors.
- Ensuring personnel are properly trained and equipped with the appropriate safety gear and emergency equipment.
- Ensuring the work environment is free from hazards and pollution, and waste management is properly implemented.
- Complying with relevant environmental, health and safety laws for controlling hazardous chemical substances in products and materials.
- Reviewing and revising the policy as and when necessary at regular intervals.

In FY2024, we reported one (1) lost-time injury ("LTI"), resulting in an LTI rate of 0.65 per one million manhours worked. The incident was promptly and efficiently handled to prevent any further interruptions to our operations and ensure business continuity. We recorded zero (0) fatalities during the year.

Meanwhile, all 236 employees were trained on health and safety standards in FY2024.



ONE
LOST-TIME INJURY
IN FY2024

CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMMES & COMMUNITY CONTRIBUTIONS

We believe that creating shared value is essential for our long-term success here at MTAG Group. As a responsible corporate citizen, we contribute to the socio-economic development of our surrounding community through corporate social responsibility ("CSR") programmes.

In FY2024, the Group continued to engage and invest in local stakeholders, with a total contribution of approximately RM12,700 directed towards community engagement activities.

Sustainability Statement

Supporting Vulnerable Communities

Pertubuhan Kebajikan Cheng En, Johor Bahru



Baking activity for children from Pertubuhan Kebajikan Cheng En

In our fourth consecutive year of partnership, we contributed to Pertubuhan Kebajikan Cheng En in Johor Bahru to fund a baking class for the children, providing them with a creative outlet while developing their motor and communication skills. The activity was also designed to foster patience and teamwork among the children. As a reward for their hard work and to promote bonding, the children enjoyed a treat at a local bakery after the class.



To watch a video of the outing, please scan the QR Code.

On top of that, MTAG Group also made a donation to the organisation's charity dinner during the year, helping to raise funds for their ongoing efforts.

Yayasan Kebajikan Suria Kawasan Permas, Johor Bahru

During the year, we hosted a charity dinner in collaboration with Yayasan Kebajikan Suria Kawasan Permas in Johor Bahru to support their vital work in providing assistance and care to individuals in need.

Fostering Community Connections

Persatuan Kebajikan Ci Ai, Batu Pahat

We contributed to Persatuan Kebajikan Ci Ai in Batu Pahat to support their charity dinner, a fundraising event aimed at providing essential services and assistance to those in need within the community.

Persatuan Penganut Dewa Jigonggong Johor Bahru

A charitable donation was made to Persatuan Penganut Dewa Jigonggong Johor Bahru for their charity dinner, strengthening our ties with the community and promoting charitable giving.

Promoting Education

SJK(C) Pandan, Johor Bahru

Recognising the importance of education, we donated to SJK(C) Pandan school's building fund. The fund's purpose is to upgrade the school's infrastructure to create a more conducive learning environment for students.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of MTAG Group Berhad (“MTAG” or “the Company”) and its subsidiaries (“MTAG Group” or “the Group”) remains committed to promoting greater internalisation of corporate governance culture and transparency across the Group, with the aim of enhancing the long-term value of the Group and maintaining shareholders’ confidence.

This Corporate Governance Overview Statement (“CG Overview Statement”) provides shareholders with an overview of the Board’s commitment towards a high standard of corporate governance practices and ethical business conducts for the financial year ended 30 June 2024 (“FY2024”), in line with the principles and best practices set out in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), where possible.

This statement is prepared in accordance with Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is to be read together with the FY2024 Corporate Governance Report of the Group (“CG Report”) which is available on the Group’s website at www.mtaggroup.com.

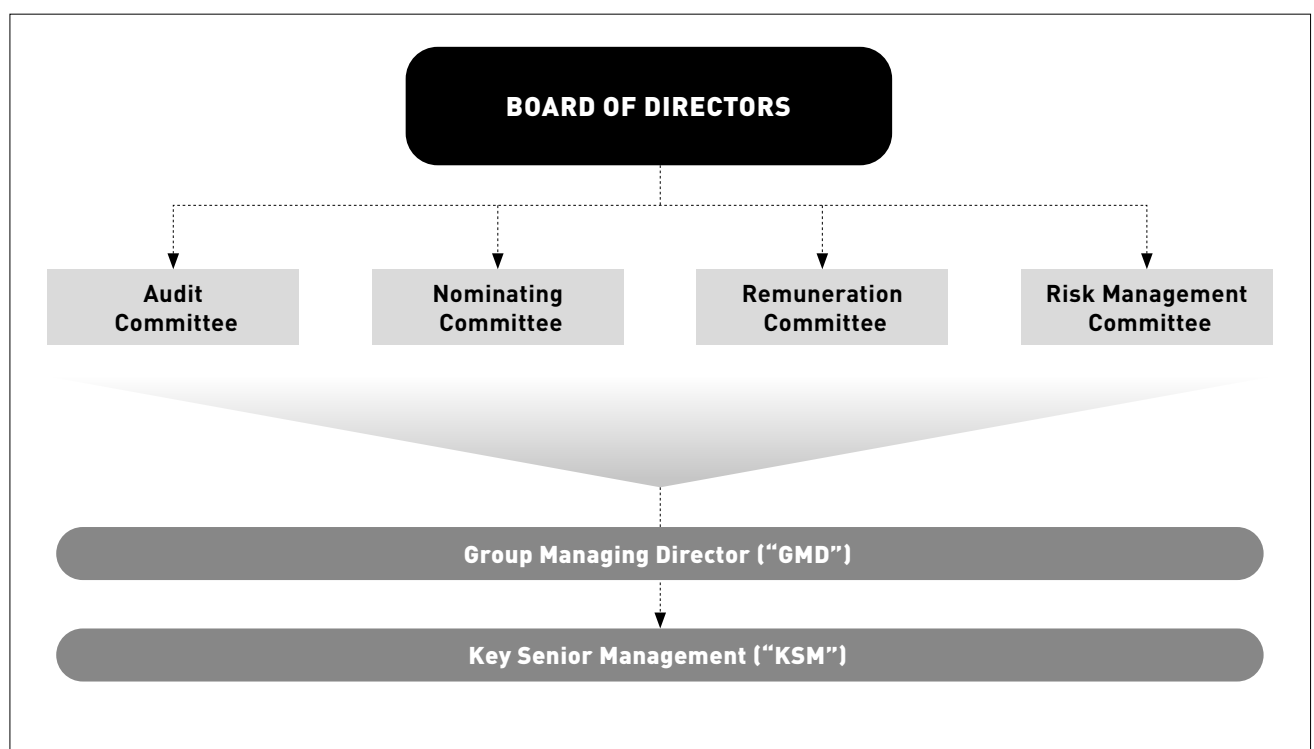
● PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for overseeing the Group’s management, performance and strategic direction. As the steward of the Group, the Board is entrusted to discharge its fiduciary duties, provide vigilant leadership as well as uphold good governance and ethical practices in order to safeguard stakeholders’ interests and enhance long-term shareholders’ value.

The Board’s duties among others include overseeing the proper conduct of business, risk management and internal control, succession planning, management performance, stakeholders’ communication and corporate reporting.

The Board has delegated specific duties to four (4) subcommittees, namely the Audit Committee (“AC”), Nominating Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”). While the Board is regularly updated on the proceedings and recommendations of the Board Committees, the ultimate responsibility for the final decisions lies with the Board.



Corporate Governance Overview Statement

Board Charter

The Board is guided by the Board Charter which outlines the Board's composition, duties and responsibilities, as well as matters reserved for the Board. The Board Charter serves as primary guidance, detailing the roles and responsibilities of the Board in accordance with the principles of good corporate governance set out by regulatory authorities.

As defined in the Board Charter, the Board is accountable to the shareholders for the management and performance of the Group, including the following matters:

- To provide leadership and to oversee overall conduct of the Group's businesses;
- To review and adopt strategic initiatives, and to ensure these initiatives and the risk, performance and sustainability are effectively integrated and appropriately balanced;
- To review and adopt corporate governance best practices in the areas of risk management, legal and compliance management and internal control systems;
- To ensure the effectiveness of Board committees as required by the applicable laws and recommended by the MCCG 2021;
- To review and approve Annual Business Plans, Financial Statements and Annual Reports;
- To monitor the relationship between the Board and the management, shareholders and stakeholders;
- To enhance the Group's Investor Relations programme and shareholders communication;
- To appoint the Board committees and delegate powers, as well as to review the composition, performance and effectiveness of the committees with its reports and recommendations;
- To monitor the Group's sustainability strategies and ensure that its performance are communicated to stakeholders; and
- To ensure the Group's strategy and anti-corruption and anti-bribery policy are aligned.

Aside from the core responsibilities listed above, significant matters requiring deliberation and approval from the Board are defined in the Board Charter as "Matters Reserved for the Board" for consideration and approval during Board meetings.

The Board Charter is available on the Group's website at www.mtaggroup.com. The charter shall be reviewed annually to ensure effectiveness and relevancy with the Board's strategic intent, assisting the Board to discharge its duties in line with updates in the corporate laws and regulations that may arise from time to time. The latest review of the Board Charter was on 22 September 2023.

Code of Conduct and Ethics

The Board is aware that its leadership and stewardship are vital in creating an ethical corporate culture. The Board has formalised and adopted the Code of Conduct & Ethics that serves as primary guidance on ethical and behavioural conduct of the Group.

The Code of Conduct & Ethics outlines the policies and procedures which includes, amongst others, the following:-

- Conflict of interest;
- Confidential and proprietary information;
- Anti-bribery and anti-corruption;
- Accepting/providing gifts, entertainment and other benefits;
- Money laundering; and
- Occupational safety and health.

The Board will review the Code of Conduct & Ethics from time to time to ensure it remains relevant and appropriate. The Code of Conduct & Ethics is available on the Group's website at www.mtaggroup.com.

Corporate Governance Overview Statement

Whistleblowing Policy

The Board has adopted a Whistleblowing Policy, in line with the Group's commitment to upholding values and the highest standards of work ethics for all Directors, managers and employees. It provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures provided under the policy.

The Whistleblowing Policy sets out the protection to the whistleblower, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedural flow of making the disclosure or report. The whistleblower can provide details on the suspected misconduct or breach of law by filling up the Whistleblowing Policy Report Form, which can be downloaded from the Group's website.

The Board shall review the Whistleblowing Policy on an annual basis to ensure its effectiveness in meeting the best practice standards and needs of the Group. The Whistleblowing Policy is available on the Group's website at www.mtaggroup.com.

In FY2024, there were no cases reported via the Whistleblowing reporting channel.

Anti-Corruption and Anti-Bribery Policy

In compliance with the requirement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, an Anti-Corruption and Anti-Bribery Policy was adopted on 28 May 2020 to set out the Group's guidelines and procedures for all Directors and employees to protect against bribery and corrupt acts in order to safeguard the integrity of the Group.

The Board shall review the Anti-Corruption and Anti-Bribery Policy from time to time to ensure it remains relevant and appropriate. The Anti-Corruption and Anti-Bribery Policy is available on the Group's website at www.mtaggroup.com.

Board Committees

The four (4) Board Committees, namely, the Audit Committee, the Nominating Committee, the Remuneration Committee, and the Risk Management Committee operate within the respective Terms of Reference ("TOR") approved by the Board.

The TOR of the respective Board Committees are periodically reviewed and assessed to ensure the TOR remain relevant and sufficient in governing the functions and responsibilities of the Committee concerned. Notwithstanding the above, all Board Committees do not have executive powers but only the power to make recommendations to the Board. The ultimate responsibility for the final decision lies with the entire Board.

The following Board Committees with the respective functions have been set up to assist the Board in discharging its responsibilities:

Board Committee	Principal Functions
Audit Committee	- Provides oversight on the Group's financial reporting - Reviews and approves quarterly and annual financial statements - Appoints and monitors the standard and quality of the internal and external auditor's service
Nominating Committee	- Nominates new Directors - Evaluates the effectiveness of the Board and Board Committees - Ensures appropriate framework and succession planning for the Board
Remuneration Committee	- Establishes policy and framework for the remuneration of Directors and certain key senior management personnel - Ensures the Group's remuneration and incentive policies are appropriately established - Assesses, reviews and recommends to the Board the remuneration and benefits package of the Directors
Risk Management Committee	- Reviews the effectiveness of risk management - Sets up the risk appetite of the Group - Reviews the risk management framework, processes and reports

Corporate Governance Overview Statement

Separation of Roles of Chairman and Managing Director (“MD”)

In order to ensure continual effective supervision and accountability of the Board and management, there is a clear division of responsibilities between the Chairman and the GMD. The roles of the Chairman and the GMD are separated and clearly defined to ensure that there is a balance of power and authority in the Board. The Board is led by an Independent Non-Executive Chairman, who acts independently in the best interest of the Group and is accountable for the stewardship and smooth functioning of the Board and its effectiveness on all aspects of its role.

Meanwhile, the GMD is responsible for the overall operations and managing the daily conduct of business, supervision and management of the Group in line with the Board’s direction and instructions, and effective implementation of the Group’s strategies as well as policies set by the Board. The GMD is accountable to the Board for the achievement of the MTAG Group’s goals and objectives, as well as the observance of management’s limits of authority.

Company Secretary

The Board is assisted by one (1) qualified and competent Company Secretary who possesses a valid Practising Certificate issued by the Companies Commission of Malaysia (“CCM”) and is also a member of the professional body, the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). The individual has the requisite credentials and are qualified to act as company secretary under Section 235 of the Companies Act 2016.

The Company Secretary is present for all Board and Board Committee meetings and act as an advisory role to the Board, particularly in regard to the Group’s Constitution, Board policies and procedures as well as compliance with regulatory requirements, codes, guidance and legislations.

The Company Secretary also serves as the main point of contact for stakeholders and matters relating to corporate governance. The Board is updated by the Company Secretary on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board Meetings and Access to Information

The Board members have direct and unrestricted access to all the relevant Group’s information and the senior key management team to assist in the discharge of the Board’s duties and responsibilities.

The Board meets at least four (4) times a year or at least once (1) every three (3) months to facilitate the discharge of its responsibilities. At least seven (7) days before a Board or Board Committee meeting, every Director is given an agenda and a comprehensive set of Board papers, together with relevant proposal papers, if any. This enables the Directors to have sufficient time to peruse the papers and seek further clarification before each meeting.

Meeting papers deemed urgent may still be submitted to the Company Secretaries to be tabled to the Board and/or Board Committees at the respective meetings.

Apart from the Board members, senior key management personnel as well as other external professionals may be invited to attend the meetings to furnish the Board with views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

In FY2024, a total of five (5) Board meetings were conducted, with full attendance from the Directors. All (5) Board meetings were conducted in a physical manner.

The proceedings and resolutions of all Board meetings will be minuted by the Secretary of the Board. After obtaining approval from the Board, the minutes of the meeting shall be circulated to all Board members in a timely manner.

Non-Executive Directors Meeting

During the year, one (1) Non-Executive Directors (“NEDs”) meeting was held and attended by all three (3) of the Group’s NEDs, without the presence of management. Topics discussed include strategic, governance and operational matters.

Corporate Governance Overview Statement

II. Board Composition

Throughout FY2024, the Board composition complies with Rule 15.02 of the AMLR, whereby at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors, as well as Practice 5.2 of MCCG 2021, which stipulates that at least 50% of the Board comprises Independent Directors.

As at 30 June 2024, the Board comprises five (5) members, with two (2) Executive Directors ("EDs") and three (3) Independent Non-Executive Directors ("INEDs"), as set out below:

No.	Board of Directors	Directorship
1.	Lee Ting Kiat	Independent Non-Executive Chairman
2.	Chaw Kam Shiang	Group Managing Director
3.	Lau Cher Liang ⁽¹⁾	Executive Director
4.	Jason Tan Kim Song	Independent Non-Executive Director
5.	Dyana Sofya Binti Mohd Daud	Independent Non-Executive Director

Note:

⁽¹⁾ Resigned from the Board on 30 October 2024.

As stipulated in the Board Charter, the Board shall consist of qualified individuals with diverse experience, backgrounds and perspectives. The Board believes its present composition constitutes an optimal size for MTAG Group's business profile and facilitates the making of informed and critical decisions, reflecting a balanced mix of qualified, skilled and experienced professionals from the field of legal and accounting, among others. The Directors bring diverse backgrounds and industry-specific knowledge, collectively possessing the expertise needed to effectively lead the Group and fulfil the Board's responsibilities. As such, the Group is led and guided by a skilled and capable Board.

The profile of each Director is presented under Directors' Profile on pages 9 to 11 of this FY2024 Annual Report.

All the INEDs have exercised their independent judgement, where issues were fully discussed and examined after taking into account the long-term interest of shareholders as well as other stakeholders such as the employees, customers and business associates.

The INEDs do not participate in the daily operations and management of the Group and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgment. They are pivotal in bringing impartiality and scrutiny to the Board's deliberation and decision-making process, providing effective check and balance in the functioning of the Board to safeguard the interests of all stakeholders.

Tenure of Independent Directors

Under the MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director upon the recommendation of the NC to the Board for approval. If the Board intends to retain an Independent Director beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process.

Appointment and Re-Election of Directors

The Board is responsible for the appointment and re-election of the Directors to the Board. In accordance with the MTAG Group's Constitution, one-third (1/3) of the Directors are subject to retirement by rotation such that each Director shall retire from office once (1) in every three (3) years at the Annual General Meeting ("AGM"), but shall be eligible for re-election. This ensures that the tenure of INEDs do not exceed a cumulative term limit of nine (9) years in accordance with Practice 5.3 of MCCG 2021. Currently, all members of the Board have served for less than seven (7) years on the Board.

The details of the Director(s) seeking re-election at the forthcoming Seventh (7th) AGM are disclosed in the Notice of AGM on page 133 of this FY2024 Annual Report.

Corporate Governance Overview Statement

The Group has established a Directors' Fit and Proper Policy for the appointment and re-election of Directors. In recommending a suitable candidate for directorships and Board Committees to the Board, the NC assesses the suitability of a candidate based on criteria which include, amongst others, experience, skill, competency, time commitment, diversity, professionalism and potential contribution to the Group. The policy has been designed as a practice guide for the appointment and re-election of Directors to assist the NC to discharge their duties and functions in Board nomination and re-election process of Directors.

Time Commitment

There were five (5) Board meetings held during the FY2024, and details of Directors' attendance were set out below:

No.	Board of Directors	Attendance
1.	Lee Ting Kiat	5/5
2.	Chaw Kam Shiang	5/5
3.	Lau Cher Liang ⁽¹⁾	5/5
4.	Jason Tan Kim Song	5/5
5.	Dyana Sofya Binti Mohd Daud	5/5

Note:

⁽¹⁾ Resigned from the Board on 30 October 2024.

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

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to ensure they are equipped to carry out their duties effectively and the need to keep abreast of changes in the regulatory and business environments, on sustainability-related matters, as well as new developments within the industry in which the Group operates.

During the FY2024, the Directors have attended various external training programmes and seminars as follows:

Director	Training / Conference / Forum / Seminar / Webinar / Workshop	Date
Lee Ting Kiat	Malaysia Legal Forum 2023	30 September 2023
	National Symposium on Islamic Finance 2023	25 October 2023
	KPMG Tax Summit 2023	6 November 2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	29 – 30 May 2024
Chaw Kam Shiang	Corporate Valuation Modelling	14 June 2024
Lau Cher Liang ⁽¹⁾	Investment Management	5 June 2024
Jason Tan Kim Song	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	29 – 30 May 2024
Dyana Sofya Binti Mohd Daud	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	29 – 30 May 2024

Note:

⁽¹⁾ Resigned from the Board on 30 October 2024.

