



KEY ALLIANCE GROUP BERHAD

Registration No.: 200301007533 (609953-K)

EMPOWERING INNOVATION, AMPLIFYING IMPACT

Annual Report 2024

CORPORATE OBJECTIVES



Customer Loyalty

Nothing speaks more loudly than delivering inventive ICT solutions that translates into customer success. This is an essential element in the way Key Alliance Group do business and conducts itself.

Continuous Growth

As growth comes from taking smart risks, we believe our experience and knowledge will help us recognize trends and make for a smoother ride in the perilous waves of uncertainty.



Market Leadership

Key Alliance Group Berhad focuses on leading the pack in its chosen fields of competition and continuously adapts to global market request.

Employee Commitment

Motivated and loyal employees make a difference at Key Alliance Group Berhad. Their efforts, contributions and accomplishments are highly valued, and critical to our success.



Corporate Citizenship

Key Alliance Group Berhad will practice the highest standards of honesty and integrity, crucial in earning and retaining loyalty from various stakeholders.

Responsible Profit

Short and long-term profitability will provide resources that allow us to reinvest in new and emerging business opportunities, employees and community.



21st

Annual General Meeting

of Key Alliance Group Berhad



Broadcast Venue

Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.



Date and Time

Friday, 30 August 2024 at 10.30 a.m.



Online Annual Report



For our reports, please scan the QR code or visit <http://www.kag.com.my/agm.php>

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COVER RATIONALE

The Annual Report 2024 cover of Key Alliance Group Berhad ("KAG"), featuring the tagline "EMPOWERING INNOVATION, AMPLIFYING IMPACT," showcases a central focal point from which blue and purple fragments radiate outward. This design symbolises the genesis of innovative ideas and expansive influence. The blue signifies trust and intelligence, while purple represents creativity and ambition, together reflecting KAG's commitment to fostering technological advancements and driving substantial change. The modern, abstract visuals and bold, clean lines underscore the company's professional and forward-thinking approach, effectively communicating its mission and achievements.



The Future of
AUTONOMATION
and
MACHINE LEARNING is here

This central window features a sidebar with a list of items, a top navigation bar with a profile icon, and a main content area with a grid of data. The text is rendered in a clean, sans-serif font, with 'AUTONOMATION' and 'MACHINE LEARNING' in large, bold, white letters.

Ai

This screen shows a stylized white robot head icon on the left and a code editor with syntax-highlighted text on the right. The background is dark with glowing blue and purple accents.

A hand in a white suit sleeve holds a white stylus, pointing at a digital screen. The screen displays code with syntax highlighting. The hand and stylus are highlighted with a white outline.



A digital screen displaying a bar chart with blue bars of varying heights. The chart is set against a dark background with some grid lines.

A digital screen displaying several circular data visualization icons, including a pie chart, a bar chart, and a line graph, each with a different color.

A digital screen displaying a code editor with syntax-highlighted text. The screen is part of a larger interface with other elements visible in the background.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Roy Ho Yew Kee
(Executive Director)

Sandraruben A/L Neelamagham
(Executive Director)

Lee Kien Fatt
(Independent Non-Executive Director)

Yee Yit Yang
(Independent Non-Executive Director)

Dr Azizah Binti Sulaiman
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Committee Chairman:
Lee Kien Fatt

Committee Members:
Yee Yit Yang
Dr Azizah Binti Sulaiman

NOMINATION COMMITTEE

Committee Chairman:
Lee Kien Fatt

Committee Members:
Yee Yit Yang
Dr Azizah Binti Sulaiman

REMUNERATION COMMITTEE

Committee Chairman:
Lee Kien Fatt

Committee Members:
Yee Yit Yang
Dr Azizah Binti Sulaiman

SHARE ISSUANCE SCHEME COMMITTEE

Committee Chairman:
Roy Ho Yew Kee

Committee Members:
Yee Yit Yang
Ong Gim Hai

COMPANY SECRETARIES

CHONG VOON WAH
SSM Practicing Certificate No.:
202008001343
MAICSA 7055003

THAI KIAN YAU
SSM Practicing Certificate No.:
202008001515
MIA 36921

BUSINESS ADDRESS

Lot 18.2, 18th Floor,
Menara Lien Hoe, No. 8
Persiaran Tropicana
47410 Petaling Jaya,
Selangor Darul Ehsan
Tel : +603-7880 7725
Fax : +603-7805 7795
Email : kgroup@kag.com.my
Website : www.kag.com.my

REGISTERED OFFICE

22-09, Menara 1MK
No. 1 Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Tel : +603-2856 7333
Email :
vw.chong@silverocean.com.my

AUDITORS

Messrs Russell Bedford LC PLT (LLP0030621-LCA & AF1237)
Chartered Accountants
Suite 37, Level 21, Mercu 3
No. 3, Jalan Bangsar,
KL Eco City
59200 Kuala Lumpur
Tel : +603-2202 6666
Fax : +603-2202 6688

SHARE REGISTRAR

Shareworks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas,
50480 Kuala Lumpur
Tel : +603-6201 1120
Fax : +603-6201 3121
Email : ir@shareworks.com.my

PRINCIPAL BANKER

Malayan Banking Berhad

STOCK EXCHANGE LISTING

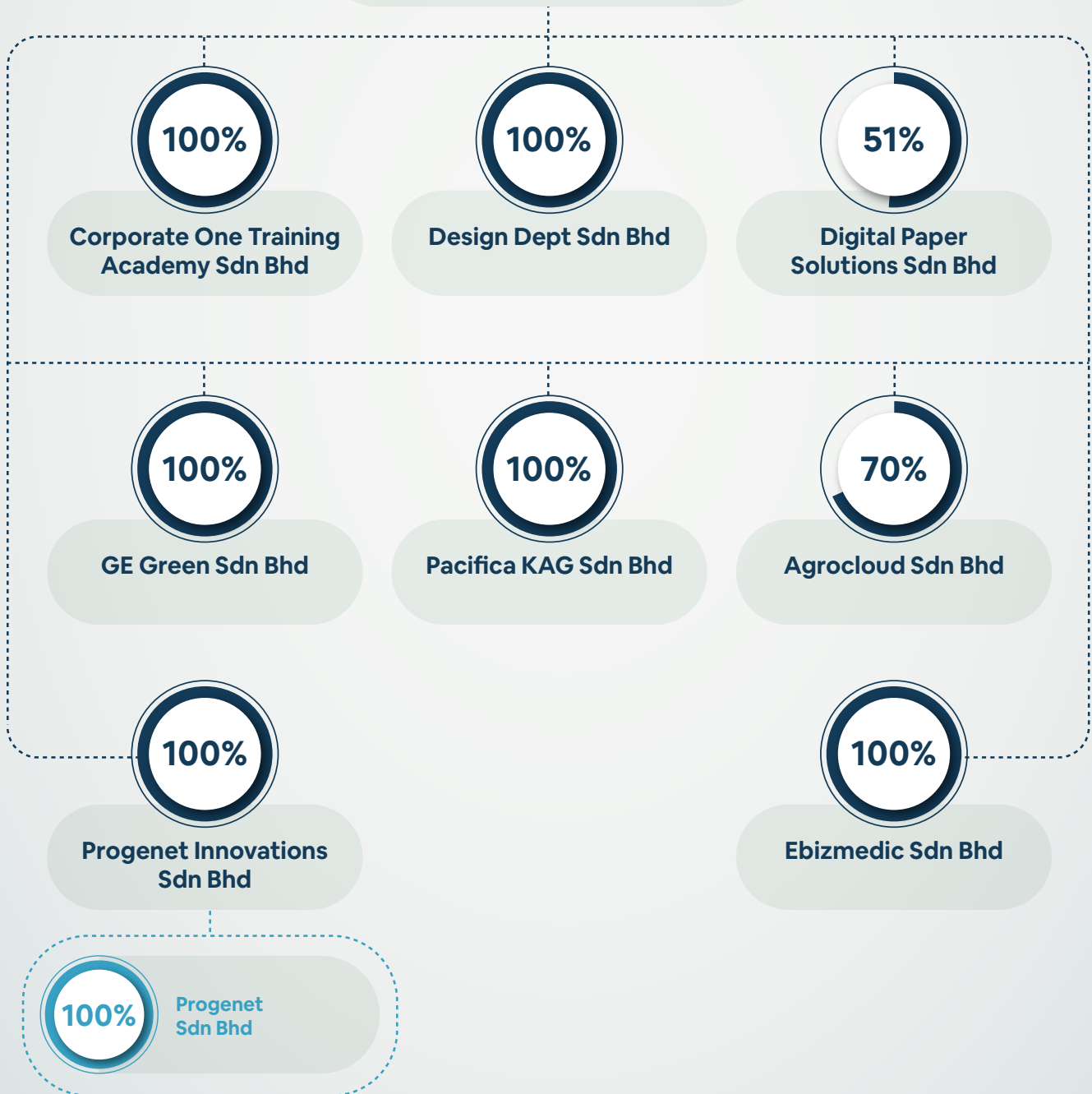
ACE Market of the Bursa
Malaysia Securities Berhad
Stock Name : KGROUP
Stock Code : 0036