Corporate Governance Overview Statement

Effectiveness of Board, Board Committees and Individual Directors

The Board, through the NC, assesses the effectiveness and performances of the Board, including reviewing the required mix of skills and experience of the Board, on an annual basis.

The NC currently comprises three (3) members, all of whom are INEDs:

No.	Director	Designation	Directorship
1.	Dyana Sofya Binti Mohd Daud	Chairman	Independent Non-Executive Director
2.	Lee Ting Kiat	Member	Independent Non-Executive Chairman
3.	Jason Tan Kim Song	Member	Independent Non-Executive Director

During the year under review, two (2) meetings of NC was held and attended by all NC members. The TOR of the NC is available on the Group's website at www.mtaggroup.com.

In FY2024, the NC conducted annual assessments in the following aspects:

- (i) Contribution of each individual Director
- (ii) Performance of each individual Director on the Board
- (iii) Performance of Independent Director on the Board Committees
- (iv) Independence of the Independent Directors

The assessments are based on various criteria including the individual Director's contribution to the Group's performance, tenure, roles and responsibilities, participation and attendance at meetings and independence, among others.

The responses are then collated by the Company Secretary and a summary of the findings are submitted to the NC for deliberation. The NC would then review the findings and make recommendations to the Board.

The annual review of the Board as a whole, the Board Committees and the individual Directors for FY2024 concluded that the Individual Directors, the Board as a whole and its Committees had continued to operate effectively towards fulfilling their duties and responsibilities throughout the year under review.

The Board has stipulated specific TOR for the NC, covering inter-alia, overseeing the selection and assessment of Directors to ensure Board composition meets the needs of the Group. While the Board considers that its composition and size remain balanced and able to reinforce effective oversight and independent review function, the Board, through the NC, continues to identify suitable and qualified individuals in meeting the Group's future needs, taking into consideration of diverse perspectives and insights. The Board will utilise a variety of approaches and sources available to identify suitable candidates, which may include sourcing from existing Board members, the management or major shareholders, as well as independent sources.

Diversity Policy

The Board supports gender diversity at all levels, including the Board. In this respect, the Board has adopted a Diversity Policy setting out the approach to diversity to encourage equality, diversity and inclusion throughout the organisation, including the selection of Board members and KSM to eliminate unlawful discrimination. At present, the Board comprises five (5) Directors, of whom one (1) is a woman, translating to 20% of woman representation on the Board.

The Board strives to provide timely and transparent disclosures to shareholders. Any changes in the Board are communicated to shareholders via announcements to Bursa Securities' Listing Information Network ("Bursa LINK").

Corporate Governance Overview Statement

III. Remuneration

The Board believes in a remuneration package that fairly supports the Directors' responsibilities and fiduciary duties in steering and growing the Group to achieve its long-term goals and to enhance its shareholders' value.

The Board's objective, in this respect, is to offer competitive remuneration packages in order to attract, develop and retain directors of such calibre to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board.

To this end, the Board delegates to the RC the responsibility to set the principles, parameters and framework relating to the Group's remuneration matters. Each Director is to be fairly remunerated for his or her contribution, taking into account corporate and individual performance.

The RC currently comprises three (3) members, all of whom are INEDs:

No.	Director	Designation	Directorship
1.	Lee Ting Kiat	Chairman	Independent Non-Executive Chairman
2.	Jason Tan Kim Song	Member	Independent Non-Executive Director
3.	Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

The TOR of the RC is available on the Group's website at www.mtaggroup.com.

During the year under review, one (1) meeting of the RC was held and attended by all RC members, where the RC had reviewed and recommended the remunerations packages of Directors and KSM for the FY2024.

The Board has adopted a Remuneration Policy and Procedure for Directors and Senior Management, taking into account factors such as qualifications, skills, competency and experience of the Directors and KSM, the demands and complexities of the Group's businesses, performance of the Group, market competitiveness and benchmark, to determine the remuneration of Director and KSM. The policy shall be reviewed by the Board from time to time to ensure it remains relevant and appropriate. It is available on the Group's website at www.mtaggroup.com.

The remuneration package of the EDs and KSM includes fixed salaries, bonuses and other emoluments. The EDs do not play a part in deciding the remuneration package and shall refrain from discussions relating to their remuneration. The RC would recommend the remuneration package to the Board for its review.

Meanwhile, NEDs, including INEDs, shall be paid fixed fees and meeting allowances. The INEDs' annual fees reflect the diverse experience, skillsets and roles and responsibilities of the INED concerned.

The Directors' Remuneration for the FY2024 are set out below:

The Group

Director	Fees RM'000	Salary RM'000	Bonus RM'000	Other emoluments ⁽¹⁾ RM'000	Benefits-in-kind ⁽²⁾ RM'000	Total RM'000
Executive Directors						
Chaw Kam Shiang	-	1,043	747	218	-	2,008
Lau Cher Liang ⁽¹⁾	-	814	563	167	-	1,544
Non-Executive Directors						
Lee Ting Kiat	65	-	-	-	11	76
Jason Tan Kim Song	52	-	-	-	11	63
Dyana Sofya Binti Mohd Daud	52	-	-	-	11	63

Note:

⁽¹⁾ Resigned from the Board on 30 October 2024.

Corporate Governance Overview Statement

The Company

Director	Fees RM'000	Salary RM'000	Bonus RM'000	Other emoluments ⁽¹⁾ RM'000	Benefits-in-kind ⁽²⁾ RM'000	Total RM'000
Executive Directors						
Chaw Kam Shiang	-	-	-	-	-	-
Lau Cher Liang ⁽³⁾	-	-	-	-	-	-
Non-Executive Directors						
Lee Ting Kiat	65	-	-	-	11	76
Jason Tan Kim Song	52	-	-	-	11	63
Dyana Sofya Binti Mohd Daud	52	-	-	-	11	63

Note:

⁽¹⁾ Other emoluments include EPF, SOCSO and EIS;

⁽²⁾ Benefits-in-kind consists of meeting allowances for NEDs' attendance in Board and Board Committee meetings.

⁽³⁾ Resigned from the Board on 30 October 2024.

The Directors have abstained from the deliberation and voting on the agenda item in relation to their individual remuneration.

The KSM's Remuneration, who are not Directors of the Company, for the FY2024 are set out below (in the band of RM50,000):

Remuneration Band Per Annum	No. of Key Senior Management
RM200,000 to RM250,000	1
RM250,001 to RM300,000	2

The Board has considered the recommendation by MCCG 2021 to disclose the detailed remuneration of top five (5) KSM on a named basis.

The Board is of the opinion that the disclosure of the remuneration of the MTAG Group's KSM shall not be on a named basis as it is imperative for the Group to maintain our employees' remuneration private and confidential and avoid discontentment among employees and to further address talent retention issues.

The Group will consider disclosing the remuneration of individual KSM in detail as and when it is deemed appropriate.

● PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee ("AC")

The Board has established an AC, which assists and supports the Board in fulfilling its fiduciary responsibilities in reviewing the audit, recurring audit-related and non-audit services provided by the external auditor.

The AC currently comprises three (3) members, all of whom are INEDs:

No.	Director	Designation	Directorship
1.	Jason Tan Kim Song	Chairman	Independent Non-Executive Director
2.	Lee Ting Kiat	Member	Independent Non-Executive Chairman
3.	Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

Corporate Governance Overview Statement

During the year under review, five (5) meetings were held and attended by all members of the AC. The TOR of the AC is available on the Group's website at www.mtaggroup.com.

To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and Chairman of the AC are held by different Board members.

Collectively, the AC members possess a wide range of necessary skills to discharge their duties and responsibilities. All AC members are financially literate and have carried out their duties in accordance with the TOR of the AC.

The AC members are expected to update their knowledge and enhance their skillsets continuously by attending training programmes from time to time, to keep themselves abreast of the latest developments in accounting and auditing standards, practices and Rules and Regulations.

None of the AC members were former partners of the Group's existing auditing firm within the previous three (3) years. This is outlined in the TOR of the AC.

Under the TOR, the AC is accountable for the evaluation of the capabilities and independence of the external auditors and their conduct of the annual statutory audit of financial statements, as well as the engagement of the external auditors for other related services.

The external auditors report to the AC in respect of their audit on each year's statutory financial statements on matters that require the attention of the AC. At least once (1) a year, the AC would have a separate session with the external auditors without the presence of the EDs or management.

During FY2024, the external auditors had confirmed to the AC members of their independence throughout the conduct of the audit engagement for FY2024 with MTAG Group in accordance with the independence criteria set out under the By Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

The AC had assessed the objectivity, independence and service quality of the external auditors for the FY2024, and was satisfied that they were sufficiently resourced and had demonstrated their objectivity, independence and proficiency in carrying out the audit according to the audit scope and plan. With the recommendation from the AC, the Board is agreeable and satisfied with the suitability and independence of the external auditors.

Further information on the AC are detailed in the AC Report on pages 52 to 58 of this FY2024 Annual Report.

II. Risk Management and Internal Control Framework

The Board, through the AC and RMC, has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board, the AC and RMC on a periodic basis.

The RMC currently comprises four (4) members, of whom three (3) are INEDs:

No.	Director	Designation	Directorship
1.	Jason Tan Kim Song	Chairman	Independent Non-Executive Director
2.	Lee Ting Kiat	Member	Independent Non-Executive Chairman
3.	Chaw Kam Shiang	Member	Group Managing Director
4.	Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

Corporate Governance Overview Statement

During the year under review, one (1) meeting was held and attended by all RMC members. The TOR of the RMC is available on the Group's website at www.mtaggroup.com.

To maintain total independence in the management of internal control environment and to remain in compliance with the AMLR, the Group has outsourced its internal audit function to a professional consulting firm, which assists the AC in the discharge of its duties.

The internal auditors report directly to the AC and are given full access to documents relating to the Group's governance, financial statements and operational assessments. The internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function, and do not have any direct operational responsibility or authority over any of the activities audited.

The Statement on Risk Management and Internal Control is set out on pages 59 to 62 of this FY2024 Annual Report, providing an overview of the state of risk management and internal controls within the Group.

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

I. Communication with Stakeholders

The Board recognises the importance of effective dialogue with its stakeholders and is committed to utilise various channels to provide transparent and regular communication with shareholders and other stakeholders on various matters regarding the business, operations and financial performance of the Group.

In line with best practices, the Board strives to disclose relevant information to stakeholders while being mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Board abides by the Corporate Disclosure Guide as issued by Bursa Securities, which is calibrated in line with the disclosure requirements stipulated in the AMLR of Bursa Securities.

The Group maintains various methods of communication with its stakeholders through the following channels:

Bursa Malaysia Securities Berhad

The Group strives to provide all material information publicly through Bursa Securities' website on a timely basis, which include quarterly results and full year financial results announcements, Annual Report and other relevant material transactions undertaken by the Group.

Corporate website

Information of the Group is also accessible through the Group's corporate website at www.mtaggroup.com, which has a dedicated Investor Relations section, providing updates on the Group, that is easily accessible by stakeholders.

Annual General Meeting

The AGM also serves as a platform and principal forum for dialogue with shareholders, where they will be given the opportunity to clarify any matters on the proposed resolutions. Status of all resolutions tabled at the AGM shall be made public and announced to Bursa Securities at the end of the meeting day. The key matters discussed will be summarised and published on the corporate website at www.mtaggroup.com.

Corporate Governance Overview Statement

II. Conduct of General Meetings

The AGM is the principal forum for dialogue and interaction with shareholders. Shareholders are able to participate, engage with the Board and KSM effectively and make informed voting decisions at general meetings.

On 24 November 2023, MTAG Group conducted its fully virtual Sixth (6th) AGM through live streaming using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH"), via its TIIH Online Website at <https://tiih.online>. The RPV facilities provided by TIIH enables voting in absentia and remote participation by shareholders. A total of eighty-nine (89) shareholders and proxies logged in for the AGM.

As part of our efforts to encourage meaningful engagement, shareholders and proxies may submit questions prior to the AGM via TIIH Online Portal at <https://tiih.online>, or during the AGM itself using the "Query Box". Shareholders' questions are made visible on the portal for enhanced transparency. The Chairman with KSM addressed the questions raised by shareholders and proxies during the AGM, pertaining to the resolutions being proposed, financial performance, business operations, corporate governance matters and other matters that are of shareholders' concerns.

The Group endeavours to circulate the Notice of AGM at least twenty-eight (28) days before the AGM to enable shareholders make adequate preparation to attend and participate in the AGM. In addition, the Notice of AGM will be advertised in the newspapers. Notifications were sent to all shareholders by way of letter or e-mail to inform that the Notice of AGM, Proxy Form and Administrative Guide have been published on MTAG Group's corporate website. The Notice was also made available via an announcement to Bursa Securities.

The outcome of the AGM is announced to Bursa Securities after 5.00 pm of the AGM date upon being reviewed by the Board, and is also accessible on the Group's corporate website. The minutes of the Sixth (6th) AGM were made available on MTAG Group's corporate website within 30 business days after the AGM.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Group shall continue to refine and seek to build upon the enhanced corporate governance practices and procedures in the best interest of our stakeholders. The Group has in all material aspects satisfactorily complied with the principles and practices set out in the MCCG 2021, except for the departures set out in the Corporate Governance Report.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 26 September 2024.

Additional Compliance Information

1. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs, the results and cash flows of the MTAG Group Berhad ("MTAG" or "the Company") and its subsidiaries (collectively known as "MTAG Group" or "the Group").

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the financial year ended 30 June 2024 ("FY2024"), the Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

2. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Listing") on 25 September 2019. In conjunction with the Listing, the Company undertook a public issue of 136,323,500 new ordinary shares at an issue price of RM0.53 per share, raising gross proceeds of RM72.3 million ("IPO Proceeds"). The status of the utilisation of the gross proceeds for the FY2024 is as follows:

Details of Utilisation	Proposed Utilisation RM'000	Revision of Utilisation RM'000	Actual Utilisation RM'000	Estimated Timeframe for Utilisation upon Listing on 25 September 2019	Revised Timeframe for Utilisation from 25 August 2022	Revised Timeframe for Utilisation from 25 August 2023	Revised Timeframe for Utilisation from 23 August 2024
Land acquisition and construction of manufacturing plant	33,000	(18,000)	5,443	36 months	12 months	12 months	12 months
Capital expenditure	13,000	-	7,539	36 months	12 months	12 months	12 months
Factory acquisition	-	10,000	10,000	-	-	12 months	-
Merger and acquisition	-	8,000	8,000	-	-	12 months	-
Repayment of bank borrowings	10,000	-	10,000	12 months	-	-	-
Working capital	12,451	-	12,451	18 months	-	-	-
Listing expenses	3,800	-	3,800	1 month	-	-	-
Total	72,251	-	57,233				

The utilisation of the proceeds as disclosed above should be read in conjunction with the prospectus of the Company dated 19 August 2019.

Additional Compliance Information

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors and its local affiliate by the Group and the Company for the FY2024 are as follows:

	The Company RM	The Group RM
Audit fees	78,000	185,000
Non-audit fees	3,300	31,900
Total	81,300	216,900

4. MATERIAL CONTRACTS OR LOANS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

Save as disclosed in Note 27 of the audited financial statements for the FY2024, there were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of the directors, chief executive or major shareholders, either still subsisting at the end of the financial year ended 30 June 2023 ("FY2023") or entered into since the end of the previous period.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered by the Company and its subsidiaries during the FY2024.

6. EMPLOYEES SHARE SCHEME

The Company did not issue any Employees Share Scheme during the FY2024.

Audit Committee Report

This Report has been reviewed by the Audit Committee ("AC") and approved by the Board of Directors ("the Board") of MTAG Group Berhad ("MTAG" or "the Company") and its subsidiaries ("MTAG Group" or "the Group") for inclusion in this Annual Report.

The AC is guided by written Terms of Reference ("TOR") which deal with the Audit Committee's authorities and duties. The TOR of AC are made available on the Company's website at www.mtaggroup.com.

MEMBERSHIP AND MEETINGS

The AC comprises the following Directors during the FY2024 and as at the date of this report. The attendance details of each member at the AC meetings held during the year are as follows:-

Composition of Committee	Designation	Directorship
Jason Tan Kim Song (Member of MIA)	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

During the financial year, a total of five (5) meetings were held on the following dates:-

Meeting No.	Date	Time
3/2023	24 August 2023	10.00 a.m.
4/2023	22 September 2023	9.30 a.m.
5/2023	24 November 2023	1.30 p.m.
1/2024	28 February 2024	9.30 a.m.
2/2024	24 May 2024	9.30 a.m.

The details of attendance for each member at the AC meetings for the FY2024 are as follows:-

Composition of Committee	No. of Meetings Held	Attendance
Jason Tan Kim Song	5	5
Lee Ting Kiat	5	5
Dyana Sofya Binti Mohd Daud	5	5

The AC meetings are appropriately structured through the use of agendas and board papers containing information relevant to the matters for deliberation and are distributed to members prior to such meetings with sufficient notification.

Audit Committee Report

The AC was established on 24 October 2018 and its composition complies with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The AC's TOR are set out below: -

TERMS OF REFERENCE

I. PURPOSE

The AC was established by the Board to assist the Board in discharging its roles and responsibilities as set out below in its TOR, which is a requirement under the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Rules 15.11 and 15.12 of the AMLR.

The TOR will not only help the AC members to focus on their roles and responsibilities but the disclosure of such will also enable shareholders to be apprised of the roles and responsibilities of the AC.

II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the AC shall be: -

- (i) To consider the appointment of the External Auditors and any questions of resignation or dismissal. To discuss with the External Auditors before the audit commences, the nature and scope of the audit, and the assistance given by the Company's officers to the auditors and ensure coordination where more than one audit firm is involved;
- (ii) To assess the performance, suitability, objectivity and independence of External Auditors and to recommend to the Board for their re-appointments;
- (iii) To observe a cooling-off period of at least 3 years for a former key audit partner prior to the appointment as a member of Audit Committee;
- (iv) To discuss on the Audit Plan and on the problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss in the absence of management;
- (v) To review the External Auditors' management letter and management responses;
- (vi) To review the quarterly results and financial statements before submission to the Board, focusing particulars on:
 - any changes in accounting policies and practice;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - any significant transactions which are outside the ordinary and usual course of the Group's business;
 - the going concern assumptions;
 - compliance with the accounting standards;
 - compliance with stock exchange and legal requirements;
 - assess the quality and effectiveness of the internal control system and the efficiency of the Company operations;
 - the quality and effectiveness of the entire accounting, management information and internal control systems; and
 - the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
- (vii) To assist the Board to review the Statement of Risk Management and Internal Control;

Audit Committee Report

- (viii) To review any related party transactions entered into by the Group and any conflict-of-interest situations that may arise within the Group;
- (ix) To do the following, in relation to the internal audit and risk management's functions:-
 - establish an internal audit function which is independent of the activities it audits and to ensure its internal audit function reports directly to the AC;
 - review the adequacy of the scope, competency and resources of the internal audit functions and with the necessary authority to carry out the work;
 - review the internal audit programmes and results of the internal audit processes, and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;
 - review any appraisal or assessment of the performance of members of the internal audit functions;
 - ensure that the internal audit and risk management functions are reported directly to the Audit Committee; and,
 - discuss any matters and reservations arising from the internal audits, that the Internal Auditor may wish to discuss with or without prior knowledge of Management.
- (x) To consider any related party transaction that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xi) To establish an internal audit function which is independent of the activities it audits and to ensure its internal audit function reports directly to the AC;
- (xii) To review and consider major findings of internal audit investigations and management's responses, areas requiring improvements for internal control procedures and workflow processes deficiencies and including follow-up actions and ensure that appropriate actions are taken on the recommendations of the internal audit functions;
- (xiii) To review on the scope and results of internal audit addressing internal controls over operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan;
- (xiv) To discuss and review the overall adequacy and effectiveness of system of internal controls and to ensure adequacy of resources, competencies and coverage of auditable entities with significant high risks;
- (xv) To ensure the Management has adequate procedures and appropriate resources needed for effective operations as required under the Malaysian Anti-Corruption Commission Act ("MACC Act") 2009 and to maintain up to date or with relevant changes to be made as and when needed for the procedures;
- (xvi) To discuss any matters and reservations arising from the internal audits, that the Internal Auditor may wish to discuss with or without prior knowledge of Management; and
- (v) To review and receive Reporting of Internal Auditor in regards to Enterprise Risk Management matters of MTAG Group.