CORPORATE STRUCTURE



KEY ALLIANCE GROUP BERHAD

Registration No.: 200301007533
(609953-K)





BOARD OF DIRECTORS' PROFILE



ROY HO YEW KEE

Executive Director



Nationality
Malaysian



Gender
Male



Age
48



Length of Services
(as at 30 June 2024)
12 years 6 months

Mr Roy Ho Yew Kee ("Mr Roy"), was appointed as the Executive Director of Key Alliance Group Berhad ("KAG") on 30 December 2011 and redesignated as a Non-Independent Non-Executive Director on 23 May 2014. On 27 November 2015, he was redesignated as Executive Director and later redesignated as Managing Director on 14 August 2017. On 22 April 2024, he was redesignated to his current position as the Company's Executive Director. Mr Roy is the Chairman of the Share Issuance Scheme Committee. He obtained his Bachelor of Commerce from the Griffith University, Brisbane, Australia. Mr Roy brings over 20 years of financial service and restructuring experience both locally and abroad in various capacities. As Executive Director, he is responsible for strategic direction of the Group, and identifying opportunities for the Group's various business units.

Mr Roy started his career in Australia in 1998, in the financial services industry, joining Hartley Poynton Ltd, a subsidiary of Royal Bank of Canada, where he was trained as a financial advisor, specialising in derivatives and first generation fintech products. He then moved to a boutique trading firm, Tricom Futures Ltd, in 2003, where he set up a trading desk in greenfield markets, specialising in debt instruments, capital raising, equity-linked structures and derivatives.

Other than KAG, Mr Roy also sits on the board of XOX Bhd, Cheetah Holdings Berhad, Komarkcorp Berhad and D'nonce Technology Bhd.



SANDRARUBEN A/L NEELAMAGHAM

Executive Director



Nationality
Malaysian



Gender
Male



Age
37



Length of Services
(as at 30 June 2024)
2 months

Mr Sandraruben A/L Neelamagham ("Mr Sandraruben") was appointed as Executive Director of KAG on 22 April 2024. Mr Sandraruben read law at Universiti Kebangsaan Malaysia (UKM) and was admitted as an advocate and solicitor of the High Court of Malaya in 2011. Additionally, he was also awarded a Diploma in International Commercial Arbitration by The Chartered Institute of Arbitrators on 14 October 2018.

He is the Managing Partner of Messrs Ahmad Deniel, Ruben & Co., a legal practice which he established in 2012 which has now developed into a mid-sized law firm in Malaysia. Apart from being the Managing Partner, he heads the Corporate Department of the firm. He is well versed in a variety of legal practice which include Commercial Litigation, Corporate & Commercial Drafting, Trust & will, Intellectual Property and Construction Law.

He is also a Fellow with The Chartered Institute of Arbitrators (CI Arb) and a

Member of The Malaysian Institute of Arbitrators (MI Arb). Additionally, he is also a registered Trademark Agent with the Intellectual Property Corporation of Malaysia (MyIPO) and a Certified Company Secretary in Malaysia. Along with his corporate advisory work for a number of public listed companies as well as international companies, he has appeared in all tiers of the Malaysia Courts, representing clients in various commercial and civil disputes ranging from tortious liabilities, shareholder disputes and corporate restructuring proceedings.

Mr Sandraruben further holds the position as a Director in Selcare Pharmacy Sdn. Bhd., a subsidiary of SELGATE Corporation Sdn. Bhd., which manages and supplies pharmaceutical products to the network of Selcare Clinic, corporate clients and customers.

Other than KAG, Mr Sandraruben also sits on the board of Heitech Padu Berhad and XOX Technology Berhad.

BOARD OF DIRECTORS' PROFILE



LEE KIEN FATT

Independent Non-Executive Director

 Nationality
Malaysian

 Gender
Male

 Age
57

 Length of Services
(as at 30 June 2024)
6 years 1 month

Mr Lee Kien Fatt ("Mr Lee"), was appointed as Independent Non-Executive Director of KAG on 4 June 2018. He is also the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. Mr Lee is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Mr Lee started his career with an articleship with KPMG in 1987 before joining Group Associated (C&L) Sdn. Bhd. as Finance Manager from 1992 to 1994. After a stint with Ng Tiong Seng Corporation Berhad, he joined United Straits Amalgamated Berhad as Group Financial Controller in 1997. Subsequently, he was appointed as Consultant cum Executive Director of RNC Corporation Berhad in 1999. Mr Lee then left to join as Consultant cum Independent Non-Executive Director

of LBI Capital Berhad in 2003. He also served as an Independent Non-Executive Director of Tenggara Oil Berhad from 2007 to 2008. Currently, Mr Lee is also the Director of Fattco Holdings Sdn Bhd.

Other than KAG, Mr Lee also sits on the board of Niche Capital Emas Holdings Berhad, XOX Networks Berhad and LBI Capital Berhad.



YEE YIT YANG

Independent Non-Executive Director

 Nationality
Malaysian

 Gender
Male

 Age
56

 Length of Services
(as at 30 June 2024)
4 years 7 months

Mr Yee Yit Yang ("Mr Yee") was appointed as Independent Non-Executive Director of KAG on 5 November 2019. He is also a member of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Share Issuance Scheme Committee of the Company. Mr Yee is a member of the Australian CPA and Malaysia Institute of Accountants. He graduated with a Bachelor of Economics (Major: Accounting & Finance) from Latrobe University, Australia.

Mr Yee began his career with Deloitte Tohmatsu, an international accounting firm upon his graduation in Australia in 1990. After spending approximately 3 years with them, he joined the corporate finance division of Affin Investment Bank in which he was involved in various assignments, such as IPO, regional mergers and acquisitions as well as fund raising for both listed and non-

listed companies. After approximately 7 years with Affin Investment Bank, he left to join a leading listed supermarket chain store in Malaysia as Head of Corporate Planning. During his tenure with them, he was instrumental in raising the corporate profile by raising funds for the purpose of acquisition of related business. In 2008, he left the Group to join another listed company, which is principally involved in property investment and health care business as Head of Corporate Finance. During his stay with them, he completed a fund raising exercise to consolidate the property investment division as well as the acquisition of a renowned healthcare company based in the USA. Currently, he is involved in a private corporate consultancy business.

Other than KAG, Mr Yee also sits on the board of AE Multi Holdings Berhad, Joe Holding Berhad and Bioalpha Holdings Berhad.



BOARD OF DIRECTORS' PROFILE



DR AZIZAH BINTI SULAIMAN

Independent Non-Executive Director



Nationality
Malaysian



Gender
Female



Age
53



Length of Services
(as at 30 June 2024)
1 year 1 month

Dr Azizah Binti Sulaiman (“Dr Azizah”) was appointed as Independent Non-Executive Director of KAG on 1 June 2023. She is also a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. Dr Azizah graduated with a Bachelor of Medicine and Surgery (MBBS) from the Manipal Academy of Higher Education (India). She also holds the Letter of Credentialing & Privileging Aesthetic Medical Practice from the Ministry of Health Malaysia.