III. MEMBERS AND CHAIRMAN

1. The AC shall consist of at least three (3) members, all of whom shall be appointed by the Board amongst its Directors. The AC shall comprise exclusively Non-Executive Directors, with a majority being Independent Non-Executive Directors.

Audit Committee Report

2. a) The AC shall have at least one (1) member of the Malaysian Institute of Accountants (“MIA”); or
- b) If the member of the AC is not a member of the MIA, he must have at least three (3) years’ working experience and:
 - i) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii) he/she must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii) fulfil such other requirements as prescribed or approved by Bursa Securities.
3. A former key audit engagement partner of the External Auditors of the Company must first observe a cooling-off period of at least three (3) years before being appointed as a member of the AC (as defined in Practice 9.2 of the MCCG 2021).
4. The Chairman of the AC shall be appointed by the Board and shall be an Independent Non-Executive Director and shall not be the Chairman of the Board. In the absence of the Chairman and/or a deputy appointed by the Board in any meeting, the remaining members present shall elect one (1) of themselves to chair the meeting.
5. All members of the AC, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the AC cease to be a Director of the Company, his membership in the AC will cease forthwith.
6. No Alternate Director of the Board shall be appointed as a member of the AC.
7. The terms of office and performance of the AC and each of its members shall be reviewed by the NC annually.
8. All members of the AC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

IV. MEETINGS

1. The AC shall meet regularly and hold at least four (4) meetings in a year. In addition, the Chairman of the AC may call for additional meetings at any time at his/her discretion.
2. To form a quorum in respect of a meeting, the majority of the AC members present must be Independent Non-Executive Directors.
3. The Chairman of the AC shall chair the AC’s meetings. If he/she is not present at any meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the AC present shall choose one of their number who shall be an Independent Non-Executive Director to be the Chairman of the meeting.
4. Other Directors and employees may attend any particular meetings upon the invitation of the AC. The AC shall convene meetings with the External Auditors or the Internal Auditors or both, without the attendance of Executive Board members or employees, whenever deemed necessary and such meetings shall be held at least once (1) a year with the External Auditors.
5. The minutes of the AC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
6. A resolution in writing, signed by all members of the AC, shall be as effectual as if it has been passed at a meeting of the AC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

Audit Committee Report

V. REPORTING

The AC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each AC meeting. When presenting any recommendation to the Board, the AC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

VI. SECRETARY

The Company Secretary shall act as Secretary of the AC and shall be responsible, with the concurrence of the Chairman of the AC, for drawing up and circulating the agenda and the notices of meetings together with the supporting explanatory documentation to members prior to each meeting and shall be entrusted to record all proceedings and minutes of all meetings of the AC.

The minutes of the AC, when approved and signed by the Chairman of the AC, should be circulated to the Board.

VII. REVIEW

The TOR of the AC shall be reviewed as and when necessary, at least once (1) every year and to be recommended to the Board for approval.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the FY2024, the AC held a total of five (5) meetings. The principal activities undertaken by the AC were summarised as follows:-

a) Financial Reporting

Reviewed and approved the quarterly unaudited financial results for the 4th quarter of 2023, 1st, 2nd and 3rd quarters of 2024 at its meetings held on 24 August 2023, 24 November 2023, 28 February 2024 and 24 May 2024 respectively together with the Management before recommending them for the Board's consideration and approval and for their announcements to the public through Bursa Securities' Listing Information Network ("Bursa LINK").

b) External Auditors

1. Reviewed the audited financial statements for the FY2024 to ensure the financial reports presented a true and fair view;
2. Reviewed and recommended to the Board the re-appointment of External Auditors and reviewed their audit plan;
3. Reviewed and approved the External Auditors' reports, audit timetable and audit fees in relation to the FY2024 and had recommended to the Board for approval; and
4. Reviewed the results and issues arising from the external audit and discussed the areas of concern with the External Auditors in the absence of management.

Audit Committee Report

c) Internal Auditors

Reviewed and approved the Internal Audit Report in relation to the Audit scope as below and had recommended to the Board for approval:-

1. Inventory Compliance with Local Manufacturing Warehouse ("LMW") Exemptions in November 2023;
2. Internal Audit Report focusing on Finance and Accounts functions of Super Gold Industrial Sdn. Bhd. ("Super Gold") in February 2024; and
3. Follow Up Status Report focusing on Finance and Account, Inventory compliance with LMW and Management Information System in May 2024.

d) Reviewed the suitability and independence of External Auditors

The AC assessed the performance of the External Auditors. In conducting the assessment, the AC had taken the following into consideration, among other criteria:-

- Independence and objectivity and professional skepticism;
- Competency, quality of service and non-audit services rendered by the External Auditors;
- Rigor and quality of the audit;
- Effectiveness and timeliness of communicating and reporting to the AC;
- Adequacy of resources used; and
- Appropriateness of audit fees and non-audit fees to support a quality audit.

Having assessed and deliberated on the matter, the AC was satisfied that the External Auditors continued to possess the competency, objectivity, independence, skill and experience required to fulfil their duties effectively and agreed to recommend that the Board table the re-appointment of the External Auditors at the coming Seventh (7th) Annual General Meeting.

e) Related Party Transaction

Reviewed and discussed on any Related Party Transaction of the company that had been reported and recommended to the Board for approval.

f) Review of Statements to be Made in Annual Report

Reviewed the Audit Committee Report, Corporate Governance Overview Statement, Corporate Governance Report and Statement on Risk Management and Internal Control to be disclosed in the Annual Report for the FY2024.

g) Other matters considered by the AC

During the FY2024, the AC also undertook the following:-

1. Reviewed the proposed interim dividends as well as the solvency tests undertaken by Management before making a dividend recommendation to the Board.

Audit Committee Report

RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES AND FUNCTIONS

The Company has outsourced its internal audit functions, risk management review and Anti-Corruption and Anti-Bribery Management System review to Sterling Business Alignment Consulting Sdn. Bhd. [Registration No. 200401015607 (654110-P)] (“Internal Audit Firm”) which was tasked with the aim of providing assurance and assistance to the AC and the Board in reviewing the adequacy and effectiveness of the risk management and internal control systems of the Company. The Internal Auditors also act as a source to assist the AC and the Board to strengthen and improve current management and operating procedures in pursuit of best practices.

The risk management and internal audit activities carried out for the FY2024 were stated in the Statement on Risk Management and Internal Control and particularly the following:-

1. Prepared the annual internal audit plan for review by the AC;
2. Prepared and presented the internal audit reports with the areas of concern, comments, recommendations and responses of management to the AC for review;
3. Updated internal audit follow-up status reports for the attention, consideration and improvement of the management and the AC; and
4. Reviewed and presented the Enterprise Risk Management System Reporting to the RMC and the AC for review.

The AC held one (1) private session with Internal Auditors without the presence of Management in November 2023 in connection with Internal Auditors’ audit for the FY2024.

The cost incurred for the internal audit function in respect of the FY2024 was RM34,600.

This Report was reviewed and approved by the AC and the Board on 24 May 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Rule 15.26(b) of the Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR"), the Board of Directors ("the Board") of MTAG Group Berhad ("MTAG" or "the Company") is pleased to report on its Statement on Risk Management and Internal Control ("Statement"), which provides an overview of the nature and state of risk management and internal controls of the Company and its group of companies ("MTAG Group" or "the Group") for the financial year ended 30 June 2024 ("FY2024"). This statement is guided by the latest Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of the Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

BOARD RESPONSIBILITY

The Board recognises that it is ultimately responsible for MTAG Group maintenance of good risk management practices and sound internal controls as a platform for good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group assets are safeguarded. In addition, the Board has also received assurance from the Group Managing Director ("GMD"), Executive Director ("ED") and Key Senior Management ("KSM") that the Group's risk management and internal control not only cover the financial aspects of the Group, but also operational and compliance aspects of the Group system are operating adequately and effectively.

Due to inherent limitations in any risk management and internal control system, such a system is designed to manage the risk that may impede the achievement of the Group's business objectives rather than eliminating these risks. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against fraud, material misstatement, losses or errors.

The Board through its Audit Committee ("AC") and Risk Management Committee ("RMC") have established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board, the AC and the RMC on a periodic basis.

The effectiveness of internal controls was reviewed by the Audit Committee in relation to the audits conducted by internal auditors ("Internal Auditors") during the FY2024. Audit issues and actions taken by Management to address the issues tabled by Internal Auditors were deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

RISK MANAGEMENT

The Board has an established ongoing process for identifying, evaluating and managing the significant risks encountered by the Company in accordance with the Guidance for Directors of Public Listed Companies on Statement on Risk Management and Internal Control. Risk Management is an integral part of the business operations and this process goes through a review process by the Board. Discussions have been conducted during the year involving different levels of management to identify and address risks faced by the Group. These risks were summarised and included in the Group's risk registry. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review and up to the date of approval of this statement for inclusion in the annual report by the Management. This is to ensure that all high risks are adequately addressed at various levels within the Group.

The roles and responsibilities of the RMC in relation to risk management are as follows:

1. To oversee and recommend the risk management policies and procedures;
2. To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
3. To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the business risks;
4. To set reporting guidelines for management to report to the RMC on the effectiveness of management of its business risks;

Statement on Risk Management and Internal Control

5. To review the risk profile of the Group including all subsidiaries and to evaluate the measures taken to mitigate the business risks;
6. To review the adequacy of management response to issues identified in risk registers, ensuring that the risks are managed within the Group's risk appetite;
7. To identify corporate liability risks including bribery risks, corruption risks and compliance risks with the Malaysian Anti-Corruption Commission Act ("MACC Act") 2009;
8. To monitor the risk control measures of corporate liabilities risks identified;
9. To review the operational effectiveness and efficiency in protecting MTAG Group from bribery risks and encourage legal and regulatory compliance; and
10. To ensure that adequate and appropriate resources needed for the effective operation of the Anti-Corruption and Anti-Bribery Management System ("ABMS") are allocated to the dedicated person in charge who should have the necessary status and authority to fulfil their responsibilities.

The Board recognises that risk management is an integral part of the Group's culture and is embedded into day-to-day management of operations, processes and structures. Thus, it should be extensively applied in all decision-making and strategic planning. The Management team is responsible for managing risks related to their functions or departments. The RMC relies on the KSM team to support in terms of:

1. Managing the inherent risk of business processes under his/her control;
2. Identifying risks, evaluating and executing risk control measures;
3. Reporting significant risks to the RMC and the Board at scheduled meetings in a proactive, responsible and accountable manner; and
4. Providing oversight on the establishment, implementation and review of the effectiveness of the risk management framework and internal control systems to the RMC and the Board.

The Board adopted a Risk Management Handbook which entails the following chapters: -

1. Risk Management - Objectives and Type of Risks;
2. Principles and Reporting Structure;
3. Roles and Responsibilities;
4. Risk Management Framework; and
5. Risk Measurement Criteria.

The Board regards risk management as an integral part of the Group's business operations and has oversight over the critical areas. The RMC, supported by the Internal Auditors, provides an independent assessment of the effectiveness of the Group's Risk Management framework and reports to the Board. This helps to reduce the uncertainties surrounding the Group's internal and external environment, thus allowing it to maximise opportunities and minimise adverse incidents that may arise. The risk categories of which the Group considered include possible business risks, financial risks, corporate liabilities risks, compliance risks, operational risks, reputation risks and sustainability risks. During the FY2024, the RMC deliberated and reviewed the Risk Profile presented by the Management on 24 May 2024.

INTERNAL AUDIT

The Board is fully aware of the importance of the internal audit function. The Group has engaged an independent professional consulting firm namely Sterling Business Alignment Consulting Sdn. Bhd. ("Internal Audit Firm") to provide independent assurance to the Board and AC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The Internal Audit Firm acts as Internal Auditors and reports directly to the AC during the AC's quarterly meetings. The Internal Audit Firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. The AC is of the opinion that the internal audit functions are effective and able to function independently.

Statement on Risk Management and Internal Control

Scheduled internal audits are carried out based on the annual audit plan approved by the AC. The internal auditors align their current internal audit practices with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Controls - Integrated Framework. Using this framework, all internal control assessments performed by Internal Auditors are based on the internal control elements, scope and coverage. On a quarterly basis, the Internal Audit Firm presents the AC with the internal audit reports or follow up status reports. During the FY2024, internal audit reviews were carried out by the internal audit team to address the related internal control improvement required. Concerned areas identified during the reviews together with the improvement measures to strengthen the internal controls were reported accordingly.

The Internal Auditor assists the Board and KSM team in providing an independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The assessment of the adequacy and effectiveness of internal controls established in mitigating risks is carried out through interviews and discussion with the Management team, reviewing of relevant established policies and procedures and authority limits, and observing and testing of the internal controls on sampling basis. The internal audit reviews have resulted in an improvement action plan undertaken by the Group to address the concerned areas noted. Identified enhancement opportunities are then reported to be taken by the Group to address the said concerned areas. Identified enhancement opportunities are reported to the Audit Committee, who in turn reports these matters to the Board. Any highlighted concerned areas are followed up closely to determine the extent of the recommendations that need to be improved and implemented by the KSM.

For the FY2024, two (2) internal audit reviews and one (1) follow-up internal audit review had been carried out and reported by Internal Auditors:-

Audit Period	Reporting Month	Name of Entity Audited	Audit Areas
July - September 2023	November 2023	Toyo Sho Industrial Products Sdn. Bhd. Intag Industrial Suppliers Sdn. Bhd.	Inventory Compliance with Local Manufacturing Warehouse ("LMW") Exemptions
October - December 2023	February 2024	Super Gold Industrial Sdn. Bhd.	Finance and Accounts
January - March 2024	May 2024	Toyo Sho Industrial Products Sdn. Bhd. Intag Industrial Supplies Sdn. Bhd. Intag Steel Hardware Sdn. Bhd. Super Gold Industrial Sdn. Bhd.	Follow up actions on previously reported internal audit findings

All reports from the internal audit reviews carried out were submitted and presented to the AC with the feedback and agreed corrective actions to be undertaken by Management. Subsequently, the progress of these corrective actions was monitored and verified by Internal Auditors on a regular basis and submitted to the AC. The Internal Audit Firm is committed to equip the internal auditors with sufficient knowledge, skills and competencies to discharge their duties and responsibilities.

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Management receives and reviews quarterly reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

The internal control matters are reviewed and the Board is updated on significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during Board meetings and any significant fluctuation or exception noted will be acted on a timely manner.

Statement on Risk Management and Internal Control

Other key elements of the Group's internal control systems are as follows:-

- An organisational structure in the Group with formally defined reporting, lines of responsibility and delegation of authority;
- Clearly defined terms of reference, authorities and responsibilities of the various Board Committees which include the AC, RMC, Nominating Committee ("NC") and Remuneration Committee ("RC");
- Well-defined organisational structure with clear lines of authority, accountability and responsibilities of the Management team;
- Clearly defined and formalised internal policies and procedures are in place to support the Group in achieving its business objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;
- Quarterly review of financial results by the Board and the AC;
- Active participation and involvement by the GMD and ED in the day-to-day running of the major businesses and regular discussions with the KSM of smaller business units on operational issues;
- Review of internal audit reports and findings by the AC; and
- Quarterly review of Group management accounts by the GMD, ED and Management.

The Group will continue to foster a risk-awareness culture in all decision-making and manage all risks in a proactive and effective manner. This is to enable the Group to respond effectively to the changing business and competitive environment.

ASSURANCE

The Board reviews quarterly the effectiveness of the risk management and internal control, and is of the view that it is adequate to safeguard the shareholders' interest and the Group's assets. The role of the Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate a suitable system of internal controls to manage these risks.

The Board has obtained assurances from the GMD, ED and KSM that the Group's system of Risk Management and Internal Control is operating adequately and effectively for the FY2024 and up to date as of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, this Statement has been reviewed by the External Auditors for inclusion in the Annual Report for the FY2024. The limited assurance review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

For the FY2024, based on our samples there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring separate disclosure in the Annual Report. The Board is of the view that the Group's system of internal control and risk management is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

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

Financial Statements

Directors' Report	64
Statement by Directors and Statutory Declaration	68
Independent Auditors' Report	69
Statements of Financial Position	73
Statements of Profit or Loss and Other Comprehensive Income	74
Statements of Changes in Equity	75
Statements of Cash Flows	77
Notes to the Financial Statements	81



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities.

The principal activities of the subsidiary companies are disclosed in Note 5 to the Financial Statements.

There are no changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	20,285,263	13,755,845
Attributable to:-		
Owners of the Company	20,285,263	13,755,845

DIVIDENDS

The amount of dividends paid and declared since the end of the last financial year were as follows:-

	RM
First interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024 and paid on 19 December 2023	6,816,174
Second interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024 and paid on 21 June 2024	6,816,174
	13,632,348

The Directors have not proposed, declared, or paid any final dividend in respect of the financial year ended 30 June 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:-

Lee Ting Kiat (Independent Non-Executive Chairman)
 Chaw Kam Shiang* (Group Managing Director)
 Lau Cher Liang* (Executive Director)
 Jason Tan Kim Song (Independent Non-Executive Director)
 Dyana Sofya Binti Mohd Daud (Independent Non-Executive Director)

* Directors of the Company and its subsidiary companies.

Directors' Report

DIRECTORS (CONT'D)

The Directors of the subsidiary companies who held office during the financial year and up to the date of this report, not including those Directors listed above are as follows:-

Ang Yam Fung
 Choo Jack Kie
 Ng Jia Wen
 Elly Chaw
 Ng Boon Siang

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the beneficial interests of those who were Directors at the end of the financial year in shares of the Company are as follows:-

	Number of ordinary shares			
	As at 1 July 2023	Bought	Sold	As at 30 June 2024
<i>Direct interest</i>				
Lee Ting Kiat	888,600	-	-	888,600
Chaw Kam Shiang	347,001,970	-	-	347,001,970
Lau Cher Liang	99,282,244	-	(8,927,100)	90,355,144
<i>Indirect interest</i>				
Chaw Kam Shiang*	14,446,110	-	-	14,446,110

* Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Companies Act 2016.