Dr Azizah completed her housemanship and continued her work in the government sector at Queen Elizabeth Hospital Kota Kinabalu, Sabah. There she trained in multiple disciplines until she decided to specialise in Aesthetic Medicine. Currently, she is the Medical Director of Klinik Cosmedic, she has successfully positioned the clinic as a reputable and trusted provider of

Aesthetic Medical Services. Dr Azizah is also the Vice President of Pertubuhan Doktor Estetik Berdaftar Malaysia (PDEBM).

Other than KAG, Dr Azizah also sits on the board of Komarkcorp Berhad.



NOTES

- (i) All the Directors do not have any family relationship with any Director, Major Shareholder and/or Chief Executive of KAG.
- (ii) None of the Directors have been convicted of any offences other than traffic offences within the past five (5) years, if any.
- (iii) None of the Directors have any conflict of interest with the Company.
- (iv) Details of Directors' attendance at the Board meetings are set out in the Corporate Governance Overview Statement.

KEY SENIOR MANAGEMENT PROFILE

ONG GIM HAI

Executive Director of Progenet Innovations Sdn Bhd



Nationality
Malaysian



Gender
Male



Age
49

Mr Ong Gim Hai (“Mr Ong”) is the Executive Director of Progenet Innovations Sdn Bhd, a wholly-owned subsidiary of the Company. Mr Ong graduated with B.Eng. Bachelor of Engineering in Electrical and Electronic Engineering from the University of Sussex Brighton, UK.

Mr Ong has 20 years of experience in the IT and computer industry, helping multi-nationals to establish and to grow operations in ASEAN ranging from start-ups to established organisations. In January 2004, he joined Mercury Interactive Hewlett-Packard as pre-sales consultant and subsequently being promoted to sales manager in the year 2006 to manage large enterprise account and develop new business within assigned accounts. Mr Ong then joined VMware Inc. in the year 2008 as an enterprise account manager. In 2010, Mr Ong joined Palo Alto Networks as country manager, managing operations in Malaysia. From 2015 to 2016, Mr Ong represented Nutanix Malaysia and Brunei as managing director, managing sales operations in Malaysia and Brunei.

Mr Ong also sits on the board of Jadi Imaging Holdings Berhad as Executive Director. He has no relationship with any other Director, Major Shareholder and/or Chief Executive of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

SIM MEI CHIN


Financial Controller



Nationality
Malaysian



Gender
Female



Age
40

Ms Sim Mei Chin (“Ms Tiffany”) is the Financial Controller of the Group. She graduated with a Bachelor’s Degree in Business Administration from Anglia Polytechnic University, UK. She is also a Chartered Accountant with Malaysian Institute of Accountants (MIA) and a member of Association of Chartered Certified Accountants (ACCA). She has audit and finance experience in different industries. She is currently overseeing the finance, taxation, human resources and administration of the Group.

Ms Tiffany does not hold any directorships in any public listed company. She has no relationship with any other Director, Major Shareholder and/or Chief Executive of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.





KEY SENIOR MANAGEMENT PROFILE


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CHOONG KAI LOON

Channel Director of Progenet Innovations Sdn Bhd


 Nationality
Malaysian


 Gender
Male


 Age
38

Channel Director of Progenet Innovations Sdn Bhd, Mr Choong Kai Loon (“Mr Choong”) graduated with a Bachelor’s Degree in Information Technology from Multimedia University, Malaysia.

Mr Choong spent his early post-graduate years in a fintech company Finexus International Sdn Bhd and eventually ventured into data center and cloud hosting business with Peering One Sdn Bhd before joining Progenet Innovations Sdn Bhd.


He currently oversees the sales and operations for cloud business while assisting existing and new customers in transforming business operations from local hosting to using the latest technology.


Mr Choong does not hold any directorships in any public listed company. He has no relationship with any other Director, Major Shareholder and/or Chief Executive of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.


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WAN MOHAMAD SHAZMAN BIN WAN MUSTAFA

Operation Director of Progenet Innovations Sdn Bhd


 Nationality
Malaysian


 Gender
Male


 Age
31

Mr Wan Mohamad Shazman Bin Wan Mustafa (“Mr Wan”) serves as the Operations Director of Progenet Innovations Sdn Bhd, bringing a wealth of expertise in Data Protection, with a focus on Veritas, Cloud and Microsoft Solutions. With over six years of industry experience, Mr Wan’s profound knowledge and skills have earned him the roles of both Operations and Technical Director at Progenet Innovations Sdn Bhd.

In his leadership capacity, Mr Wan is tasked with defining and steering the strategic goals of Progenet Innovations Sdn Bhd across various domains, including sales, operations, and technical initiatives. He leads multiple high-profile IT projects for prominent clients, ensuring their successful execution.

As Operations Director, Mr Wan’s primary objectives include achieving the Company’s sales targets and enhancing daily operations through practical and sustainable milestones. He emphasizes the importance of synergy across the organisation to maintain smooth and efficient operations.

Mr Wan does not hold any directorships in any public listed company. He has no relationship with any other Director, Major Shareholder and/or Chief Executive of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

KEY SENIOR MANAGEMENT PROFILE

TAN YU WEI

CEO of Design Dept Sdn Bhd

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Nationality
Malaysian



Gender
Male



Age
38

Chief Executive Officer (“CEO”) of Design Dept Sdn Bhd, Mr Tan Yu Wei (“Mr Tan”) graduated with a Bachelor’s Degree in Interior Design from Swinburne University of Technology Melbourne, Australia.

With 16 years of experience in the design & construction industry, Mr Tan began his career at renown design house Quirk & Associates at the age of 21. He started his own practice and co-founded Design Dept in 2008, before joining Key Alliance Group Berhad in 2013.

His scope of work consists of producing concepts for new sites, project road mapping, and general management of the company. He currently heads a young dynamic team.

Mr Tan also sits on the board of Symphony Life Berhad as Independent and Non-Executive Director. He has no relationship with any other Director, Major Shareholder and/or Chief Executive of the Company, no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

CREATING A FUTURE OF **INTELLIGENCE** AND **CONNECTIVITY**





Technology
Human Resources
Design
Marketing
Finance
Sales
Operations
Manufacturing
Supply Chain
Logistics
Engineering
Information Systems
Research & Development

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MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Group's Business and Operations

Principal Activities

The principal activity of Key Alliance Group Berhad ("KAG" or the "Company") is investment holding. Together with its subsidiaries ("KAG Group" or the "Group"), KAG is principally organised into the following reportable segments:



Cloud services, data centre and IT related services

provision of cloud computing services, co-location, disaster recovery and other IT related services;



Construction and renovation

in the business of general builders, contractors, renovations, project management and its related field.

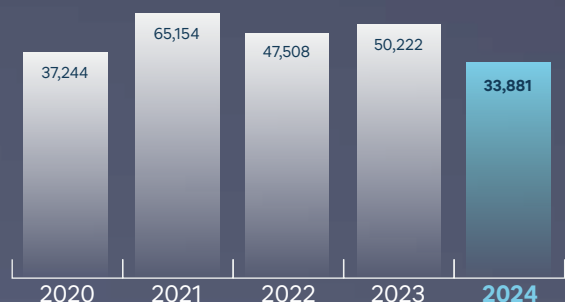
Trading of kitchen appliances, IT and office automation and medical equipment

distributing and reselling of kitchen appliances, IT related products and office automation and services as well as medical equipment and devices; and

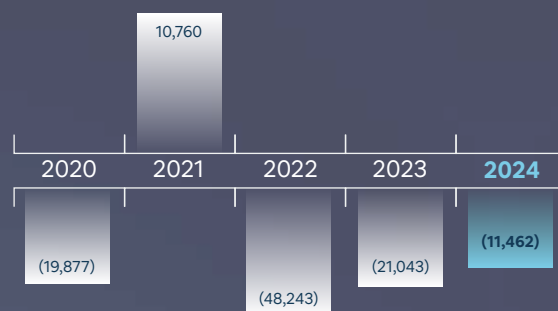


MANAGEMENT DISCUSSION AND ANALYSIS

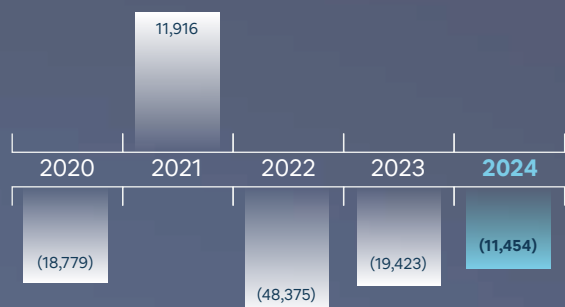
Revenue (RM'000)



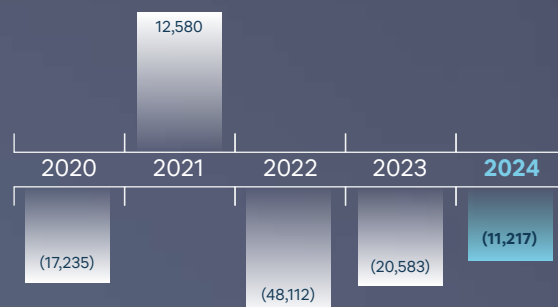
(Loss)/Profit Before Taxation (RM'000)



Operating (Loss)/Profit (RM'000)



Net (Loss)/Profit Attributable To Equity Holders (RM'000)



All in RM (unless stated)	FYE 31 March 2024 (RM'000)	Restated FYE 31 March 2023 (RM'000)	Restated FYE 31 March 2022 (RM'000)	FYE 31 March 2021 (RM'000)	Restated FYE 31 March 2020 (RM'000)
Revenue	33,881	50,222	47,508	65,154	37,244
Operating (loss) / profit	(11,454)	(19,423)	(48,375)	11,916	(18,779)
(Loss) / profit before taxation	(11,462)	(21,043)	(48,243)	10,760	(19,877)
(Loss) / profit after taxation	(11,671)	(21,212)	(48,933)	10,716	(18,639)
Net (loss) / profit attributable to equity holders	(11,217)	(20,583)	(48,112)	12,580	(17,235)
Total assets	141,357	148,500	172,245	222,379	131,481
Total borrowings (including lease liabilities)	8,528	7,249	9,371	17,261	20,149
Shareholders' equity	102,209	113,372	129,067	162,993	57,640
Basic (loss) / earnings per share (sen)	(0.30)	(0.56)	(1.84)	0.77	(2.02)
Net asset per share	0.03	0.03	0.04	0.07	0.10



MANAGEMENT DISCUSSION AND ANALYSIS

Group Financial Review

The Group’s revenue decreased by 32.53% from RM50.22 million in the financial year ended 31 March 2023 (“**FYE 2023**”) to RM33.88 million in the financial year ended 31 March 2024 (“**FYE 2024**”). The lower revenue is primarily attributable to lower contribution from the trading of kitchen appliances, IT and office automation and medical equipment segment resulting from lower demand for the COVID-19 test kits.

The Group recorded a loss after taxation of RM11.67 million in the FYE 2024 as compared to a loss after taxation of RM21.21 million in the FYE 2023. The lower loss after taxation is mainly due to the gain on disposal of RM6.14 million from disposing of Key Alliance Sdn Bhd (a wholly-owned subsidiary of KAG) (“**KASB**”) during the current financial year.

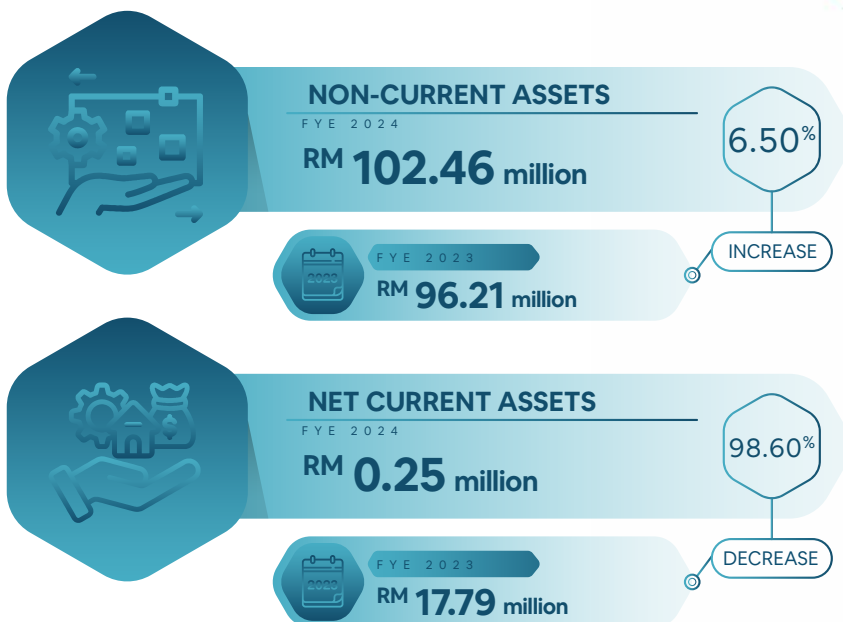
Overview of Financial Position

Total non-current assets of the Group increased from RM96.21 million for the FYE 2023 to RM102.46 million for the FYE 2024, an increase of 6.50%. This is mainly due to the increase in development expenditure arising from developing a telemedicine portal during the FYE 2024.

The net current assets of the Group decreased from RM17.79 million for the FYE 2023 to RM0.25 million for the FYE 2024, a decrease of 98.60%. This is mainly due to the decrease in cash and bank balances by RM13.89 million as cash arising from the higher investment in other investment and the decrease in trade and other receivables of RM2.65 million.

Non-current liabilities (comprised mainly lease liabilities) increased from RM4.24 million in FYE 2023 to RM4.62 million in FYE 2024.

Current liabilities increased from RM34.50 million in FYE 2023 to RM38.64 million in FYE 2024. The increase in current liabilities is mainly due to the increase in trade and other payable and offset by the decrease in contract liabilities resulting from the completion of projects under construction and renovation segment.



MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Cloud services, data centre and IT related services

The cloud services, data centre and IT related services segment recorded a revenue of RM8.28 million for the FYE 2024 as compared to RM8.71 million for the FYE 2023, a decrease of 4.94%. The lower revenue is due to lower customer base being secured by the Company for its cloud, data centre and co-location services during the current financial year. This segment recorded lower loss after taxation of RM3.11 million for the FYE 2024 as compared to loss after taxation of RM3.40 million for the FYE 2023. This is due to the gain on disposal of plant and equipment amounting to RM0.33 million during the current financial year (FYE 2023: Nil) and the secured of one-off project with relatively higher profit margin.

Trading of kitchen appliances, IT and office automation and medical equipment

This segment recorded revenue of RM3.32 million for the FYE 2024 as compared to RM17.02 million for the FYE 2023, a decrease of 80.47%. This is mainly due to the substantial decrease in revenue of trading of medical products during the current financial year COVID-19 test kits saw lower demand. The segment incurred loss after taxation of RM0.55 million for the FYE 2024 as compared to loss after taxation of RM3.77 million for the FYE 2023. The lower loss after taxation was mainly due to lower impairment loss on inventories of RM0.02 million (FYE 2023: RM1.50 million), reversal on the allowance for expected credit loss of RM0.60 million (FYE 2023: RM0.20 million) and no impairment loss on right-of-use asset, plant and equipment is required during the FYE 2024 (FYE 2023: RM0.50 million).