Except as disclosed above, none of the Directors of the Company, who were Directors at the end of the financial year, held any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

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

	Incurred by the Company RM	Incurred by the Subsidiaries RM	Total RM
Directors of the Company:-			
Executive directors			
Salaries	-	1,857,000	1,857,000
Defined contribution plans	-	382,490	382,490
Bonus	-	1,323,779	1,323,779
Social security costs	-	4,118	4,118
Non-executive directors			
Fees	168,480	-	168,480
Other benefits	33,000	-	33,000
	201,480	3,567,387	3,768,867

Directors' Report

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

The Company maintains Directors' and Officers' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Company. During the financial year, the Directors and Officers of the Company are covered for a total amount of indemnity coverage of RM5,000,000 and insurance premium paid for the Directors and Officers of the Company is RM20,150.

ISSUE OF SHARES AND DEBENTURES

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

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records had been written down to an amount which they might be expected so to realise.

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

- (a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (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; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of 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, other than the impairment loss of RM1,961,260 in goodwill as disclosed in Note 5.2(v) to the Financial Statements; and
- (c) 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 operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS

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

The amount of audit and other fees paid and payable to the Auditors and its local affiliate by the Group and by the Company for the financial year ended 30 June 2024 amounted to RM212,900 and RM81,300 respectively. Further details are disclosed in Note 23 to the Financial Statements.

There was no indemnity given to or insurance effected for the auditors of the Company.

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

.....
CHAW KAM SHIANG

Directors

.....
LAU CHER LIANG

Directors

Johor Bahru

26 September 2024

Statement **By Directors**

In the opinion of the Directors, the accompanying financial statements together with the notes thereto are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
CHAW KAM SHIANG

.....
LAU CHER LIANG

Johor Bahru
26 September 2024

Statutory **Declaration**

I, Ng Boon Siang, being the Officer primarily responsible for the financial management of MTAG Group Berhad, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Johor Bahru in the State of Johor this day of 26 September 2024

.....
NG BOON SIANG
(MIA No. 45247)

Before me:

Commissioner for Oaths

Independent Auditors' Report To the Members of MTAG Group Berhad

(Incorporated in Malaysia)

Registration No: 201801000029 (1262041 V)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTAG Group Berhad ("the Company"), which comprise the statements of financial position as at 30 June 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 73 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Company 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Impairment of inventories

The risk

Refer to Note 6 to the Financial Statements. The Group holds significant inventories and records allowance for impairment of inventories. As at 30 June 2024, the Group's inventories amounted to RM13,989,994. The Group's inventories are subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are less than the carrying value. We determined this to be a key audit matter due to litigation as disclosed in Note 33 to the Financial Statements that increased the risk that the cost of inventories related to certain major customers may not be recoverable. The assessment of recoverability of inventory involves significant judgement and estimates in determining the net realisable value.

Our response

We have performed the following procedures during the audit:-

- Obtained an understanding of the nature of the inventories and factors for obsolescence such as shelf-life, expiry date and potential use and customers;
- Discussed with management on the basis applied to assess the recoverability of inventories, focusing especially on slow-moving inventories and inventories held for customers which are not taking deliveries. We evaluated the significant judgements involved and assumptions used to determine impairment of inventories;
- Reviewed subsequent events for orders placed and evidence of demand and its impact on net realisable value; and
- Assessed the adequacy of the disclosures in the financial statements.

The basis of management's judgement over the recoverability of inventories are disclosed in Notes 2.5.1, and 6 to the Financial Statements.

Independent Auditors' Report To the Members of MTAG Group Berhad

(Incorporated in Malaysia)

Registration No: 201801000029 (1262041 V)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Acquisition accounting of Jostar Sdn. Bhd. ("Jostar")

The risk

Refer to Note 5.2 to the Financial Statements. On 31 October 2023, the Company completed the acquisition of 100% equity interest of Jostar for a total consideration of RM8,676,826. Based on management's assessment, the fair value of the net identifiable assets acquired was RM6,715,566 and recognised a goodwill of RM1,961,260. We have identified the acquisition of Jostar as a key audit matter because of the determination of fair values in the identifiable assets acquired, and liabilities assumed requires significant judgement.

Our response

We have performed the following procedures during the audit:-

- Reviewed management's assessment of the acquisition in accordance with MFRS 3 – Business Combination to ensure proper accounting treatment;
- Performed audit procedures on the carrying amounts of the net assets as at the acquisition date;
- Examined the fair value of the identified assets and liabilities acquired, including a review of valuation reports to support fair value;
- Evaluated the valuation methodology applied and assessed the appropriateness of the basis and assumptions used by the valuer;
- Evaluated the computation of goodwill arising from the acquisition by comparing the purchase consideration to the fair value of the net assets acquired; and
- Reviewed the impairment testing methodology applied by management and reviewed the reasonableness of future cash flow projections and key assumptions used in the impairment test.

The basis of management's judgement over the acquisition accounting of Jostar are disclosed in Note 5.2 to the Financial Statements.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report To the Members of MTAG Group Berhad

(Incorporated in Malaysia)

Registration No: 201801000029 (1262041 V)

Report on the Audit of the Financial Statements (cont'd)

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 MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report To the Members of MTAG Group Berhad

(Incorporated in Malaysia)

Registration No: 201801000029 (1262041 V)

Report on the Audit of the Financial Statements (cont'd)

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

We communicated 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 identified during our audit.

We also provided 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 determined 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 described 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 5 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.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Johor Bahru
26 September 2024

WONG WEN TAK
(NO: 03043/04/2025 J)
CHARTERED ACCOUNTANT

Statements of Financial Position

As at 30 June 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	36,815,061	31,206,197	-	-
Investment property	4	10,592,025	-	-	-
Investment in subsidiary companies	5	-	-	130,470,910	113,174,835
Total non-current assets		47,407,086	31,206,197	130,470,910	113,174,835
Current assets					
Inventories	6	13,989,994	26,048,878	-	-
Trade receivables	7	23,962,790	24,951,009	-	-
Other receivables	8	919,391	2,269,233	205,010	1,281,701
Amount due from subsidiary companies	5	-	-	-	25,397
Tax recoverable		1,032,592	75,639	-	6,451
Other investments	9	112,899,167	51,003,712	3,266,300	1,506,700
Fixed deposits with licensed banks	10	25,910,764	70,277,114	15,000,000	33,000,000
Cash and bank balances	11	9,155,133	23,139,099	129,437	119,284
Total current assets		187,869,831	197,764,684	18,600,747	35,939,533
Total assets		235,276,917	228,970,881	149,071,657	149,114,368
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	146,565,776	146,565,776	146,565,776	146,565,776
Merger deficit	13	(73,775,201)	(73,775,201)	-	-
Revaluation reserve	14	6,624,157	6,785,201	-	-
Unappropriated profit	15	140,758,171	133,944,212	1,966,181	1,842,684
Total equity		220,172,903	213,519,988	148,531,957	148,408,460
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	16	4,854,786	3,813,332	-	-
Lease liabilities	17	379,143	463,266	-	-
Loans and borrowings	18	-	66,690	-	-
Other payable	20	-	200,000	-	200,000
Total non-current liabilities		5,233,929	4,543,288	-	200,000
Current liabilities					
Trade payables	19	5,900,851	5,503,790	-	-
Other payables	20	2,350,358	4,362,956	539,698	505,906
Amount due to a related party	21	-	239	-	-
Amount due to a subsidiary company	5	-	-	2	2
Lease liabilities	17	409,045	291,805	-	-
Loans and borrowings	18	380,591	40,894	-	-
Tax payable		829,240	707,921	-	-
Total current liabilities		9,870,085	10,907,605	539,700	505,908
Total liabilities		15,104,014	15,450,893	539,700	705,908
Total equity and liabilities		235,276,917	228,970,881	149,071,657	149,114,368

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

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	105,956,489	153,912,270	15,632,349	20,448,548
Cost of sales		(68,521,523)	(103,484,679)	-	-
Gross profit		37,434,966	50,427,591	15,632,349	20,448,548
Other income		4,224,272	2,450,741	169,633	110,536
Finance income		1,634,828	2,996,492	798,311	1,164,951
Reversal of impairment loss of trade receivables		25,450	50,000	-	-
Selling and distribution expenses		(2,204,251)	(2,792,568)	-	-
Administrative expenses		(14,496,612)	(13,491,209)	(663,939)	(749,414)
Other expense		-	-	(1,964,751)	(132,542)
Finance cost		(96,738)	(58,628)	-	-
Profit before tax	23	26,521,915	39,582,419	13,971,603	20,842,079
Tax expense	24	(6,236,652)	(9,511,436)	(215,758)	(264,712)
Profit for the financial year		20,285,263	30,070,983	13,755,845	20,577,367
Other comprehensive income, net of tax:-					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of land and building		-	1,783,333	-	-
Tax effect on item that will not be reclassified subsequently to profit or loss	24	-	(428,001)	-	-
Realisation of revaluation reserve upon depreciation of revalued assets		161,044	118,814	-	-
Transfer of revaluation reserve to unappropriated profit		(161,044)	(118,814)	-	-
		-	1,355,332	-	-
Total comprehensive income for the financial year		20,285,263	31,426,315	13,755,845	20,577,367
Profit attributable to:-					
Owners of the Company		20,285,263	30,070,983	13,755,845	20,577,367
Profit for the financial year		20,285,263	30,070,983	13,755,845	20,577,367
Total comprehensive income attributable to:-					
Owners of the Company		20,285,263	31,426,315	13,755,845	20,577,367
Total comprehensive income for the financial year		20,285,263	31,426,315	13,755,845	20,577,367
Earnings per share attributable to owners of the Company					
Earnings per ordinary share					
- Basic (RM)	32	0.03	0.04	-	-
- Diluted (RM)	32	-	-	-	-

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

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024

	Share capital RM	Merger deficit RM	Revaluation reserve RM	Unappropriated profit RM	Total equity RM
Group					
Balance at 1 July 2022	146,565,776	(73,775,201)	5,548,683	124,202,937	202,542,195
Transactions with owners:-					
First interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2023	-	-	-	(6,816,174)	(6,816,174)
Second interim single tier dividend of 2.0 sen per ordinary share for the financial year ended 30 June 2023	-	-	-	(13,632,348)	(13,632,348)
Total transactions with owners	-	-	-	(20,448,522)	(20,448,522)
Profit for the financial year	-	-	-	30,070,983	30,070,983
Revaluation surplus	-	-	1,355,332	-	1,355,332
Other comprehensive income for the financial year	-	-	(118,814)	118,814	-
Total comprehensive income for the financial year	-	-	1,236,518	30,189,797	31,426,315
Balance at 30 June 2023	146,565,776	(73,775,201)	6,785,201	133,944,212	213,519,988
Transactions with owners:-					
First interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2024	-	-	-	(6,816,174)	(6,816,174)
Second interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2024	-	-	-	(6,816,174)	(6,816,174)
Total transactions with owners	-	-	-	(13,632,348)	(13,632,348)
Profit for the financial year	-	-	-	20,285,263	20,285,263
Other comprehensive income for the financial year	-	-	(161,044)	161,044	-
Total comprehensive income for the financial year	-	-	(161,044)	20,446,307	20,285,263
Balance at 30 June 2024	146,565,776	(73,775,201)	6,624,157	140,758,171	220,172,903

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024

	Share capital RM	Unappropriated profit RM	Total equity RM
Company			
Balance at 1 July 2022	146,565,776	1,713,839	148,279,615
Transactions with owners:-			
First interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2023	-	(6,816,174)	(6,816,174)
Second interim single tier dividend of 2.0 sen per ordinary share for the financial year ended 30 June 2023	-	(13,632,348)	(13,632,348)
Total transactions with owners	-	(20,448,522)	(20,448,522)
Profit for the financial year	-	20,577,367	20,577,367
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	20,577,367	20,577,367
Balance at 30 June 2023	146,565,776	1,842,684	148,408,460
Transactions with owners:-			
First interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2024	-	(6,816,174)	(6,816,174)
Second interim single tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2024	-	(6,816,174)	(6,816,174)
Total transactions with owners	-	(13,632,348)	(13,632,348)
Profit for the financial year	-	13,755,845	13,755,845
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	13,755,845	13,755,845
Balance at 30 June 2024	146,565,776	1,966,181	148,531,957

The accompanying notes form an integral part of the 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 ACTIVITIES				
Profit before tax	26,521,915	39,582,419	13,971,603	20,842,079
Adjustments for:-				
Allowance for impairment loss on investment in a subsidiary company	-	-	2,097,293	132,542
Depreciation of property, plant and equipment	3,160,358	2,697,845	-	-
Depreciation of right-of-use assets	674,634	509,829	-	-
Depreciation of investment property	68,807	-	-	-
Distribution income from other investments	(50,822)	-	(5,222)	-
Dividend income	-	-	-	(20,448,548)
Gain on disposal of property, plant and equipment	(156,252)	(141,646)	-	-
Gain on disposal of other investments	(92,272)	(96,238)	(7,119)	(5,250)
Gain on fair value of other investments	(3,182,361)	(1,009,542)	(157,259)	(105,226)
Gain on early termination of lease liabilities	-	(1,158)	-	-
Impairment loss on goodwill	1,961,260	-	-	-
Interest income	(1,634,828)	(2,996,492)	(798,311)	(1,164,951)
Inventories written down	925,301	1,480,324	-	-
Lease liabilities interest expenses	47,874	44,823	-	-
Property, plant and equipment written off	1,322	-	-	-
Reversal of impairment loss of trade receivables	-	(50,000)	-	-
Reversal of inventories written down	(1,343,957)	(735,225)	-	-
Reversal of impairment loss on investment in a subsidiary company	-	-	(132,542)	-
Interest expenses	39,828	4,055	-	-
Unrealised loss/(gain) on foreign exchange	426,230	(513,287)	-	-
Operating profit/(loss) before working capital changes	27,367,037	38,775,707	14,968,443	(749,354)
Changes in working capital:-				
Inventories	13,669,860	635,626	-	-
Receivables	1,879,989	28,229,801	66,895	(538,366)
Payables	(2,559,655)	(17,247,815)	(343,034)	181,594
Cash generated from/(used in) operations	40,357,231	50,393,319	14,692,304	(1,106,126)
Tax refunded	885,316	138,665	54,128	-
Tax paid	(8,260,790)	(9,458,441)	(263,435)	(253,250)
Net cash flows from/(used in) operating activities	32,981,757	41,073,543	14,482,997	(1,359,376)

Statements of Cash Flows

For the Financial Year Ended 30 June 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
INVESTING ACTIVITIES					
Acquisition of subsidiary, net of cash acquired	5.2 (iv)	(8,481,007)	(1,248,616)	-	(1,300,000)
Dividend received		-	-	-	20,448,548
Interest received		2,244,924	2,996,492	983,504	1,164,951
Increase in investment in subsidiary companies	A	-	-	(18,234,000)	(9,906,229)
Purchase of property, plant and equipment	B	(991,674)	(6,698,196)	-	-
Purchase of investment property		(10,660,832)	-	-	-
Proceeds from disposal of property, plant and equipment		156,252	167,238	-	-
Placement of other investments		(158,697,408)	(110,084,963)	(23,363,045)	(20,581,548)
Proceeds from disposal of other investments		100,127,408	82,957,273	21,773,045	29,726,548
Withdrawal of fixed deposits with licensed banks		44,327,850	14,553,538	18,000,000	2,150,000
Net cash flows (used in)/from investing activities		(31,974,487)	(17,357,234)	(840,496)	21,702,270
FINANCING ACTIVITIES					
Lease interest paid		(47,874)	(44,823)	-	-
Term loan interest paid		(39,828)	(4,055)	-	-
Dividend paid		(13,632,348)	(20,448,522)	(13,632,348)	(20,448,522)
Repayment of bank overdraft		(613,122)	-	-	-
Repayment to a related party		(239)	(832)	-	-
Repayment of principal portion of lease liabilities		(505,865)	(256,776)	-	-
Repayment of term loan		(107,584)	(26,183)	-	-
Repayment to subsidiary companies		-	-	-	(9,247)
Net cash flows used in financing activities		(14,946,860)	(20,781,191)	(13,632,348)	(20,457,769)
CASH AND CASH EQUIVALENTS					
Net changes		(13,939,590)	2,935,118	10,153	(114,875)
Effect of exchange rate changes		(44,376)	232,472	-	-
At beginning of financial year		23,139,099	19,971,509	119,284	234,159
At end of financial year	E	9,155,133	23,139,099	129,437	119,284

Statements of Cash Flows

For the Financial Year Ended 30 June 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

A. INVESTMENT IN SUBSIDIARY COMPANIES

During the financial year, the Company acquired 100% equity interest in Jostar Sdn. Bhd. and made additional investment in MTAG Land Sdn. Bhd.. Details of the investments are as follows:-

	Company	
	2024 RM	2023 RM
Cash payment	18,234,000	9,906,229
Amount due to vendor	176,826	200,000
Deposit paid	850,000	-
Total cost of investment (Note 5.1)	19,260,826	10,106,229

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2024 RM	2023 RM
Cash payments	991,674	6,698,196
Addition to right-of-use in exchange for increased lease liabilities	423,441	604,930
Amount due to vendor	23,950	156,800
Total purchase of property, plant and equipment	1,439,065	7,459,926

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RM	Term loan RM	Bank overdraft RM	Total RM
Group				
At 1 July 2022	409,437	-	-	409,437
Addition	177,892	-	-	177,892
Addition through acquisition of a subsidiary company	427,038	133,767	-	560,805
Repayment	(256,776)	(26,183)	-	(282,959)
Termination of lease liabilities	(2,520)	-	-	(2,520)
At 30 June 2023/1 July 2023	755,071	107,584	-	862,655
Addition	423,441	-	-	423,441
Addition through acquisition of a subsidiary company	25,421	-	993,713	1,019,134
Repayment	(505,865)	(107,584)	(613,122)	(1,226,571)
Modification of lease	90,120	-	-	90,120
At end of financial year	788,188	-	380,591	1,168,779

Statements of Cash Flows

For the Financial Year Ended 30 June 2024

D. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group	
	2024 RM	2023 RM
Included in net cash from operating activities		
- Payment relating to variable leases	162,579	106,206
Included in net cash used in financing activities		
- Interest paid in relation to lease liabilities	47,874	44,823
- Payment of principal portion of lease liabilities	505,865	256,776
At end of financial year	716,318	407,805

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	8,555,133	22,439,099	129,437	119,284
Short-term deposits with a licensed bank	600,000	700,000	-	-
	9,155,133	23,139,099	129,437	119,284

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

Notes to the Financial Statements

30 June 2024

1. GENERAL INFORMATION

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

The registered office of the Company is located at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor. The principal place of business of the Company is located at PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100 Johor Bahru, Johor.

The Company is principally engaged in investment holding activities.