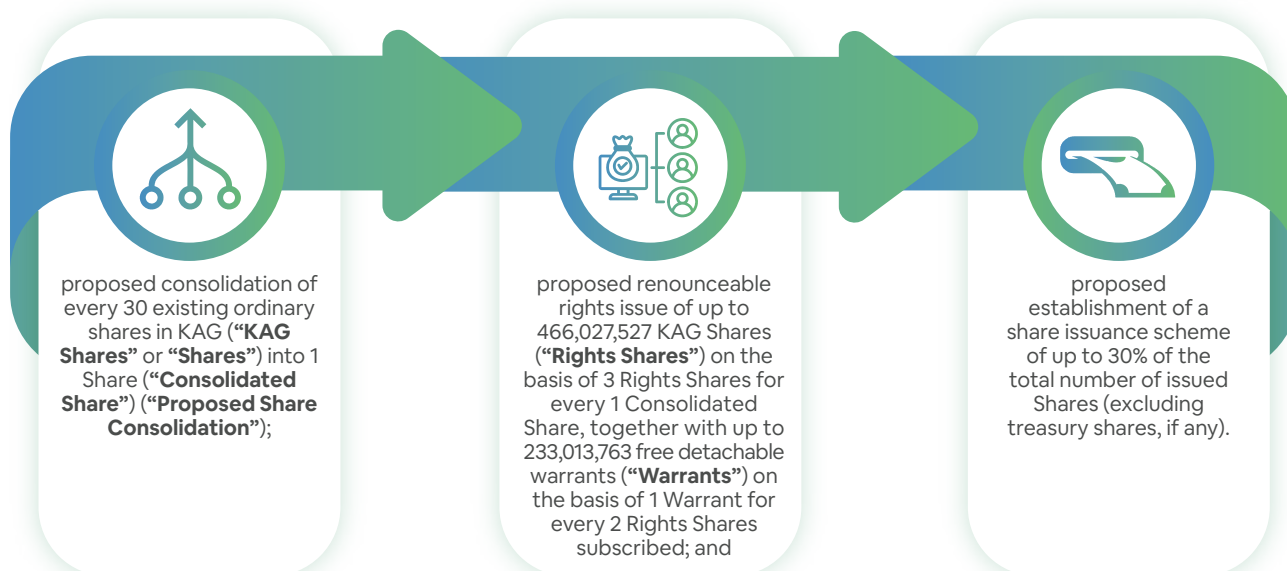
Construction and renovation

This segment recorded revenue of RM22.28 million for FYE 2024 as compared to RM24.49 million for the FYE 2023, a decrease of 9.04%. This is due to the lower construction and renovation work progress billings during the current financial year. This segment incurred a profit after taxation of RM7.78 million for the FYE 2024 as compared to loss after taxation of RM6.90 million for the FYE 2023. This is mainly due to a reversal of impairment loss on receivables of RM7.19 million during the FYE 2024 (FYE 2023: impairment loss on receivables of RM8.04 million).

Corporate Development

Multiple Proposals

On 19 October 2023, TA Securities Holdings Berhad, on behalf of the Company, announced that the Company proposes to undertake the following:





MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review (cont'd)

Disposal of Subsidiary

On 20 March 2024, the Company entered into a share sale agreement to dispose of its 100% equity interest in KASB for a consideration of RM100,000. The disposal was completed on 29 March 2024. Upon completion of the disposal, KASB is no longer subsidiary of the Company.

Proposed Settlement

On 4 June 2024, the Company announced the entering into a settlement agreement with The Pano Sdn Bhd (formerly known as OCR Noble Land (The Pano) Sdn Bhd) (“**PANO**”) for the settlement of total outstanding amount of RM6,754,549.54 owing by PANO to the Company (the “**Debt**”) by way of transferring of 5 units of services residences located within a service residence development known as “**THE PANO**” (“**Properties**”) from PANO to the Company as full and final settlement of the Debt, subject to the terms and conditions of the settlement agreement (“**Proposed Settlement**”).

In conjunction with the Proposed Settlement, the Company had on 4 June 2024 entered into 5 separate sale and purchase agreements (“**SPAs**”) with PANO for the transferring of the Properties to the Company. The aforementioned SPAs and settlement agreement have been completed on 20 June 2024 in accordance with the terms of the said SPAs.

Anticipated or Known Risks

Market competition

Cloud, data centre and IT related services industry and trading industry are always competitive. The Group faces competition from both existing players and new entrants that offer similar products and services. Increased competition could result in revenue erosion and loss of market share, which could materially and adversely affect the Group’s business operations and financial performance.

The Group emphasises on the quality of the products and services provided to the customers. In this regard, the Group hired competent sales staff to serve its clients and also provided professional after sales services to customers to ensure they are satisfied with the Group’s products and services. The management of the Group will remain relevant by leveraging on present and future strategic alliances to create value.

Dependence on key personnel

The Group believes that its continued success will depend upon the abilities, skills, experience, competencies and continued effort of its key management and technical personnel. The loss of any key members of the Group’s management and technical personnel could adversely affect the Group’s business operations and financial performance.

The Group strives to attract and retain qualified personnel who are essential in the support of its operations by providing employee benefits and incentives to ensure a long-term commitment of the key management personnel to the Group.

Apart from this, the Group actively grooms the younger members of its management team by providing the necessary guidance, experience and exposure to prepare them to take over from the senior management team in the future.



MANAGEMENT DISCUSSION AND ANALYSIS

Anticipated or Known Risks (cont'd)

Dependence on order book

The Group's revenue from its construction and renovation segment is dependent on the sustainability and ability to secure new projects and timely replenishment of its order book. There is no assurance of continuity from one project to the next project as construction or renovation contracts are normally awarded on a project-to-project basis.

Depending on the business and economic environment, customers may cancel or delay their projects, which could adversely affect the Group's revenue and future financial performance. In addition, there may also be variation orders by customers in relation to, amongst others, the specification of the contract, contract sum and/or contract period, which may affect the profitability of the Group's projects.

Security risk

Data centres are a vulnerable target given the vast amount of valuable data contained and the Group has taken a holistic approach to data security. The data centre is accredited by ISO 27001 – ISMS to ensure compliance with cyber security and confidentiality requirements. The data centre is built based on a 4-tier security level system which secures client data from potential breaches.

Regulatory and political risk

Any developments in political, economic, regulatory and social conditions could materially affect the Group's financial and business prospects. Other political uncertainties that could unfavourably affect the Group include changes in political leadership, war, economic downturn and changes in economic policies (such as higher / lower interest rates). The management keeps abreast of government policies, rules and regulations and will take necessary actions to ensure compliance and to respond promptly to changes in regulatory, political and economic landscape.

Foreign exchange risks

The Group's business is exposed to foreign exchange risks as purchases for its trading business are mainly denominated in USD whilst sales are mainly denominated in RM. As such, any fluctuation in foreign exchange rates would have an impact on its profitability and financial performance.

The Group negotiates with its suppliers / principals to provide a better rate on the goods purchased in the event USD strengthens against RM. The exposure of foreign currency risk is closely monitored on an on-going basis to ensure that the net exposure is at an acceptable level.





MANAGEMENT DISCUSSION AND ANALYSIS

Outlook and Future Prospects

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic (E&E) and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).

For 2024, headline and core inflation are projected to remain moderate between 2% - 3.5% and 2% - 3%, respectively. These broadly reflect stabilising demand and contained cost pressures, coupled with some potential upside that could arise from the implementation of fuel subsidy rationalisation. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

Growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans, as well as the higher realisation of approved investments. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. Nonetheless, there are upside risks from greater spillover from the tech upcycle, more robust tourism activities and faster implementation of existing and new investment projects.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial markets due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic

changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies and emerging market and developing economies.

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. The increased external uncertainties will pose risks to economic growth. Notwithstanding these challenges, the economy continues reaping the benefits from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, Gross Domestic Products is anticipated to register a growth of approximately 4% in 2023.

In 2024, the wholesale and retail trade subsector will remain as the key contributor to the services sector, underpinned by the expansion in retail segment through digital transactions. In addition, the domestic-oriented industries are backed by higher output in high growth high value (HGHV) industries which will drive the manufacturing sector, in tandem with the implementation of initiatives under the NETR, NIMP 2030 and MTR of the Twelfth Plan as well as Chemical Industry Roadmap 2030. Agriculture sector remains steady partly attributed by expected increase in oil palm production and crude palm oil (CPO) prices. The mining sector is forecast to recover mainly contributed by the new gas field projects such as Gansar, Jerun and Kasawari. Meanwhile, the construction sector continues to grow supported by growth in all subsectors, partly by the increasing demand in renewable and clean energy as well as decarbonisation, in line with the green economy agenda.

“Ekonomi MADANI: Memperkasa Rakyat” was formulated with the utmost priority to serve the rakyat. The framework will serve as a foundation to the recently announced policies, including the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan. In this regard, the Government has envisaged seven targets to be achieved by the country within the next ten years. These initiatives are anticipated to drive the nation’s economy, with a projected growth rate of 4% to 5% in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook and Future Prospects (cont'd)



For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

Cloud services, data centre and IT related services

The outbreak of the COVID-19 pandemic has had a profound impact on businesses worldwide, leading to an accelerated digitalisation of operations. In response to the new normal, many companies are embracing remote working practices, and one technology that has played a crucial role in enabling this transition is cloud computing. Recognising the shift towards cloud technology, the Group has identified cloud and data centre services as a promising business area with growth opportunities that can potentially enhance the Group's financial performance.

Cloud technology migration offers numerous advantages over traditional on-premise solutions, such as improved scalability and enhanced security. As businesses increasingly recognize these benefits, the demand for cloud computing services, co-location, disaster recovery, and other IT-related services, in which the Group specializes, is expected to experience sustained growth.

Through its subsidiary, Agrocloud Sdn Bhd, the Group has been proactively engaging with various potential customers to deliver innovative IT solutions tailored to

their specific needs. In addition to cultivating customer relationships, the Group is actively exploring potential partnerships and investment opportunities to expand its cloud and data centre services. This strategic approach allows the Group to capitalise on the expanding market for cloud technology. While the Group's focus remains on the cloud and data centre services sector, it is also searching for growth opportunities in other business segments.

Trading of kitchen appliances, IT and office automation and medical equipment

In line with the reduction of COVID-19 cases in Malaysia, there has been a noticeable decline in the demand for medical equipment and devices, particularly COVID self-test kits. Upon completion of the disposal of KASB, KASB ceased to be a subsidiary of the Company and the Group is no longer involved in the trading of medical equipment.

Construction and renovation

According to the Economic Outlook 2024, the construction sector is forecast to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. The Group hopes to capitalise on positive developments within the construction industry by proactively exploring and securing new construction projects and replenish its construction order book. The Group recognises the potential for growth and profitability in this recovering market and are committed to leveraging its strengths to capitalise on these opportunities.

The Group maintains a cautious yet optimistic stance on its outlook and prospects and are actively pursuing opportunities to improve its business and generate value for shareholders.

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

ABOUT THIS REPORT

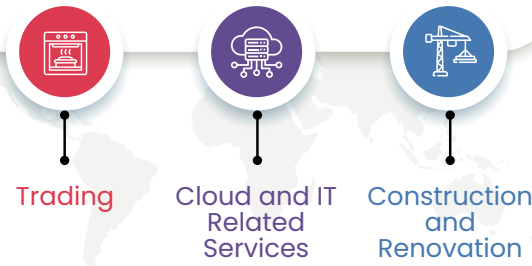
Key Alliance Group Berhad and its subsidiaries (“KAG” or “Group”) is delighted to present its Sustainability Report for the financial year ended 31 March 2024 (“FY2024”).

This Report covers the sustainability strategies, principles, initiatives and performance of KAG for the FY2024 and focuses on the issues that we have determined to be of greatest importance via our materiality assessment. Through this Report, we provide updates on KAG’s sustainability initiatives across our key business units and operations and includes our progress against the commitments we have made, all aimed at operating sustainably and creating sustainable value for our stakeholders.

Our disclosures and practices have evolved over time. Sustainability is an ongoing journey, and our sustainability strategies continue to be our main focus as we strive for a sustainable future for both people and the planet.



Our Core Businesses

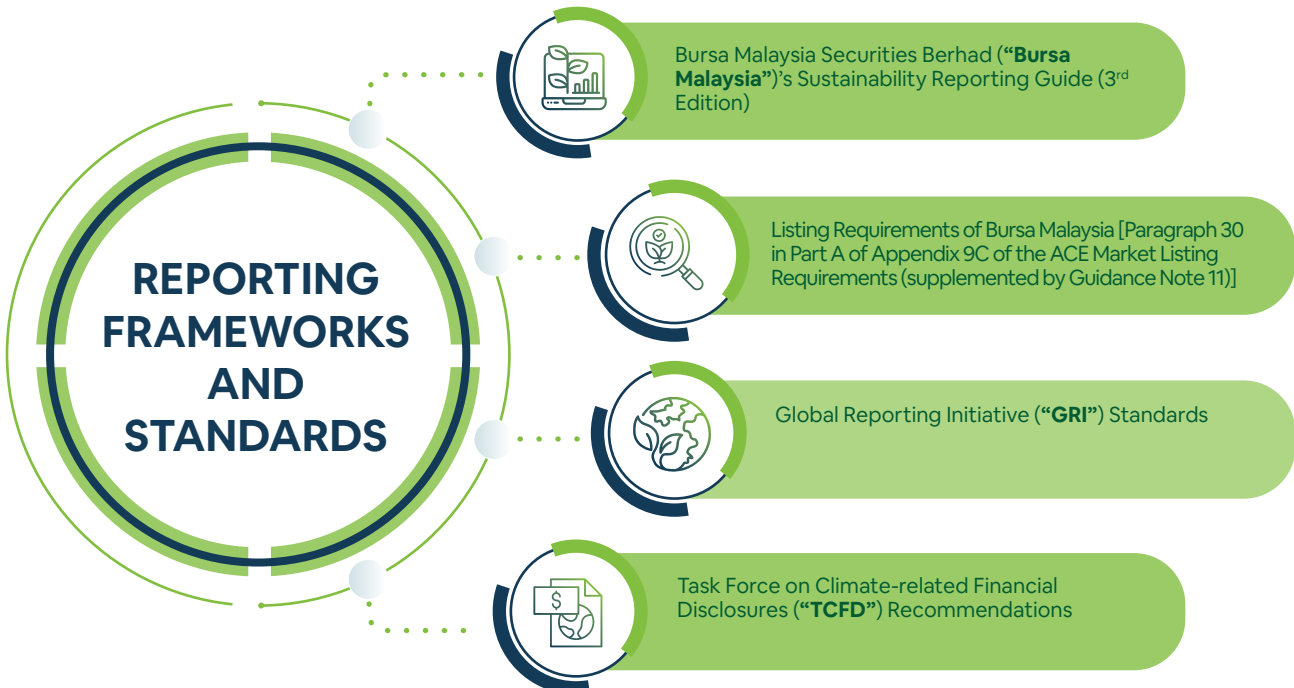


SCOPE AND BASIS OF SCOPE

This Report covers the Group’s sustainability performance and progress of our headquarter and all operations in Malaysia.