The principal activities of the subsidiary companies are disclosed in Note 5 to the Financial Statements. There are no changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 September 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for a building and a leasehold land that are measured at revalued amount at the end of each reporting period as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements

30 June 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and the Company have established control framework in respect to the measurement of fair values of financial instruments. The Board of Directors has overall responsibility for overseeing all significant fair value measurements. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

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

2.4 MFRSs

2.4.1 Adoption of New Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/ amendments/improvements to MFRSs which are mandatory for the financial period beginning on or after 1 July 2023:-

- MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 – *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 – *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 – *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to MFRS 112 – *Income Taxes – International Tax Reform: Pillar Two Model Rules.*

Notes to the Financial Statements

30 June 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)**2.4 MFRSs (cont'd)****2.4.1 Adoption of New Standards/Amendments/Improvement to MFRSs (cont'd)**

Initial application of the new standards/amendments/improvements to MFRSs does not have any material impact on the current and prior year financial statements of the Group and the Company in the period of initial application except as elaborated below:-

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

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The MASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The material accounting policy information is disclosed in the respective notes to the financial statements where relevant. The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.4.2 Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Effective for financial period beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases – *Lease Liability in a Sale and Leaseback**
- Amendments to MFRS 101 Presentation of Financial Statements – *Non-Current Liabilities with Covenants*
- Amendments to MFRS 101 Presentation of Financial Statements – *Classification of Liabilities as Current or Non-Current*
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – *Suppliers Finance Arrangements*

Effective for financial period beginning on or after 1 January 2025

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

Effective for financial period beginning on or after 1 January 2026

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

Notes to the Financial Statements

30 June 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued But Not Yet Effective (cont'd)

Effective for financial period beginning on or after 1 January 2027

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

Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 Combined 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* *

* Not applicable to the Group's and the Company's operations.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company upon their first adoption, except for:-

MFRS 18 – Presentation and Disclosure in Financial Statements

On 14 June 2024, MASB issued new standard MFRS 18 which replaces MFRS 101, MFRS 18 continues the general requirements from MFRS 101, enhancing guidance for grouping information through aggregation and disaggregation across all primary financial statements and notes. The standard provides structured summaries of assets, liabilities, equity, income, expenses, and cash flows.

In the statement of profit or loss, MFRS 18 introduces two new defined subtotals: operating profit and profit before financing and income taxes. Additionally, it categorises income and expenses into operating, investing, financing, income taxes, and discontinued operations.

Limited changes are introduced to specific requirements for the statement of cash flows and the statement of financial position. There are no changes to the specific requirements for the statement of comprehensive income and the statement of changes in equity.

The notes to the financial statements will include material information that supplements the primary financial statements, with new and amended disclosures such as management-defined performance measures and specified expenses by nature. The information presented in the primary financial statements and notes will be clearly linked to ensure consistency and transparency.

MFRS 18 must be applied retrospectively and are applicable for annual period beginning on or after 1 January 2027 with earlier application permitted.

The Group and the Company is currently assessing the impact of the MFRSs to determine the impact they will have on the Group's and the Company's financial statement's disclosures.

Notes to the Financial Statements

30 June 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)**2.5 Significant Accounting Estimates and Judgements**

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.5.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets other than right-of-use assets

The management estimates the useful lives of the property, plant and equipment other than right-of-use assets to be within 3 to 37 years and reviews the useful lives of depreciable assets at each reporting date. At each reporting periods, the management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Note 3 to the Financial Statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting adjustment to the Group's assets.

Management anticipates that the expected useful lives of the property, plant and equipment other than right-of-use assets would not have material difference from their estimates and hence it would not result in material variance in the Group's profit for the financial year.

Recoverability of inventories

In previous financial year, the Group filed claims against two customers in the same group from which the Group had already received signed purchase orders and held significant inventories to fulfil the orders, but the customers have not taken delivery nor paid for the orders of which, one of the litigation is still ongoing while the other settled during the financial year.

Management has estimated the recoverability of the cost of the inventory by assessing the likelihood that the inventory can be sold to other customers, and considering the risk of non-recoverability due to damage and obsolescence due to slow moving inventory. Such assessments require significant judgements and changes in such estimates could result in revision to valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 6 to the Financial Statements.

Notes to the Financial Statements

30 June 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Provision for expected credit losses ("ECL") for trade receivables

The Group undergoes a specific review of its trade receivables through an analysis of the customers' credit risk and the ageing of the trade receivables balances. Further details of how the credit risk is determined and managed is described in Note 28(c) to the Financial Statements.

The information about the ECL on the Group's trade receivables is disclosed in Note 7 to the Financial Statements.

Income taxes/Deferred tax liabilities

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.5.2 Significant management judgements

There is no significant management judgement in applying the accounting policies of the Group that has the most significant effect on the financial statements.

Notes to the Financial Statements

30 June 2024

3. PROPERTY, PLANT AND EQUIPMENT

Group

Cost/Valuation	Freehold land RM	Long leasehold land RM	Freehold buildings RM	Leasehold building RM	Hostel premises RM	Equipment, furniture and fittings RM	Plant and machineries RM	Renovation and electrical installation RM	Forklift and motor vehicles RM	Total RM
At 1 July 2022	-	8,500,000	-	9,500,000	573,692	1,976,635	24,970,911	1,593,868	3,028,892	50,143,998
Addition through acquisition of a subsidiary company	-	-	-	-	-	78,690	900,578	125,150	114,840	1,219,258
Additions	5,072,084	-	-	-	177,892	58,247	549,525	1,202,083	400,095	7,459,926
Disposal	-	-	-	-	-	(22,700)	(416,057)	(25,778)	-	(464,535)
Full settlement of lease liabilities	-	-	-	-	(79,509)	-	-	-	-	(79,509)
Termination of lease liabilities	-	-	-	-	(19,988)	-	-	-	-	(19,988)
Revaluation	-	(1,000,000)	-	1,000,000	-	-	-	-	-	-
At 30 June 2023	5,072,084	7,500,000	-	10,500,000	652,087	2,090,872	26,004,957	2,895,323	3,543,827	58,259,150
Representing:-										
At cost	5,072,084	-	-	-	652,087	2,090,872	26,004,957	2,895,323	3,543,827	40,259,150
At valuation: 2023	-	7,500,000	-	10,500,000	-	-	-	-	-	18,000,000
At 30 June 2023	5,072,084	7,500,000	-	10,500,000	652,087	2,090,872	26,004,957	2,895,323	3,543,827	58,259,150
At 1 July 2023	5,072,084	7,500,000	-	10,500,000	652,087	2,090,872	26,004,957	2,895,323	3,543,827	58,259,150
Addition through acquisition of a subsidiary company	2,540,000	-	2,060,000	-	-	45,179	3,219,205	47,055	4,554	7,915,993
Additions	6,770	-	-	-	255,255	89,752	1,084,798	2,490	-	1,439,065
Disposal	-	-	-	-	-	-	(599,995)	-	(350,972)	(950,967)
Lease modification	-	-	-	-	90,120	-	-	-	-	90,120
Written off	-	-	-	-	-	(8,180)	-	-	(17,000)	(25,180)
At 30 June 2024	7,618,854	7,500,000	2,060,000	10,500,000	997,462	2,217,623	29,708,965	2,944,868	3,180,409	66,728,181

Notes to the Financial Statements

30 June 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)

	Freehold land RM	Long leasehold land RM	Freehold buildings RM	Leasehold building RM	Hostel premises RM	Equipment, furniture and fittings RM	Plant and machineries RM	Renovation and electrical installation RM	Forklift and motor vehicles RM	Total RM
Cost/Valuation (cont'd)										
Representing:-										
At cost	7,618,854	-	2,060,000	-	997,462	2,217,623	29,708,965	2,944,868	3,180,409	48,728,181
At valuation: 2023	-	7,500,000	-	10,500,000	-	-	-	-	-	18,000,000
At 30 June 2024	7,618,854	7,500,000	2,060,000	10,500,000	997,462	2,217,623	29,708,965	2,944,868	3,180,409	66,728,181
Accumulated depreciation										
At 1 July 2022	-	666,666	-	760,000	180,975	1,500,735	19,303,202	1,237,976	2,516,136	26,165,690
Charge for the financial year	-	166,667	-	190,000	153,162	136,964	2,191,373	106,946	262,562	3,207,674
Disposal	-	-	-	-	-	(17,944)	(416,058)	(4,941)	-	(438,943)
Full settlement of lease liabilities	-	-	-	-	(79,509)	-	-	-	-	(79,509)
Termination of lease liabilities	-	-	-	-	(18,626)	-	-	-	-	(18,626)
Revaluation	-	(833,333)	-	(950,000)	-	-	-	-	-	(1,783,333)
At 30 June 2023	-	-	-	-	236,002	1,619,755	21,078,517	1,339,981	2,778,698	27,052,953
Charge for the financial year	-	166,667	34,866	210,000	297,967	151,071	2,498,620	223,070	252,731	3,834,992
Disposal	-	-	-	-	-	-	(599,995)	-	(350,972)	(950,967)
Written off	-	-	-	-	-	(6,858)	-	-	(17,000)	(23,858)
At 30 June 2024	-	166,667	34,866	210,000	533,969	1,763,968	22,977,142	1,563,051	2,663,457	29,913,120
Net carrying amount										
At 30 June 2024	7,618,854	7,333,333	2,025,134	10,290,000	463,493	453,655	6,731,823	1,381,817	516,952	36,815,061
At 30 June 2023	5,072,084	7,500,000	-	10,500,000	416,085	471,117	4,926,440	1,555,342	765,129	31,206,197

Notes to the Financial Statements

30 June 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The leasehold land is amortised over the leasehold period of 46 years (2023: 46 years) that is revalued on 30 June 2023 once every five years after the last revaluation was performed on 30 June 2018.

On 30 June 2023, the Group revalued the leasehold land and building erected on it based on professional revaluation made by Cheston International (Johor) Sdn. Bhd. on the market value basis. The valuation was incorporated in the financial statements for the financial year ended 30 June 2023.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

Leasehold land and building at valuation are categorised at Level 2 fair value.

Level 2 Fair Value

Level 2 fair value of leasehold land and building have been generally derived using the comparison method approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

At the reporting date, had the revalued leasehold land and building of the Group been carried under the cost model, the net carrying amount would have been as follows:-

	Long leasehold land RM	Leasehold building RM
<u>2024</u>		
Cost	3,367,418	8,539,940
Accumulated depreciation	(790,410)	(2,404,719)
Net carrying amount	2,577,008	6,135,221
<u>2023</u>		
Cost	3,367,418	8,539,940
Accumulated depreciation	(734,286)	(2,233,920)
Net carrying amount	2,633,132	6,306,020

Notes to the Financial Statements

30 June 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the property, plant and equipment are right-of-use assets as follows:-

Group

	Long leasehold land RM	Leasehold building RM	Hostel premises RM	Total RM
Net carrying amount				
At 1 July 2022	7,833,334	8,740,000	392,717	16,966,051
Addition	-	-	177,892	177,892
Depreciation charges	(166,667)	(190,000)	(153,162)	(509,829)
Termination of lease liabilities	-	-	(1,362)	(1,362)
Revaluation	(166,667)	1,950,000	-	1,783,333
At 30 June 2023	7,500,000	10,500,000	416,085	18,416,085
Addition	-	-	255,255	255,255
Depreciation charges	(166,667)	(210,000)	(297,967)	(674,634)
Lease modification	-	-	90,120	90,120
At 30 June 2024	7,333,333	10,290,000	463,493	18,086,826

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses, other than leasehold land and building as described in right-of-use assets below. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). Right-of-use assets, except for leasehold land, are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. For leasehold land and building, the revaluation model is applied.

Revaluation is made at least once in every five years based on valuation by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case, the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation decrease is first offset against an increase on unutilised revaluation surplus in respect of the same asset and is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to unappropriated profit.

Notes to the Financial Statements

30 June 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Material accounting policy information (cont'd)****(b) Depreciation**

Depreciation is provided on the straight-line method in order to write-off the cost of each asset over its estimated useful life.

The principal annual depreciation rates and estimated useful lives used are as follows:-

<u>Property, plant and equipment</u>	<u>Depreciation rate</u>
Freehold buildings	2.7% - 3.5%
Equipment, furniture and fittings	10% - 33%
Plant and machineries	10% - 20%
Renovation and electrical installation	10% - 20%
Forklift and motor vehicles	10% - 20%
 <u>Right-of-use assets</u>	 <u>Estimated useful lives</u>
Long leasehold land	46 years
Freehold building	50 years
Hostel premises	1 to 5 years

4. INVESTMENT PROPERTY

	Leasehold land RM	Leasehold building RM	Total RM
Cost			
As at 1 July 2023	-	-	-
Additions	3,198,249	7,462,583	10,660,832
As at 30 June 2024	3,198,249	7,462,583	10,660,832
Accumulated depreciation			
As at 1 July 2023	-	-	-
Charge for the year	22,140	46,667	68,807
As at 30 June 2024	22,140	46,667	68,807
Net carrying amount			
As at 30 June 2024	3,176,109	7,415,916	10,592,025

The Directors represented that the fair value of the Group's investment property is approximately at RM12,000,000.

Notes to the Financial Statements

30 June 2024

4. INVESTMENT PROPERTY (CONT'D)

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

	Group
	2024
	RM
Rental income	260,800
Direct operating expenses:	
Income generating investment property	17,646

The fair value of the investment property is categorised at Level 3 fair value.

Level 3 Fair Value

Level 3 fair value for investment property had been generally derived using the comparison method approach. This approach is based on the principle of substitution, which a potential buyer would not pay for the property more than it would cost as if to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The investment property is valued by reference to the transactions of similar lands and buildings, with adjustments made for depreciation.

The following table shows the valuation techniques used in determining the fair value in Level 3, as well as the key unobservable inputs used in the valuation method.

Description	Valuation method	Significant unobservable inputs	Range of unobservable inputs	Relationship of significant unobservable inputs to fair value
Leasehold building	Comparison method	Depreciation rate	23% - 27%	Higher depreciation rate, lower fair value
Leasehold land	Comparison method	Depreciation rate	47% - 50%	Higher depreciation rate, lower fair value

Material accounting policy information

(a) Recognition and measurement

Investment property is measured at cost, including transaction costs less any accumulated depreciation and impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives. The principal annual depreciation year used for the leasehold land and building are 45 years.

Notes to the Financial Statements

30 June 2024

5. SUBSIDIARY COMPANIES**5.1 Investment in subsidiary companies**

	Company	
	2024 RM	2023 RM
Unquoted shares		
At cost:-		
At beginning of financial year	113,307,377	101,901,148
Additional investments made	10,584,000	9,906,229
Acquisition of a subsidiary company	8,676,826	1,500,000
	132,568,203	113,307,377
Less: Accumulated impairment loss	(2,097,293)	(132,542)
At end of financial year	130,470,910	113,174,835

The movement of accumulated impairment loss during the financial year is as follow:-

	Note	Company	
		2024 RM	2023 RM
At beginning of financial year		(132,542)	-
Impairment loss during the financial year	5.3	(2,097,293)	(132,542)
Reversal of impairment loss during the financial year	5.3	132,542	-
At end of financial year		(2,097,293)	(132,542)

The particulars of the subsidiary companies are as follows:-

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2024 %	2023 %	
Intag Industrial Supplies Sdn. Bhd.	Malaysia	100	100	Manufacturing mesh, filter media, glass filter, tapes, label sticker, adhesive and other products
Intag Steel Hardware Sdn. Bhd.	Malaysia	100	100	Converting and distribution of metal products
Toyo Sho Industrial Products Sdn. Bhd.	Malaysia	100	100	Printing of label and stickers and die-cutting services
MTAG Land Sdn. Bhd.	Malaysia	100	100	Property holding and investment holding
Super Gold Industrial Sdn. Bhd. #	Malaysia	100	100	Manufacturing of labels, stickers, tapes and related industrial supplies
Jostar Sdn. Bhd. #	Malaysia	100	-	Operation of a printing factory

Audited by a firm other than member firms of Grant Thornton International Ltd and Grant Thornton Malaysia PLT.

Notes to the Financial Statements

30 June 2024

5. SUBSIDIARY COMPANIES (CONT'D)

5.2 Acquisition of subsidiary

On 31 October 2023, the Company completed the acquisition of 1,000,000 ordinary shares, representing 100% equity interest in Jostar Sdn. Bhd. ("Jostar") for a total consideration of RM8,676,826. Jostar is principally engaged in the operation of a printing factory. The reason for the acquisition of Jostar is to enhance the Group's product offerings. Jostar's expertise in offset printing complements the Group's existing operations, introducing a specialised capability that was previously not available within the Group. This acquisition is expected to strengthen the Group's overall service offerings, particularly in packaging and branding solutions.

Consideration transferred, assets recognised and liabilities assumed

i) Fair value of consideration transferred

	Group
	2024
	RM
Consideration transferred	
Cash consideration	8,500,000
Consideration payable in cash	176,826
	8,676,826

ii) Fair value of identifiable assets acquired and liabilities assumed

	Group
	2024
	RM
	Note
Property, plant and equipment	7,915,993
Inventories	1,192,320
Trade and other receivables	548,092
Tax recoverable	20,186
Cash and cash equivalents	18,993
Trade and other payables	(596,056)
Finance lease liabilities	(25,421)
Short-term borrowings	(993,713)
Deferred tax liabilities	16 (1,364,828)
Total identifiable net assets	6,715,566

Notes to the Financial Statements

30 June 2024

5. SUBSIDIARY COMPANIES (CONT'D)**5.2 Acquisition of subsidiary (cont'd)**Consideration transferred, assets recognised and liabilities assumed (cont'd)

iii) Fair value measurements

The following table shows the valuation techniques used in the determination of fair value within level 3, as well as the key unobservable inputs used in the valuation model.

Assets acquired	Valuation method	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs and fair value
Property, plant and equipment				
Freehold land and freehold buildings	Comparison method	Depreciation rate	1.67%	Higher depreciation rate, lower fair value
Plant and machineries	Cost approach	Adjustment on Reinstatement Cost New	10% - 15%	Higher adjustment, higher value
		Depreciation rate	6.75% - 10%	Higher depreciation rate, lower value
		Salvage value	10%	Higher salvage value, higher value

iv) Net cash outflow arising from acquisition of subsidiary

	Group
	2024
	RM
Total purchase consideration	(8,676,826)
Add: Purchase consideration payable	176,826
Purchase consideration settled in cash	(8,500,000)
Add: Cash and cash equivalent balances acquired	18,993
Net cash outflow	(8,481,007)

Notes to the Financial Statements

30 June 2024

5. SUBSIDIARY COMPANIES (CONT'D)

5.2 Acquisition of subsidiary (cont'd)

Consideration transferred, assets recognised and liabilities assumed (cont'd)

v) Goodwill

	Group
	2024
	RM
Total consideration transferred	8,676,826
Fair value of identifiable net assets	(6,715,566)
Goodwill	1,961,260

Goodwill represents the anticipated synergies resulting from the acquisition. Any recognised goodwill is not expected to be deductible for tax purposes.

Impairment test for goodwill

The Group performs an annual impairment assessment of the cash generating unit ("CGU") to which the goodwill has been allocated. The recoverable amount is determined based on a value-in-use calculation, using cash flow projections for the next five financial years. These projections are based on management's expectations regarding revenue growth, operating costs and profit margins based on past experience and future outlook.

As at the reporting date, an impairment loss of RM1,961,260 was recognised, as the CGU recoverable amount was lower than its carrying value.

Key assumptions and management's approach to determine the values assigned to each key assumption are as follows:-

a) Discount rate

A pre-tax discount rate of 9.7% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the weighted average cost of capital of Jostar.

b) Terminal growth rate

A terminal growth rate of 2.0% was applied in determining the recoverable amount of the CGU. The terminal growth rate was reflecting Malaysia's 10-year historical average inflation rate.

vi) Acquisition-related costs

The Group incurred acquisition-related costs of RM106,006 related to due diligence, valuation and other miscellaneous incidental costs. The acquisition-related costs have been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

vii) Impact of the acquisition on the Statements of Profit and Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary has contributed RM3,684,927 and RM51,847 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year from its continuing operations would have been RM5,076,824 and a loss of RM189,401 respectively.

Notes to the Financial Statements

30 June 2024

5. SUBSIDIARY COMPANIES (CONT'D)**5.3 Impairment loss on investment in subsidiary**

As at the reporting date, the Company assessed there is an indication of impairment on the carrying amount of investment in certain subsidiaries. The Company conducted impairment assessment of its investment in subsidiaries by comparing its carrying amount with its recoverable amount.

The recoverable amount was arrived at based on the fair value less cost to sell method which represents the Company's share of the adjusted net assets in this subsidiary and based on this, impairment of RM2,097,293 (2023: RM132,542) was recognised.

A reversal of impairment loss of RM132,542 was recognised as the recoverable amount exceeded the carrying amount for one of the subsidiary.

Details of the Level 3 fair value method used in obtaining the recoverable amount is as follows:-

Description	Valuation method	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs and fair value
Assets adjusted to fair value less costs to sell				
Freehold land and freehold buildings	Comparison method	Depreciation rate	1.67%	Higher depreciation rate, lower fair value
Plant and machineries	Cost approach	Adjustment on Reinstatement Cost New	10% - 15%	Higher adjustment, higher value
		Depreciation rate	6.75% - 10%	Higher depreciation rate, lower value
		Salvage value	10%	Higher salvage value, higher value

5.4 Amount due from/to subsidiary companies

The amounts due from/to subsidiary companies are non-trade in-nature, unsecured, bear no interest and repayable upon demand.

The entire amounts due from/to subsidiary companies are denominated in Ringgit Malaysia.

	Company	
	2024 RM	2023 RM
Amount due from subsidiary companies		
Non-trade	-	25,397
Amount due to a subsidiary company		
Non-trade	2	2

Notes to the Financial Statements

30 June 2024

6. INVENTORIES

	Group	
	2024 RM	2023 RM
Raw materials	11,568,559	23,114,691
Finished goods	982,547	353,624
Trading goods	1,192,549	2,580,563
Goods-in-transit	144,759	-
Work in progress	101,580	-
Total inventories	13,989,994	26,048,878
Recognised in profit or loss:-		
Inventories written down	925,301	1,480,324
Reversal of inventories written down	(1,343,957)	(735,225)
Inventories recognised in cost of sales	65,732,062	101,831,006

The allowance for inventories written down are included in cost of sales.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials and finished goods are determined on first-in-first-out method.

Cost of raw materials refers to invoiced cost of goods purchased plus incidental handling and freight charges.

Cost of finished goods include raw materials, direct labour, other direct costs and an appropriate proportion of manufacturing overheads.

7. TRADE RECEIVABLES

	Group	
	2024 RM	2023 RM
Trade receivables	23,962,790	24,976,459
Less: Allowance for impairment loss of trade receivables	-	(25,450)
	23,962,790	24,951,009

Notes to the Financial Statements

30 June 2024

7. TRADE RECEIVABLES (CONT'D)

Movement in allowance for impairment loss of trade receivables:-

	Group	
	2024 RM	2023 RM
At beginning of financial year	(25,450)	(75,450)
Reversal of impairment – payment received	25,450	50,000
At end of financial year	-	(25,450)

Trade receivables comprise amounts receivable from sales of goods. The credit terms granted to the customers ranged from cash terms to 90 days (2023: 30 days to 90 days). Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

An impairment analysis is performed at each reporting date to measure ECLs. Information regarding the Group's and the Company's exposure to the credit risk and ECLs for trade receivables is disclosed in Note 28(c) to the Financial Statements.

8. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade receivables	61,781	177,052	-	-
Advance payments to supplier	78,847	-	-	-
Deposits for purchase of property, plant and equipment	50,000	-	-	-
Deposits	255,299	1,018,397	1,000	851,000
Interest receivables	295,437	875,724	185,193	411,655
Prepayments	178,027	198,060	18,817	19,046
	919,391	2,269,233	205,010	1,281,701

Notes to the Financial Statements

30 June 2024

9. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At fair value through profit or loss:-				
<u>Trust fund</u>				
At beginning of financial year	51,003,712	22,770,242	1,506,700	10,541,224
Addition	158,748,230	110,084,963	23,368,267	20,581,548
Disposal	(100,035,136)	(82,861,035)	(21,765,926)	(29,721,298)
Fair value gain	3,182,361	1,009,542	157,259	105,226
At end of financial year	112,899,167	51,003,712	3,266,300	1,506,700

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Recognised in profit or loss:-				
Distribution income from other investments	50,822	-	5,222	-
Gain on disposal of other investments	92,272	96,238	7,119	5,250
Gain on fair value of other investments	3,182,361	1,009,542	157,259	105,226

The fair value measurement of trust fund is categorised within Level 2 of the fair value hierarchy.

10. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with licensed banks	25,910,764	70,277,114	15,000,000	33,000,000

The fixed deposits of the Group and of the Company are on fixed rate basis that are placed with licensed banks and with maturity tenure from 3 months to 12 months and 6 months (2023: 6 months to 12 months) period respectively.

The effective interest rate on fixed deposits with licensed banks of the Group and of the Company ranged from 1.85% to 5.45% and at 3.65% (2023: 2.85% to 3.95% and 3.78% to 3.95%) per annum respectively.

The fixed deposits of the Group with a licensed bank amounting to RM1,741,424 (2023: RM1,693,029) are pledged to licensed bank as security for bank guarantee facilities granted to subsidiary companies.

Notes to the Financial Statements

30 June 2024

11. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at banks	8,555,133	22,439,099	129,437	119,284
Short term deposits with a licensed bank	600,000	700,000	-	-
	9,155,133	23,139,099	129,437	119,284

The interest rates and the maturity of short term deposits were as follows:-

	Group		Company	
	2024	2023	2024	2023
Interest rate (%)	1.90 – 1.95	1.75 – 2.75	-	-
Maturity (days)	7 – 35	7 – 92	-	-

12. SHARE CAPITAL

	2024 Unit	2024 RM	2023 Unit	2023 RM
Group and Company				
Issued and fully paid-up with no par value:-				
Ordinary shares				
At beginning and end of the financial year	681,617,400	146,565,776	681,617,400	146,565,776

13. MERGER DEFICIT

The merger deficit arose from the acquisition of subsidiary companies.

14. REVALUATION RESERVE

The revaluation reserve arose from the revaluation of land and building and is not available for distribution as dividends.

15. UNAPPROPRIATED PROFIT

The entire unappropriated profit of the Company is available for distribution as single-tier dividends to the shareholders of the Company.

Notes to the Financial Statements

30 June 2024

16. DEFERRED TAX LIABILITIES

	Group	
	2024 RM	2023 RM
At beginning of financial year	3,813,332	2,438,171
Transferred to profit or loss (Note 24)	(272,518)	984,680
Change in revaluation assets (Note 24)	-	428,001
Addition through acquisition of a subsidiary company (Note 5)	1,364,828	-
Realisation of liabilities upon depreciation of revalued assets (Note 24)	(50,856)	(37,520)
At end of financial year	4,854,786	3,813,332

The balance in the deferred tax liabilities is made up of temporary differences arising from:-

	Group	
	2024 RM	2023 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	2,823,343	1,644,398
Unrealised gain on foreign exchange	(25,196)	128,239
Inventories written down	8,000	(102,000)
Revaluation of land and building	2,048,639	2,142,695
	4,854,786	3,813,332

Deferred tax assets not recognised

As at financial year end, the estimated amount of deferred tax assets which has not been recognised in the financial statements are as follows (stated at gross amount):-

	Group	
	2024 RM	2023 RM
Unabsorbed reinvestment allowances	2,344,000	-
Other temporary differences	1,487,000	1,454,000
	3,831,000	1,454,000

Deferred tax assets have not been recognised in respect of unabsorbed reinvestment allowances because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Deferred tax assets have not been recognised in respect of deductible temporary differences as the Directors do not consider the tax effects to be significant.

Notes to the Financial Statements

30 June 2024

17. LEASE LIABILITIES**17.1 Group as lessee**

The Group has lease contracts for various items of land and hostel premises used in its operations. Leases of hostel premises generally has lease terms of 1 to 5 years with extension options of 1 to 3 years and leasehold land has remaining lease term of 45 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has lease of office equipment which is under variable lease payments type.

17.1.1 Lease liabilities are presented in the statements of financial position as follows:-

	Group	
	2024 RM	2023 RM
Current	409,045	291,805
Non-current	379,143	463,266
	788,188	755,071

17.1.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:-

	Group	
	2024 RM	2023 RM
At beginning of financial year	755,071	409,437
Addition	423,441	177,892
Addition through acquisition of a subsidiary company	25,421	427,038
Accretion of interest	47,874	44,823
Modification of lease	90,120	-
Lease payments		
- principal portion	(505,865)	(256,776)
- interest portion	(47,874)	(44,823)
Termination of lease liabilities	-	(2,520)
At end of financial year	788,188	755,071

Notes to the Financial Statements

30 June 2024

17. LEASE LIABILITIES (CONT'D)

17.1 Group as lessee (cont'd)

17.1.3 Lease payments not recognised as a liability

Variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred including excess use charges on photocopier machine. Variable payment terms are used for a variety of reasons, including minimising costs for equipment with infrequent use. Variable lease payments are expensed in the period they are incurred.

The expense relating to payments not included in the measurement of the lease liabilities is as follows:-

	Group	
	2024 RM	2023 RM
Lease payments not recognised as liability:-		
- Variable lease payments	9,579	4,206
- Short-term lease payments	153,000	102,000
Total amount recognised in profit or loss	162,579	106,206

17.1.4 Lease information

Lease imposes a restriction that the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over hostel, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised on statements of financial position:-

Type	Number of right-of-use assets leased	Range of remaining term	Number of lease with extension options
2024			
Leasehold land	1	45 years	-
Hostel premises	12	8 – 53 months	7
2023			
Leasehold land	1	46 years	-
Hostel premises	8	12 – 42 months	7

Notes to the Financial Statements

30 June 2024

17. LEASE LIABILITIES (CONT'D)**17.2 Group as lessor**

The Group has entered an operating lease on its investment property. This lease has a term of seven months with a further term of six months.

Future minimum rentals receivable under non-cancellable leases as at 30 June are as follows:-

	Group
	2024
	RM
Within 1 year	412,800

Material accounting policy information

The Group elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) and low-value assets. Payments made under such leases are expensed on a straight-line basis. The Group apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

18. LOANS AND BORROWINGS

	Group	
	2024	2023
	RM	RM
Secured:		
<u>Non-current</u>		
Term loan	-	66,690
<u>Current</u>		
Term loan	-	40,894
Bank overdraft	380,591	-
	380,591	107,584

Notes to the Financial Statements

30 June 2024

18. LOANS AND BORROWINGS (CONT'D)

Term loan

The term loan of the Group was secured by:-

- i) 70% guaranteed by the Government of Malaysia under Bank Negara Malaysia's Fund for Small and Medium Enterprise – All Economic Sectors Facility;
- ii) Jointly and severally guaranteed by a director of a subsidiary of the Group for RM200,000.

Bank overdraft

The bank overdraft of the Group with a limit of RM600,000 obtained from a licensed bank is for working capital purpose. Interest is charged at 0.40% above the bank's base lending rate per annum on daily rests.

The bank overdraft was secured by:-

- i) A first party legal charge over certain freehold land and buildings as disclosed in Note 3 to the Financial Statements;
- ii) Jointly and severally guaranteed by previous directors of a subsidiary of the Group.

Bank overdraft of the Group was an addition through acquisition of a subsidiary during the financial year. As of the reporting date, the overdraft facilities were still jointly and severally guaranteed by previous directors and the process to discharge the guarantee is still in progress.

19. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases. The credit terms granted to the Group ranged from cash terms to 90 days (2023: cash terms to 120 days).

Notes to the Financial Statements

30 June 2024

20. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-current</u>				
Non-trade payable	-	200,000	-	200,000
<u>Current</u>				
Non-trade payables	727,085	1,157,119	387,578	404,786
Deposit received	197,500	336	-	-
Accrual of expenses	1,424,173	3,205,501	152,120	101,120
Advance received from tenant	1,600	-	-	-
	2,350,358	4,362,956	539,698	505,906
	2,350,358	4,562,956	539,698	705,906

21. AMOUNT DUE TO A RELATED PARTY

Related party is a company in which certain Directors have substantial financial interests.

The amount due to a related party is unsecured, bears no interest and repayable upon demand.

22. REVENUE**22.1 Revenue for the Group**

Revenue for the Group comprise of revenue from contract with customers.

Disaggregation of revenue from contract with customers

Revenue from contracts with customers is disaggregated by major products, primary geographical markets and timing of revenue recognition as follows:-

Group	2024 RM	2023 RM
Major products and services		
Filter media and mesh	35,463,188	70,657,208
General merchandise goods	23,732,736	37,534,623
Hardware products	10,317,958	10,545,452
Printing of labels and stickers and customised converting services	36,442,607	35,174,987
	105,956,489	153,912,270

Notes to the Financial Statements

30 June 2024

22. REVENUE (CONT'D)

22.1 Revenue for the Group (cont'd)

Disaggregation of revenue from contract with customers (cont'd)

Revenue from contracts with customers is disaggregated by major products, primary geographical markets and timing of revenue recognition as follows (cont'd):-

Group	2024 RM	2023 RM
Primary geographical markets of the customers		
Northern region	497,495	250,365
Central region	1,617,040	401,678
Southern region	87,595,442	130,839,580
Overseas (outside Malaysia)	16,246,512	22,420,647
	105,956,489	153,912,270
Timing of revenue recognition		
Products transferred at a point in time	105,956,489	153,912,270

Transaction prices allocated to the remaining obligations

The Company applies the practical expedient for exemption on disclosure of information on remaining performance obligations that have original expected durations of the one year or less.

22.2 Revenue for the Company

Company	2024 RM	2023 RM
Dividend income	15,632,349	20,448,548

Notes to the Financial Statements

30 June 2024

23. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration related to:				
Statutory audits - current year				
- Grant Thornton Malaysia PLT	171,000	139,000	68,000	40,000
- Other auditors	31,536	9,000	-	-
Statutory audits - prior year				
- Other auditors	-	450	-	-
Assurance-related services				
- Grant Thornton Malaysia PLT	10,000	10,000	10,000	10,000
Other services				
- Local affiliate of Grant Thornton Malaysia PLT	31,900	53,300	3,300	3,000
- Other auditors	16,740	9,950	13,500	5,000
Allowance for impairment loss on investment in a subsidiary company	-	-	2,097,293	132,542
Depreciation of property, plant and equipment	3,160,358	2,697,845	-	-
Depreciation of right-of-use assets	674,634	509,829	-	-
Depreciation of investment property at cost	68,807	-	-	-
Impairment loss on goodwill	1,961,260	-	-	-
Short term lease payment	153,000	102,000	-	-
Variable lease payment	9,579	4,206	-	-
Distribution income from other investments	(50,822)	-	(5,222)	-
Gain on fair value of other investments	(3,182,361)	(1,009,542)	(157,259)	(105,226)
Gain on disposal of other investments	(92,272)	(96,238)	(7,119)	(5,250)
Gain on disposal of property, plant and equipment	(156,252)	(141,646)	-	-
Gain on early termination of lease liabilities	-	(1,158)	-	-
Property, plant and equipment written off	1,322	-	-	-
Realised gain on foreign exchange	(372,667)	(684,823)	-	-
Reversal of impairment loss on investment in a subsidiary company	-	-	(132,542)	-
Unrealised loss/(gain) on foreign exchange	426,230	(513,287)	-	-

Notes to the Financial Statements

30 June 2024

24. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current year's tax expense	6,700,973	9,602,912	216,090	273,000
Over provision of current tax expense in prior financial year	(140,947)	(1,038,636)	(332)	(8,288)
Transferred from deferred tax liabilities (Note 16)	(272,518)	984,680	-	-
Realisation of deferred tax liabilities upon depreciation of revalued assets (Note 16)	(50,856)	(37,520)	-	-
	6,236,652	9,511,436	215,758	264,712

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

Recognised in other comprehensive income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revaluation of land and building (Note 16)	-	428,001	-	-

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	26,521,915	39,582,419	13,971,603	20,842,079
Tax expense at Malaysian statutory tax rate of 24% (2023: 24%)	6,365,260	9,499,781	3,353,185	5,002,099
Tax effects in respect of:-				
Expenses not deductible for tax purposes	279,128	498,323	655,381	205,081
Income not subject to tax	(165,331)	(228,177)	(3,792,476)	(4,934,180)
Deferred tax (liabilities)/assets not recognised	(32,812)	201,857	-	-
Realisation of deferred tax liabilities upon depreciation of revalued assets	(50,856)	(37,520)	-	-
Utilisation of deferred tax asset previously not recognised	(9,183)	-	-	-
Overprovision of tax expense in prior financial year	(140,947)	(1,038,636)	(332)	(8,288)
(Over)/Under provision of deferred tax liabilities in prior financial year	(8,607)	615,808	-	-
	6,236,652	9,511,436	215,758	264,712

Notes to the Financial Statements

30 June 2024

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs	15,415,462	17,222,177	-	-

Employee benefits expense of the Group and the Company consists of, amongst others, the following items:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' remuneration				
<u>Executive directors</u>				
- Salary	1,857,000	1,680,000	-	-
- EPF	382,490	683,312	-	-
- Employment Insurance Scheme ("EIS")	304	296	-	-
- Bonus	1,323,779	4,006,652	-	-
- Social Security Contribution ("SOCSO")	3,814	3,718	-	-
<u>Non-executive directors</u>				
- Fee	168,480	168,480	168,480	168,480
- Other benefits	33,000	30,000	33,000	30,000
Defined contribution plan - Staff EPF	880,736	814,282	-	-
Other key management personnel remuneration				
- Salary, allowance and commission	1,094,603	1,207,642	-	-
- EPF, SOCSO and EIS	158,792	167,407	-	-
- Bonus	129,125	150,850	-	-

26. RELATED PARTY DISCLOSURES

(a) The transactions of the Group and of the Company with the related parties were as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with Directors' related companies:-				
- sales of goods	417	992	-	-
- services received	1,895	11,470	-	-
- other expenses charged by	512	-	-	-
Transactions with subsidiary companies:-				
- advance to	-	-	15,000	-
- dividend income received	-	-	15,632,349	20,448,548
- expenses paid on behalf for	-	-	2,788	18,146
- expenses paid on behalf by	-	-	584,000	-
- payment on behalf for purchase of property, plant and equipment	-	-	10,584,000	5,169,329
Transactions with key management personnel:-				
- rental of hostel charged by	90,000	48,500	-	-

Notes to the Financial Statements

30 June 2024

26. RELATED PARTY DISCLOSURES (CONT'D)

- (b) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 5 and 21 to the Financial Statements.
- (c) The remuneration of key management personnel is disclosed in Notes 23 and 25 to the Financial Statements. Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company. Other key management personnel comprise persons other than the Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

27. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) Capital commitments in respect of the following is not provided for in the Financial Statements:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Authorised and contracted for:-				
- Factory building	-	10,000,000	-	-

On 24 June 2023, the Group entered into a sale and purchase agreement for the acquisition of a factory building and the acquisition has been completed during the year ended 30 June 2024 and resulted an increase in property, plant and equipment.