REPORTING FRAMEWORKS AND STANDARDS

This Report has been developed according to Bursa Malaysia’s Listing Requirements, with reference to:





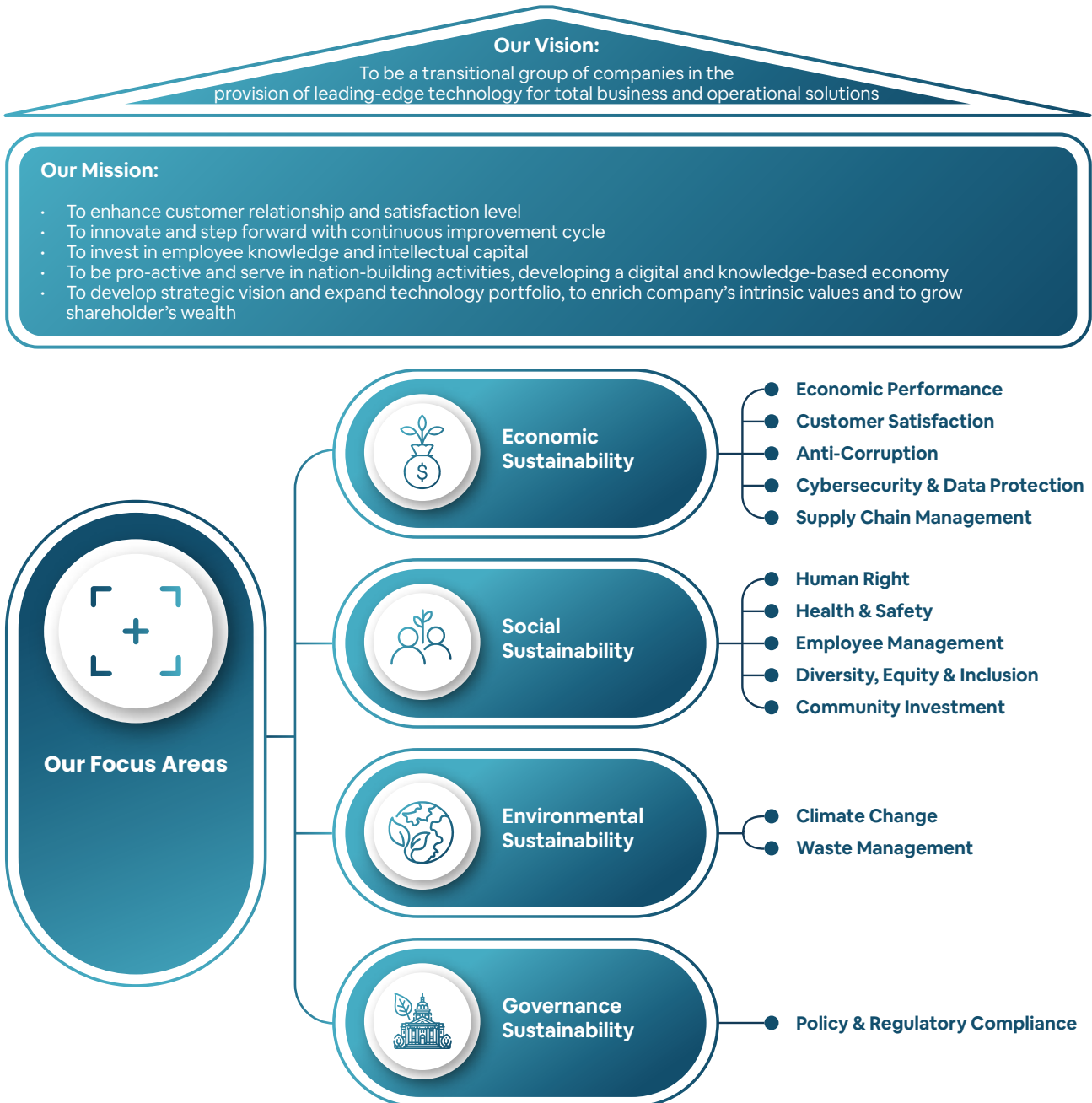
SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORK

KAG has enhanced its sustainability framework to harmonise with our business strategy, guided by the Group’s vision and mission. Our framework aims to address stakeholder needs, minimise environmental footprint, and foster positive contributions to the communities in which we operate.

Our sustainability framework emphasises four key focus areas: Economic Sustainability, Social Sustainability, Environmental Sustainability and Governance Sustainability. We endeavour to achieve specific objectives within each focus area by addressing concerns related to our material matters.



SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

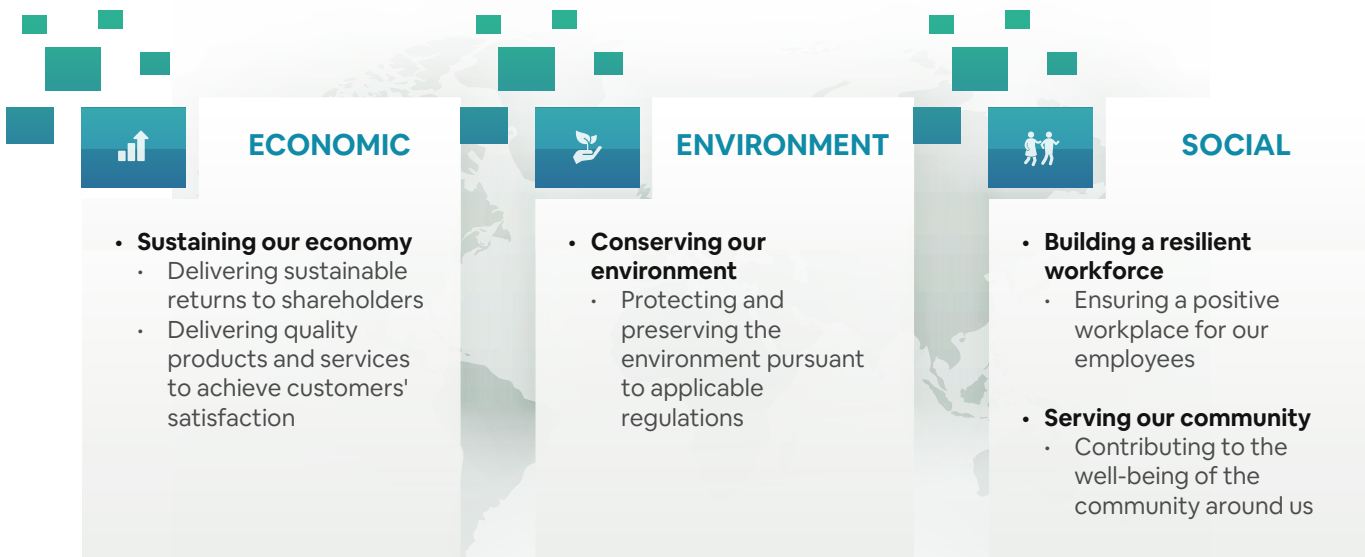
SUSTAINABILITY POLICY

As our organisation expands, our unwavering dedication and enthusiasm towards sustainability have become more pronounced. We have formulated a distinct company philosophy centred on sustainability, which serves as a guiding principle for all decisions concerning the economic and operational aspects of KAG.

OUR POLICY ON SUSTAINABILITY



Sustainability has consistently been a cornerstone of the Group’s culture as we endeavour to attain ongoing growth and profitability within a safe, caring, and sustainable environment. Our mission, as a responsible corporate citizen, is to uphold high standards of governance throughout our business to foster responsible business practices, mitigate environmental impacts, and address the social needs of the communities in which we operate.



SUSTAINABILITY GOVERNANCE

The Group holds the belief that integrity and ethics are fundamental to good governance. They serve as the cornerstone for integrating sustainability goals into our decision-making processes, fostering transparency, managing risks effectively, and driving long-term success.