- (b) The corporate guarantees are as follows:-

	Company	
	2024 RM	2023 RM
Unsecured:-		
Corporate guarantees given to licensed financial institutions for credit facilities granted to subsidiary companies - limit	21,315,000	21,315,000

The corporate guarantees do not have determinable effect on the terms of the credit facilities due to the banks requiring guarantee as a pre-condition for approving the credit facilities granted to the subsidiary companies. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities and contract bond amount received by the subsidiary companies. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS**Categories of financial instruments**

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

- a) Financial assets and financial liabilities measured at amortised cost ("AC")
b) Financial assets measured at fair value through profit or loss ("FVTPL")

	Carrying amount RM	FVTPL RM	AC RM
Group			
2024			
Financial assets			
Trade receivables	23,962,790	-	23,962,790
Other receivables	919,391	-	552,236
Other investments	112,899,167	112,899,167	-
Fixed deposits with licensed banks	25,910,764	-	25,910,764
Cash and bank balances	9,155,133	-	9,155,133
	172,847,245	112,899,167	59,580,923
Financial liabilities			
Trade payables	5,900,851	-	5,900,851
Other payables	2,350,358	-	2,335,010
Loans and borrowings	380,591	-	380,591
	8,631,800	-	8,616,452
2023			
Financial assets			
Trade receivables	24,951,009	-	24,951,009
Other receivables	2,269,233	-	1,175,166
Other investments	51,003,712	51,003,712	-
Fixed deposits with licensed banks	70,277,114	-	70,277,114
Cash and bank balances	23,139,099	-	23,139,099
	171,640,167	51,003,712	119,542,388
Financial liabilities			
Trade payables	5,503,790	-	5,503,790
Other payables	4,562,956	-	4,562,956
Amount due to related party	239	-	239
Loans and borrowings	107,584	-	107,584
	10,174,569	-	10,174,569

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (cont'd)

The table below provides an analysis of the financial instruments categorised as follows (cont'd):-

- a) Financial assets and financial liabilities measured at amortised cost ("AC") (cont'd)
- b) Financial assets measured at fair value through profit or loss ("FVTPL") (cont'd)

	Carrying amount RM	FVTPL RM	AC RM
Company			
2024			
Financial assets			
Other receivables	205,010	-	186,193
Other investments	3,266,300	3,266,300	-
Fixed deposits with licensed banks	15,000,000	-	15,000,000
Cash and bank balances	129,437	-	129,437
	18,600,747	3,266,300	15,315,630
Financial liabilities			
Other payables	539,698	-	539,698
Amount due to a subsidiary company	2	-	2
	539,700	-	539,700
2023			
Financial assets			
Other receivables	1,281,701	-	412,655
Amount due from subsidiary companies	25,397	-	25,397
Other investments	1,506,700	1,506,700	-
Fixed deposits with licensed banks	33,000,000	-	33,000,000
Cash and bank balances	119,284	-	119,284
	35,933,082	1,506,700	33,557,336
Financial liabilities			
Other payables	705,906	-	705,906
Amount due to a subsidiary company	2	-	2
	705,908	-	705,908

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)**Net gains/(losses) arising from financial instruments**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net gains/(losses) on:-				
- Financial assets categorised as AC	1,586,871	3,733,267	798,311	1,164,951
- Financial assets categorised as FVTPL	3,325,455	1,105,780	169,600	110,476
- Financial liabilities categorised as AC	(36,057)	508,819	-	-
	4,876,269	5,347,866	967,911	1,275,427

Included in gains/(losses) on financial instruments categorised as amortised cost are:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total interest income for financial assets at AC	1,634,828	2,996,606	798,311	1,164,951
Total interest expenses for financial liabilities at AC	(39,828)	(4,055)	-	-

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk.

Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

(a) Foreign currency risk

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

The Group is exposed to foreign currency risk on those transactions that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Swiss Franc ("CHF").

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

Based on carrying amounts as at the reporting date, foreign currency denominated financial assets and financial liabilities which expose the Group to currency risk are disclosed below:-

	USD RM	SGD RM	CHF RM
Group			
2024			
Financial assets			
Trade receivables	4,576,479	9,322	-
Fixed deposit with licensed bank	9,169,340	-	-
Cash and bank balances	1,509,623	8,970	-
	15,255,442	18,292	-
Financial liability			
Trade payables	(198,676)	(51,839)	(201,306)
Net exposure	15,056,766	(33,547)	(201,306)
2023			
Financial assets			
Trade receivables	7,014,865	36,667	-
Cash and bank balances	9,172,708	8,819	-
	16,187,573	45,486	-
Financial liability			
Trade payables	(638,582)	(55,085)	(361,730)
Net exposure	15,548,991	(9,599)	(361,730)

The Company has no foreign currency risk as at 30 June 2024 and 30 June 2023 as all its financial instruments are denominated in Ringgit Malaysia.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)**Risk management objectives and policies (cont'd)**

(a) Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit in regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate, RM/SGD exchange rate and RM/CHF exchange rate with 'all other things are being equal'.

It assumes a +/- 6.46% (2023: 12.63%) change of the RM/USD, RM/SGD and RM/CHF exchange rates respectively. The percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency denominated financial instruments held at each reporting date.

If the RM had strengthened against the USD, SGD and CHF by 6.46% (2023: 12.63%) respectively, this would have the following impact:-

	USD RM	SGD RM	CHF RM	Total RM
Group				
2024	(973,386)	2,169	13,014	(958,203)
2023	(1,963,842)	1,212	45,687	(1,916,943)

If the RM had weakened against the USD, SGD and CHF by 6.46% (2023: 12.63%) respectively, then the impact to profit for the financial year would be the opposite effect.

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposures to foreign currency risk.

(b) Interest rate risk

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

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowing is exposed to the risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(b) Interest rate risk (cont'd)

The Group's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

Interest rate sensitivity

The Group and the Company are exposed to changes in market interest rates through borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's short term placement is considered immaterial.

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

	Group RM	Company RM
2024		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	25,910,764	15,000,000
Short term deposits with licensed banks	600,000	-
	26,510,764	15,000,000
Floating rate instrument		
<u>Financial liability</u>		
Bank overdraft	(380,591)	-
2023		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	70,277,114	33,000,000
Short term deposits with licensed banks	700,000	-
	70,977,114	33,000,000
<u>Financial liability</u>		
Term loan	(107,584)	-

There is no interest rate sensitivity analysis presented as the Group's and the Company's financial instruments held at reporting date as there was no movement in the interest rate of the bank overdraft, and the other financial instruments were not sensitive to change in interest rates.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)**Risk management objectives and policies (cont'd)**

(c) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group and the Company. The Group's and the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Classes of financial assets - carrying amount:-				
Trade receivables	23,962,790	24,951,009	-	-
Other receivables	552,236	1,175,166	186,193	412,655
Amount due from subsidiary companies	-	-	-	25,397
Fixed deposits with licensed banks	25,910,764	70,277,114	15,000,000	33,000,000
Cash and bank balances	9,155,133	23,139,099	129,437	119,284
	59,580,923	119,542,388	15,315,630	33,557,336

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements and none of the carrying amount of financial assets whose terms have been renegotiated that would otherwise be past due or impaired.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

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

	← Allowance for impairment loss →				
	Gross RM	Expected credit loss (individually impaired) RM	Expected credit loss (collectively impaired) RM	Total RM	Net RM
2024					
Within terms	12,103,187	-	-	-	12,103,187
Past due 1 to 30 days	5,297,779	-	-	-	5,297,779
Past due 31 to 60 days	4,480,743	-	-	-	4,480,743
Past due 61 to 90 days	1,671,413	-	-	-	1,671,413
Past due 91 to 120 days	381,988	-	-	-	381,988
Past due more than 120 days	27,680	-	-	-	27,680
	23,962,790	-	-	-	23,962,790
2023					
Within terms	14,265,723	-	-	-	14,265,723
Past due 1 to 30 days	6,625,307	-	-	-	6,625,307
Past due 31 to 60 days	2,782,649	-	-	-	2,782,649
Past due 61 to 90 days	837,423	-	-	-	837,423
Past due 91 to 120 days	101,013	-	-	-	101,013
Past due more than 120 days	364,344	(25,450)	-	(25,450)	338,894
	24,976,459	(25,450)	-	(25,450)	24,951,009

Based on historical information about customer default rates, the management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk concentration profile of the Group's trade receivables as at the reporting date are as follows:-

	2024		2023	
	RM	%	RM	%
Top 3 customers	8,235,551	34	8,727,712	35

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)**Risk management objectives and policies (cont'd)****(c) Credit risk (cont'd)**

In respect of other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

For other receivables, intercompany loans and advances, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. The Company provides unsecured loans and advances to subsidiary companies and monitors the results of the subsidiary companies regularly. As at the end of the reporting period, there was no indication that the loans and advances to the subsidiary companies are not recoverable.

The credit risk for cash and bank balances and fixed deposits with licensed banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantee contracts

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.

	Company	
	2024 RM	2023 RM
Corporate guarantee given to licensed financial institutions for the credit facilities granted to subsidiary companies	21,315,000	21,315,000

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for bank guarantee where the maximum credit risk exposure is the amount of bank guarantee utilised by the subsidiary companies. As at the end of the reporting period, there was no indication that the subsidiary companies would default in payment.

(d) Liquidity risk

Liquidity risk is the risk arising from the Group and the Company not being able to meet their financial obligations due to shortage of funds.

Notes to the Financial Statements

30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

Risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank credit facilities deemed adequate by the management to ensure that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The following table shows the areas where the Group and the Company are exposed to liquidity risk:-

	Group		Company	
	Current	Non-current	Current	Non-current
	Less than 1 year RM	Between 1 to 5 years RM	Less than 1 year RM	Between 1 to 5 years RM
2024				
Non-derivative financial liabilities and lease liabilities				
Trade payables	5,900,851	-	-	-
Other payables	2,341,685	-	539,698	-
Amount due to a subsidiary company	-	-	2	-
Lease liabilities	375,754	452,603	-	-
Loans and borrowings	380,591	-	-	-
Total financial liabilities and lease liabilities	8,998,881	452,603	539,700	
Financial guarantees*	21,315,000	-	21,315,000	-
2023				
Non-derivative financial liabilities and lease liabilities				
Trade payables	5,503,790	-	-	-
Other payables	4,362,956	200,000	505,906	200,000
Amount due to a related party	239	-	-	-
Amount due to a subsidiary company	-	-	2	-
Lease liabilities	390,020	542,904	-	-
Loans and borrowings	45,360	69,421	-	-
Total financial liabilities and lease liabilities	10,302,365	812,325	505,908	200,000
Financial guarantees*	21,315,000	-	21,315,000	-

* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

Notes to the Financial Statements

30 June 2024

29. CAPITAL MANAGEMENT OBJECTIVE

The primary capital management objective of the Group is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to sustain future development of the business. There is no change to the objectives in financial years ended 2024 and 2023.

The Group manages its capital by regularly monitoring its current and expected liquidity requirement and modify the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group and of the Company are as follows:-

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Total equity		220,172,903	213,519,988	148,531,957	148,408,460
Lease liabilities	17	788,188	755,071	-	-
Loans and borrowings	18	380,591	107,584	-	-
Total debt		1,168,779	862,655	-	-
Debt-to-equity ratio		0.005	0.004	-	-

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximately at their fair values due to their short term nature, insignificant impact of discounting or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

	Quoted in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total RM
	Level 1	Level 2	Level 3	
	RM	RM	RM	
Group				
2024				
Financial asset				
Other investments	-	112,899,167	-	112,899,167

Notes to the Financial Statements

30 June 2024

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

	Quoted in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
	RM	RM	RM	RM
Company				
2024				
Financial asset				
Other investments	-	3,266,300	-	3,266,300
Group				
2023				
Financial asset				
Other investments	-	51,003,712	-	51,003,712
Company				
2023				
Financial asset				
Other investments	-	1,506,700	-	1,506,700

31. OPERATING SEGMENT - GROUP

For management purpose, the Group is organised into business units based on its products and has 3 reportable segments, as follows:-

<u>Operating segments</u>	<u>Business activities</u>
Converting	Printing of labels and stickers and customised converting services
Distribution	Distribution of industrial tapes, adhesives and other products
Investment holding	Investment holding

Directors monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated Financial Statements.

Notes to the Financial Statements

30 June 2024

31. OPERATING SEGMENT - GROUP (CONT'D)

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation. Transfer prices between business segments are established on terms and conditions that are mutually agreed upon.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Business segments

	Converting			Distribution			Investment holding			Consolidation adjustments			Consolidated	
	2024 RM	2023 RM		2024 RM	2023 RM		2024 RM	2023 RM		2024 RM	2023 RM	Notes	2024 RM	2023 RM
Revenue:-														
External customers	83,191,083	119,118,625	24,967,542	38,137,851	-	-	-	(2,202,136)	(3,344,206)	105,956,489	153,912,270			
Inter-companies	2,187,399	3,342,306	14,737	1,900	15,632,349	20,448,548	17,834,485	(23,792,754)	A	-	-			
	85,378,482	122,460,931	24,982,279	38,139,751	15,632,349	20,448,548	(20,036,621)	(27,136,960)		105,956,489	153,912,270			
Results:-														
Interest income	681,164	1,281,414	176,188	550,127	798,311	1,164,951	(20,835)	-		1,634,828	2,996,492			
Interest expense	(163,649)	(125,752)	(23,570)	(27,454)	(36)	-	90,517	94,578		(96,738)	(58,628)			
Depreciation of property, plant and equipment	(2,843,536)	(2,708,980)	(116,916)	(126,536)	-	-	(199,906)	137,671		(3,160,358)	(2,697,845)			
Depreciation of right-of-use assets	(1,025,675)	(875,315)	(107,084)	(92,639)	-	-	458,125	458,125		(674,634)	(509,829)			
Depreciation of investment properties	-	-	-	-	(68,807)	-	-	-		(68,807)	-			
Tax expense	(4,526,111)	(7,178,879)	(1,564,035)	(2,067,845)	(215,758)	(264,712)	69,252	-		(6,236,652)	(9,511,436)			
Other non-cash income/ (expenses)	2,636,193	1,651,424	1,020,857	(11,463)	164,378	110,476	-	-	B	3,821,428	1,750,437			
Segment profit	16,305,097	23,467,364	5,869,281	6,463,293	13,907,083	20,461,976	(15,796,198)	(20,321,650)		20,285,263	30,070,983			

Notes to the Financial Statements

30 June 2024

31. OPERATING SEGMENT - GROUP (CONT'D)

Business segments (cont'd)

	Converting RM	Distribution RM	Investment holding RM	Consolidation adjustment RM	Notes	Consolidated RM
2024						
Assets						
Segment assets	156,357,824	42,854,645	165,063,590	(130,031,734)	C	234,244,325
Additions to non-current assets other than financial instruments	1,450,863	71,552	6,770	-	D	1,529,185
Liabilities						
Segment liabilities	7,842,401	803,189	750,706	(1,145,087)	E	8,251,209
2023						
Assets						
Segment assets	152,698,363	36,957,150	154,180,003	(114,940,274)	C	228,895,242
Additions to non-current assets other than financial instruments	2,336,343	51,499	5,072,084	-	D	7,459,926
Liabilities						
Segment liabilities	8,045,908	1,739,671	732,305	(450,899)	E	10,066,985

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- Inter-segment revenues are eliminated on consolidation.
- Other material non-cash (expenses)/income consist of the following items:-

	2024 RM	2023 RM
Reversal of impairment loss of trade receivables	25,450	50,000
Gain on disposal of property, plant and equipment	156,252	141,646
Gain on disposal of other investments	92,272	96,238
Gain on fair value of other investments	3,182,361	1,009,542
Inventories written down	(925,301)	(1,480,324)
Realised gain on foreign exchange	372,667	684,823
Reversal of inventories written down	1,343,957	735,225
Unrealised (loss)/gain on foreign exchange	(426,230)	513,287
	3,821,428	1,750,437

Notes to the Financial Statements

30 June 2024

31. OPERATING SEGMENT - GROUP (CONT'D)**Business segments (cont'd)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

- C. The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2024	2023
	RM	RM
Segment assets	234,244,325	228,895,242
Tax recoverable	1,032,592	75,639
Total assets	235,276,917	228,970,881

- D. Additions to non-current assets other than financial instruments consist of:-

	2024	2023
	RM	RM
Property, plant and equipment	1,529,185	7,459,926

- E. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2024	2023
	RM	RM
Segment liabilities	8,251,209	10,066,985
Lease liabilities	788,188	755,071
Loans and borrowings	380,591	107,584
Tax payable	829,240	707,921
Deferred tax liabilities	4,854,786	3,813,332
Total liabilities	15,104,014	15,450,893

Notes to the Financial Statements

30 June 2024

31. OPERATING SEGMENT - GROUP (CONT'D)

Geographical information

The Group's operation is predominantly carried out in Malaysia as disclosed in Note 22 to the Financial Statements.

Information about major customers

The following is major customers with revenue equal or more than 10% of the Group's total revenue:-

	Segment	Revenue	
		2024 RM	2023 RM
Customer A	Converting	-	58,576,071
Customer B	Converting	17,976,194	-

32. EARNINGS PER ORDINARY SHARE

Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on Group's profit for the financial year attributable to owners of the Company and weighted average number of ordinary shares calculated as follows:-

	Group	
	2024	2023
Profit after tax for the financial year attributable to owners of the Company (RM)	20,285,263	30,070,983
Weighted average number of ordinary shares in issue	681,617,400	681,617,400
Basic earnings per ordinary share (RM)	0.03	0.04

Diluted earnings per ordinary share

Diluted earnings per share is not disclosed as there are no potentially dilutive ordinary shares.

Notes to the Financial Statements

30 June 2024

33. SIGNIFICANT LEGAL CASES DURING THE PERIOD

- 33.1 On 25 November 2021, ATA IMS Berhad ("ATA Group") announced that one of its subsidiary, ATA Industrial (M) Sdn. Bhd. ("ATA") received notices of termination from their major customers.

On 18 April 2023, Intag Industrial Suppliers Sdn. Bhd. ("Intag Industrial") filed a claim against ATA for the sum of RM2,141,255, being the open purchase orders that ATA ordered from Intag Industrial pursuant to purchase orders placed which subsequently failed to take delivery and pay.

On 13 September 2023, the High Court has allowed Intag Industrial's application for summary judgement against ATA and granted Intag Industrial judgement for the sum of RM2,141,255, interest on that sum at the rate of 5% per annum from 9 February 2023 until the date of full settlement and costs of RM3,000.

ATA has appealed to the Court of Appeal against the High Court's decision. Intag Industrial subsequently filed a Noticed of Motion to adduce fresh evidence and the hearing is fixed on 26 November 2024.

ATA's appeal will be dealt with upon the disposal of Intag Industrial's Noticed of Motion. As at the date of reporting, the High Court's Grounds of Judgement are not ready yet, therefore, the hearing of ATA's appeal has not been fixed by the Court of Appeal.

- 33.2 On 23 December 2022, ATA Group announced that two of its subsidiaries, Jabco Filter System Sdn. Bhd. ("Jabco") and Winsheng Plastic Industry Sdn. Bhd. ("WPI") received notices of termination from their major customers. Jabco is a major customer of Intag Industrial. As a result, ATA and Jabco were unable to take delivery of and pay for purchase orders they had previously issued to Intag Industrial. Therefore, Intag Industrial proceeded to file claims against ATA and Jabco.

On 11 April 2023, Intag Industrial, represented by its solicitors, issued and served a notice of demand to Jabco, amounting to RM27,551,305.59 for purchase orders that have not yet been delivered and paid for.

On 15 August 2024, The Board of Directors of MTAG Group Berhad announced that the claim amounts to Jabco has been reduced to RM4,090,165 following the Jabco's directive for Intag Industrial to sell part of the stocks to nominated buyers. The Group has assessed that they have a more than even chance that the dispute will be settled in their favour. As of the financial statements' authorisation date, the litigation filed against Jabco has yet to be finalised and the Court has fixed 30 October 2024 as the date to deliver its decision.

34. EVENT AFTER THE REPORTING PERIOD

On 12 September 2024, the Group was nominated to purchase an agricultural land with industrial zoning for a total consideration of RM10,638,731. The Group's legal representative has paid an earnest deposit of 3% on 18 September 2024 as confirmation. The acquisition is for investment purpose which will result in an increase of investment properties for the financial year ending 30 June 2025.

List of Properties Owned by Group

As at 30 June 2024

No.	Location	Land Area (sq.m.)	Built-up Area (sq. m.)	Existing Use	Tenure	Year of Expiry (for Leasehold)	Approximate Age of Building	Net Book Value as at 30 June 2024 RM'000	Date of Last Revaluation(R)/ Acquisition (A)
1	PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100, Johor Bahru, Johor Darul Takzim	10,000	7,757	Head office, warehouse and manufacturing activities (1-storey detached factory with a 2-storey office annexed)	Leasehold	31-May-69	15 years	17,623	30-Jun-23 (R)
2	No.5, Jalan Bukit 7, Bandar Seri Alam 81750 Masai, Johor Darul Ta'zim	1,115	892.72	Office and production area (Intermediate 1 1/2 storey semi-detached factory)	Freehold	-	13 years	1,989	12-May-23 (R)
3	No.7, Jalan Bukit 7, Bandar Seri Alam 81750 Masai, Johor Darul Ta'zim	1,115	892.72	Office and production area (Intermediate 1 1/2 storey semi-detached factory)	Freehold	-	21 years	1,988	12-May-23 (R)
4	No.37, Jalan Bulit 9, Bandar Seri Alam, 81750 Masai, Johor Darul Ta'zim	201	254.18	Accommodation area, utility area, shop area, store room, and loading bay (Intermediate 1 1/2 storey terraced workshop)	Freehold	-	17 years	598	12-May-23 (R)
5	PLO 228, Jalan Kencana Mas, Kawasan Perindustrial III, 81100 Johor Bahru	8,000	5,061.55	Office, production area, and lorry bay (2-storey office annexed with 1-storey factory and guard house)	Leasehold	27-Apr-69	15 years	10,661	26-Apr-24 (A)
6	Lot 61355 Mukim Of Plentong, District Of Johor Bahru, Johor	8,213	N/A	A parcel of land zoned for industrial use	Freehold	-	-	5,079	3-Feb-23 (R)

Analysis of Shareholdings

As at 24 September 2024

Total Number of Issued Shares : 681,617,400
 Class of Shares : Ordinary Shares
 Voting Rights : One vote for each ordinary share held
 Number of Holders : 6,868

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.072	169	0.000
100 - 1,000	722	10.512	429,300	0.062
1,001 - 10,000	3,181	46.316	18,851,200	2.765
10,001 - 100,000	2,605	37.929	86,426,469	12.679
100,001 - 34,080,869 (*)	353	5.139	150,253,148	22.043
34,080,870 AND ABOVE (**)	2	0.029	425,657,114	62.448
TOTAL	6,868	100.000	681,617,400	100.000

REMARK: * - LESS THAN 5% OF ISSUED SHARES
 ** - 5% AND ABOVE OF ISSUED SHARES

DIRECTORS' INTERESTS IN SHARES AS AT 24 SEPTEMBER 2024

NAME	HOLDINGS	%
CHAW KAM SHIANG	337,001,970	49.441
PUBLIC NOMINEES (TEMPATAN) SDN. BHD.	10,000,000	1.467
PLEGDED SECURITIES ACCOUNT FOR CHAW KAM SHIANG (E-TSA)		
DYANA SOFYA BINTI MOHD DAUD	0	0.000
JASON TAN KIM SONG	0	0.000
LAU CHER LIANG	88,655,144	13.006
LEE TING KIAT	0	0.000
CIMSEC NOMINEES (TEMPATAN) SDN. BHD.	1,038,600	0.152
CIMB FOR LEE TING KIAT (PB)		
SUBTOTAL	436,695,714	64.067

SUBSTANTIAL SHAREHOLDERS AS AT 24 SEPTEMBER 2024

NAME	HOLDINGS	%
CHAW KAM SHIANG	347,001,970	50.909
LAU CHER LIANG	88,655,144	13.006
SUBTOTAL	435,657,114	63.914

Analysis of Shareholdings

As at 24 September 2024

LIST OF TOP 30 HOLDERS AS AT 24 SEPTEMBER 2024

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

NO.	NAME	HOLDINGS	%
1	CHAW KAM SHIANG	336,151,970	49.316
2	LAU CHER LIANG	88,655,144	13.006
3	ANG YAM FUNG	14,446,110	2.119
4	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAW KAM SHIANG (E-TSA)	10,000,000	1.467
5	LAW XIN YEE	3,521,200	0.516
6	ONG CHEE JOON	3,358,000	0.492
7	TOH SIEW PAT	3,300,000	0.484
8	TAN KIM SENG	3,210,000	0.470
9	LAW KIING KIU	2,850,000	0.418
10	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEE HOCK CHUAN (E-BPT)	2,520,000	0.369
11	ONG KENG SENG	2,422,900	0.355
12	TAN KIM SUN	2,000,000	0.293
13	HSBC NOMINEES (ASING) SDN. BHD. JPMSE LUX FOR BUMA-UNIVERSAL-FONDS I	1,972,900	0.289
14	CARTABAN NOMINEES (ASING) SDN. BHD. SSBT FUND 0MK4 FOR TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS	1,648,400	0.241
15	KOH AH KUAN	1,535,000	0.225
16	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG (E-TAI)	1,480,100	0.217
17	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR ER SOON PUAY	1,380,000	0.202
18	PHUN CHIN TUNG	1,290,000	0.189
19	NYEOW CHIN HOCK	1,281,600	0.188
20	ADRIAN GAN CHIA SHUNG	1,260,000	0.184
21	LAU WAI KOK	1,234,100	0.181
22	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW WEI NGEE (7002796)	1,208,400	0.177
23	ONG CHIN KANG	1,100,000	0.161
24	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR LEE TING KIAT (PB)	1,038,600	0.152
25	JEANETTE GOH II-SAN	1,000,000	0.146
26	TAN KIAN YIAN	1,000,000	0.146
27	NG YIN CHEN	995,276	0.146
28	EUGENE TAN YONG JIE	900,000	0.132
29	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAW SIENG TEONG (E-SGM)	900,000	0.132
30	SOO YUIT WENG	900,000	0.132
TOTAL		494,559,700	72.556

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 7th Annual General Meeting (“7th AGM”) of MTAG Group Berhad (“MTAG” or “the Company”) will be conducted fully virtual through live streaming and online meeting platform of TIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website at <https://tiih.online> on **Friday, 29 November 2024 at 10.00 a.m.** or any adjournment thereof, for the following businesses:

AGENDA

Resolution on Proxy Form

ORDINARY BUSINESS

- | | |
|--|--|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2024 and the Reports of the Directors and Auditors thereon. | (Please refer Explanatory Note 1) |
| 2. To approve the Directors' fees of RM64,800 payable to Mr. Lee Ting Kiat, the Independent Non-Executive Chairman for the financial year ending 30 June 2025. | Ordinary Resolution 1
(Please refer Explanatory Note 2) |
| 3. To approve the Directors' fees of RM51,840 payable to Mr. Jason Tan Kim Song, the Independent Non-Executive Director for the financial year ending 30 June 2025. | Ordinary Resolution 2
(Please refer Explanatory Note 2) |
| 4. To approve the Directors' fees of RM51,840 payable to Ms. Dyana Sofya Binti Mohd Daud, the Independent Non-Executive Director for the financial year ending 30 June 2025. | Ordinary Resolution 3
(Please refer Explanatory Note 2) |
| 5. To approve the payment of Directors' benefits payable to the Directors of the Company up to an amount of RM40,000 from the close of 7 th AGM until conclusion of the 8 th AGM in the year 2025. | Ordinary Resolution 4
(Please refer Explanatory Note 3) |
| 6. To re-elect the following Director who is retiring by rotation pursuant to Clause 128 of the Company's Constitution: - | |
| 6.1 Ms. Dyana Sofya Binti Mohd Daud | Ordinary Resolution 5
(Please refer Explanatory Note 4) |
| 7. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 6
(Please refer Explanatory Note 5) |

Notice of Annual General Meeting

SPECIAL BUSINESS

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

8. **AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 7
(Please refer
Explanatory Note 6)

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and the approval of the relevant regulatory authorities (if any), the Directors be and hereby authorised to allot shares in the Company, from time to time, at such price upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may be in their absolute discretion deem fit provided that the aggregate number of shares to be allotted during the preceding 12 months does not exceed the percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted from Bursa Malaysia Securities Berhad (“Bursa Securities”) AND THAT such authority shall continue to be in force until conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting.”

9. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

Ordinary Resolution 8
(Please refer
Explanatory Note 7)

“THAT subject always to the Act, the Constitution of the Company, the ACE Market Listing Requirements (“AMLR”) of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed five per centum (5%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

Notice of Annual General Meeting

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the AMLR and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, AMLR, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or

To deal with the treasury shares in any other manners as allowed by the Act, AMLR, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

10. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

By Order of the Board

MTAG GROUP BERHAD

WONG CHEE YIN (f) (MAICSA 7023530)

(SSM Practicing Certificate No. 202008001953)

Company Secretary

Johor Bahru

Date: 30 October 2024

Notice of Annual General Meeting

NOTES:

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act if the online platform located in Malaysia and all meeting participants including Chairman of the meeting, board members, Key Senior Management and shareholders are to participate in the meeting online.

Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 7th AGM via the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Guide for the 7th AGM and take note of procedure below in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate at this 7th AGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 22 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to Participate at this 7th AGM via RPV or appoint a proxy to Participate on his/her/its behalf.
3. A member entitled to attend and vote at this 7th AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to Participate in his/her/its place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at the 7th AGM of the Company may appoint not more than two (2) proxies to Participate instead of the member at the AGM.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
7. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
8. The appointment of a proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the 7th AGM for further information on electronic submission. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote.

Notice of Annual General Meeting

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. For a corporate member who has appointed a representative instead of a proxy to participate this meeting must request the authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the 7th AGM.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **Wednesday, 27 November 2024 at 10.00 a.m.**

EXPLANATORY NOTES:

Ordinary Business:-

1. **Item 1 of the Agenda - Audited Financial Statements for the year ended 30 June 2024**

This Audited Financial Statements is meant for discussion only as the provision of Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. **Items 2 to 4 of the Agenda**

Ordinary Resolutions 1 to 3: Payment of Directors' Fees

Pursuant to Section 230(1) of the Act, 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 Ordinary Resolutions 1 to 3 are proposed to seek shareholders' approval for the payment of Directors' fees for the financial year ending 30 June 2024.

3. **Item 5 of the Agenda**

Ordinary Resolution 4: Payment of Directors' Benefits

The estimated amount of Directors' Benefits under Ordinary Resolution 4 payable to the Directors from the close of the 7th AGM and until conclusion of the 8th AGM in the year 2025, amounting to RM40,000 comprises of meeting allowances for Non-Executive Directors which was calculated based on the number of scheduled Board's and Board Committees' meetings from the close of the 7th AGM until the 8th AGM in the year 2025.

4. **Item 6.1 of the Agenda**

Ordinary Resolution 5: Re-Election of Director

Please refer to the Statement Accompanying the Notice of AGM for information.

5. **Item 7 of the Agenda**

Ordinary Resolution 6: Re-Appointment of Auditors

The Board has, through the Audit Committee, considered the re-appointment of Messrs. Grant Thornton Malaysia PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 7th Annual General Meeting are disclosed in the Audit Committee Report of the 2024 Annual Report.

Notice of Annual General Meeting

Special Business:-

6. **Item 8 of the Agenda**

Ordinary Resolution 7: Authority to Directors to Allot Shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 7 proposed under Item 8 of the Agenda is for the purpose of granting a renewal of the general mandate and if passed, will provide flexibility to the Company to issue new securities without the need to convene separate general meetings to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fundraising exercise including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration. This authority will commence from the date of this AGM and unless earlier revoked or varied by the shareholders of the Company at a subsequent general meeting, shall expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares of the Company have been issued pursuant to the general mandate obtained at the 6th AGM of the Company held on 24 November 2023, and which will lapse at the conclusion of the 7th AGM.

7. **Item 9 of the Agenda**

Ordinary Resolution 8: Proposed Renewal of Authority for Share Buy-Back

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase up to five per centum (5%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

For further information, please refer to the Statement to Shareholders dated 30 October 2024.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. **Further details of individuals who are standing for election as directors (excluding directors standing for re-election):**

No individual is seeking election as a Director at the 7th AGM of the Company.

2. **Further details of individual who is standing for re-election as director:**

Ms. Dyana Sofya Binti Mohd Daud ("Retiring Director") is standing for re-election as Director of the Company and being eligible, has offered herself for re-election at the 7th AGM. Her profile can be found on page 11 of the Annual Report 2024.

The Nominating Committee ("NC") conducts a Board Evaluation once a year to determine whether the Board of Directors ("the Board") of MTAG Group Berhad ("MTAG" or "the Company"), Board Committees and Directors are performing and discharging their duties effectively. The Board is satisfied with the overall results of the Board Evaluation conducted for the financial year ended 30 June 2024.

The Retiring Director meets the criteria prescribed under Rule 2.20A of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time commitment to effectively discharge her role as Director. The Retiring Director does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries.

The NC has conducted a review and assessment of the Retiring Director in accordance with the Directors' Fit and Proper Policy and is satisfied that they have met the criteria prescribed by the said Policy.

The NC and the Board have also conducted an assessment on the independence of Mr. Jason Tan Kim Song, an Independent Director of the Company and are satisfied that he has complied with the criteria prescribed by the AMLR.

The Board (save for the Retiring Director who has abstained from deliberation on discussions relating to her own re-election) believes that the contribution, commitment and performance of the Retiring Director continues to be valuable and effective, and strongly supports her re-election as Director.

3. **A statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the AMLR of Bursa Securities:**

The general mandate for issue of shares is for the renewal of the general mandate obtained from the members at the 6th Annual General Meeting held on 24 November 2023 and no new shares of the Company have been issued pursuant to the said general mandate.

The purpose of this general mandate is for possible fundraising exercises including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

CDS Account No.	
No. of shares held	

I/We _____ Contact Number: _____
(FULL NAME IN BLOCK LETTERS)

NRIC No./Passport No./Company No. _____ of _____

(FULL ADDRESS)

being a member of **MTAG GROUP BERHAD Registration No. 201801000029 (1262041-V)** hereby appoint:

Full Name	NRIC No./ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And (if more than one (1) proxy)

Full Name	NRIC No./ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 7th Annual General Meeting ("7th AGM") of MTAG Group Berhad will be conducted fully virtual through live streaming and online meeting platform of TIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website at <https://tiah.online> on Friday, 29 November 2024 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2024 and the Reports of the Directors and Auditors thereon.			
Ordinary Business		Resolution	For*	Against*
2.	Payment of Directors' fees of RM64,800 to Mr. Lee Ting Kiat, the Independent Non-Executive Chairman for the financial year ending 30 June 2025.	Ordinary Resolution 1		
3.	Payment of Directors' fees of RM51,840 to Mr. Jason Tan Kim Song, the Independent Non-Executive Director for the financial year ending 30 June 2025.	Ordinary Resolution 2		
4.	Payment of Directors' fees of RM51,840 to Ms. Dyana Sofya Binti Mohd Daud, the Independent Non-Executive Director for the financial year ending 30 June 2025.	Ordinary Resolution 3		
5.	Payment of Directors' benefits up to an amount of RM40,000 from the close of 7 th AGM until conclusion of the 8 th AGM of the Company.	Ordinary Resolution 4		
6.	Re-election of the following Director who is retiring by rotation in accordance with Clause 128 of the Company's Constitution:-			
	6.1 Ms. Dyana Sofya Binti Mohd Daud	Ordinary Resolution 5		
7.	Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
Special Business				
8.	Authority for Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016.	Ordinary Resolution 7		
9.	Proposed Renewal Authority for Share Buy-Back.	Ordinary Resolution 8		

* Please indicate with an "X" in the space provided how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, the *proxy/proxies will vote, or abstain from voting on the resolutions as he/she/they may think fit.

Signed this _____ day of _____

Signature of member (s)/Common Seal**

- ** Manner of execution:**
- If you are an individual member, please sign where indicated.
 - If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
 - If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

- An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, Key Senior Management and shareholders are to participate in the meeting online.

Please fold here to seal

- Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, **"participate"**) remotely at the 7th AGM via the Remote Participation and Voting (**"RPV"**) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Guide for the 7th AGM and take note of procedure below in order to participate remotely via RPV.
- For the purpose of determining who shall be entitled to participate at this 7th AGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 22 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to Participate at this 7th AGM via RPV or appoint a proxy to Participate on his/her/its behalf.
 - A member entitled to attend and vote at this 7th AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to Participate in his/her/its place. A proxy may but need not be a member of the Company.
 - A member of the Company who is entitled to attend and vote at the 7th AGM of the Company may appoint not more than two (2) proxies to Participate instead of the member at the AGM.
 - Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

AFFIX
STAMP

The Share Registrar

MTAG GROUP BERHAD

Registration No. : 201801000029 (1262041-V)

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Please fold here to seal

- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- The appointment of a proxy may be made in a hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for the 7th AGM for further information on electronic submission. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- For a corporate member who has appointed a representative instead of a proxy to Participate this meeting must request the authorised representative to register himself/herself for RPV via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the 7th AGM.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is **Wednesday, 27 November 2024 at 10.00 a.m.**

mtaggroup.com

MTAG
MTAG GROUP BERHAD
Registration No. : 201801000029 (1262041-V)

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