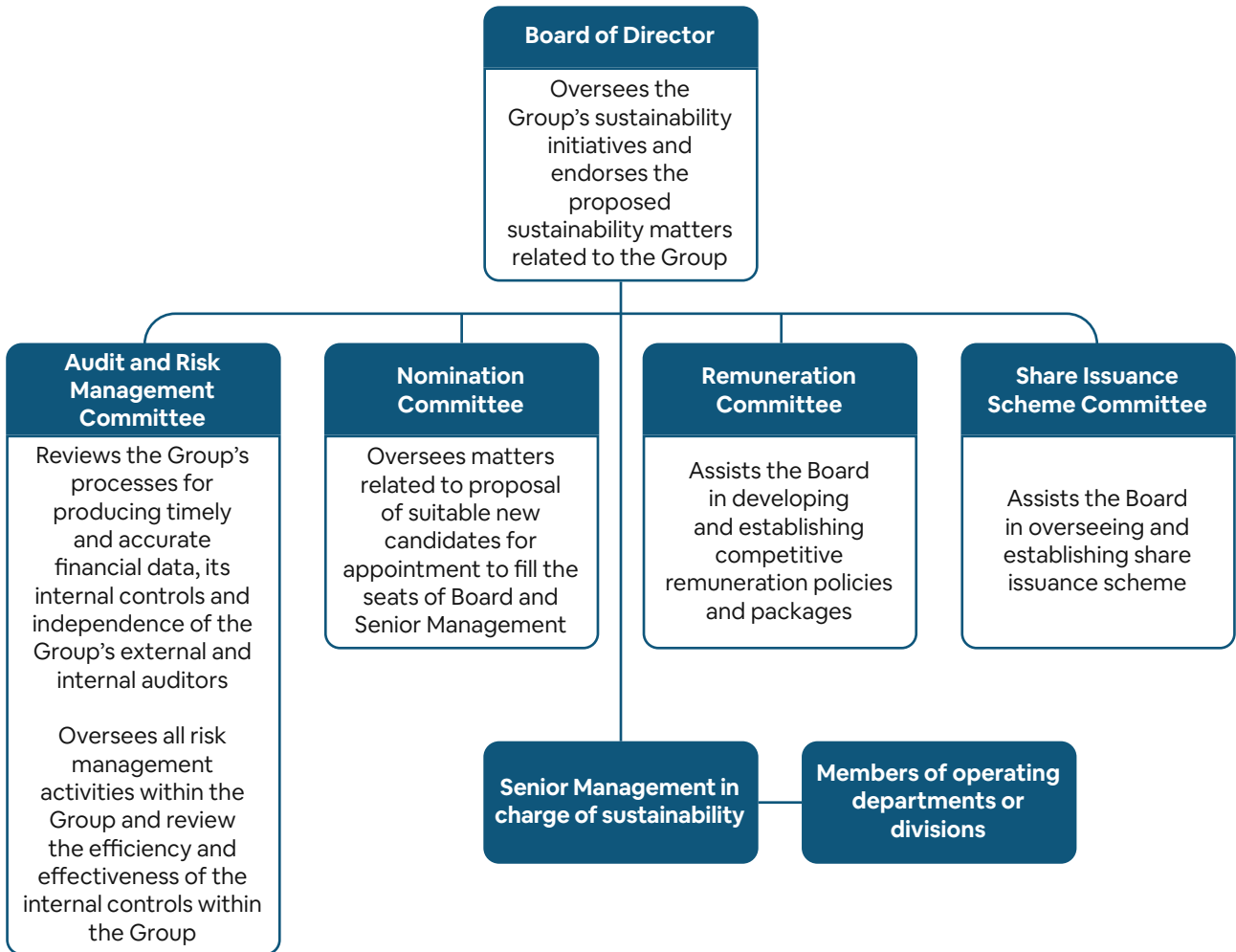
SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

SUSTAINABILITY GOVERNANCE (CONT'D)

The Board is ultimately responsible for the Group’s strategic direction on sustainability while being supported by the respective Board Committees. The structure adopts a top-down approach with strong leadership oversight.

The Board assesses key sustainability material matters that guide our sustainability initiatives. Subsequently, Senior Management is assigned to develop and execute strategies and initiatives related to these matters. They are responsible for reporting the outcomes of sustainability efforts to the Board. Operating departments or divisions provide support to the relevant Senior Management in implementing these tasks.



The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders’ engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

SUSTAINABILITY REPORT





OUR APPROACH TO SUSTAINABILITY (CONT'D)

STAKEHOLDER ENGAGEMENT

Our stakeholders are integral to KAG's ongoing growth and development. Therefore, it's vital that we actively seek to understand their relevant issues and concerns. Our objective is to foster strong, enduring relationships with all stakeholders, meeting their needs and expectations while minimising the impact of our operations for a sustainable future.

Through stakeholder meetings, workshops, and other engagements, we actively cultivate trust and mutual respect in our relationships. This approach allows us to stay informed about relevant societal issues, ensuring that our business strategy aligns with stakeholder concerns and expectations.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

Stakeholders	Engagement Platforms	Area of Interest or Concerns	Our Response
Shareholders, Financiers & Investors 	<ul style="list-style-type: none"> Financial reports and announcements General meetings Annual report Press releases Meetings 	<ul style="list-style-type: none"> Business strategies and future plan Return on investments Financial and operational performance Good management and corporate governance Sustainability initiatives 	<ul style="list-style-type: none"> Timely updates on the Group's strategy and financial performance via announcements Uphold good governance practices across the Group
Government Agencies & Regulators 	<ul style="list-style-type: none"> Compliance to laws and regulations Participation in government and regulatory events 	<ul style="list-style-type: none"> Regulatory compliance Corporate governance practices 	<ul style="list-style-type: none"> Regular review and monitor to ensure full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance
Employees 	<ul style="list-style-type: none"> Internal communications (i.e. emails, messenger and etc.) Workshops and trainings Employee engagement survey Employee engagement events 	<ul style="list-style-type: none"> Business growth and strategic direction Inclusive workplace Remuneration and benefits Career development and upskilling opportunities Occupational safety & health 	<ul style="list-style-type: none"> Promote transparent communication with employees Provide equal employment opportunities without discrimination Offer industry-competitive benefits and remuneration packages Provide relevant upskilling and development opportunities Ensure compliance with Occupational Safety and Health Act
Customers 	<ul style="list-style-type: none"> Customer support channels (i.e. website, email) Regular meetings 	<ul style="list-style-type: none"> Customer satisfactions (i.e. high-quality products and services with minimal defects) Customer experience (i.e. speed of customer service response) Innovative in enhancing the quality of deliverables Consumer data privacy 	<ul style="list-style-type: none"> Adhere to quality standards Adhere to the Personal Data Protection Act 2010



SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholders	Engagement Platforms	Area of Interest or Concerns	Our Response
Suppliers 	<ul style="list-style-type: none"> Regular meetings Quality audit on products and services Contract negotiation Supplier assessment/ performance appraisals 	<ul style="list-style-type: none"> Transparency in procurement processes Business growth and timely payment 	<ul style="list-style-type: none"> Emphasis on provision of transparent procurement processes Timely payment based on credit term
Communities 	<ul style="list-style-type: none"> Community impacts programmes 	<ul style="list-style-type: none"> Community welfare and continued likelihood 	<ul style="list-style-type: none"> Investment in welfare to improve community well-being
Analyst/Media 	<ul style="list-style-type: none"> Media releases or media briefings Financial reports and announcements General meetings 	<ul style="list-style-type: none"> Transparency in communicating information and updates on business performance and initiatives 	<ul style="list-style-type: none"> Provide transparent communication through announcements

MATERIAL MATTERS

As an organisation, we recognise that our material issues can directly and indirectly affect our ability to generate long-term value for our stakeholders. These material matters significantly influence our business strategy and guide our decisions regarding the allocation of resources to address sustainability issues that are deemed important to our stakeholders and our business.

We periodically update the assessment to ensure it remains current, accurate, reflective, and relevant to our businesses. This helps us to align our strategy and day-to-day operation with business needs and create long-term sustainable value to stakeholders.

This year, we conducted an internal assessment, a limited-scale materiality review to prioritise and rank material matters relevant to our businesses and stakeholders. Moving forward, we intend to conduct a more comprehensive materiality assessment, engaging with key stakeholders, and we aim to publish the results in our next report.

Review of material matters - conducted cross-functional deliberation sessions on and reviews of the sustainability matters.



Stakeholder engagement - Engaged with key internal and external stakeholders identified to understand needs and expectations with reference to material matters.



Impact assessment - Prioritised the sustainability matters from a business perspective, with representatives from various business functions.



Consolidation - Consolidated results were tabulated, analysed and presented in the Materiality Matrix.



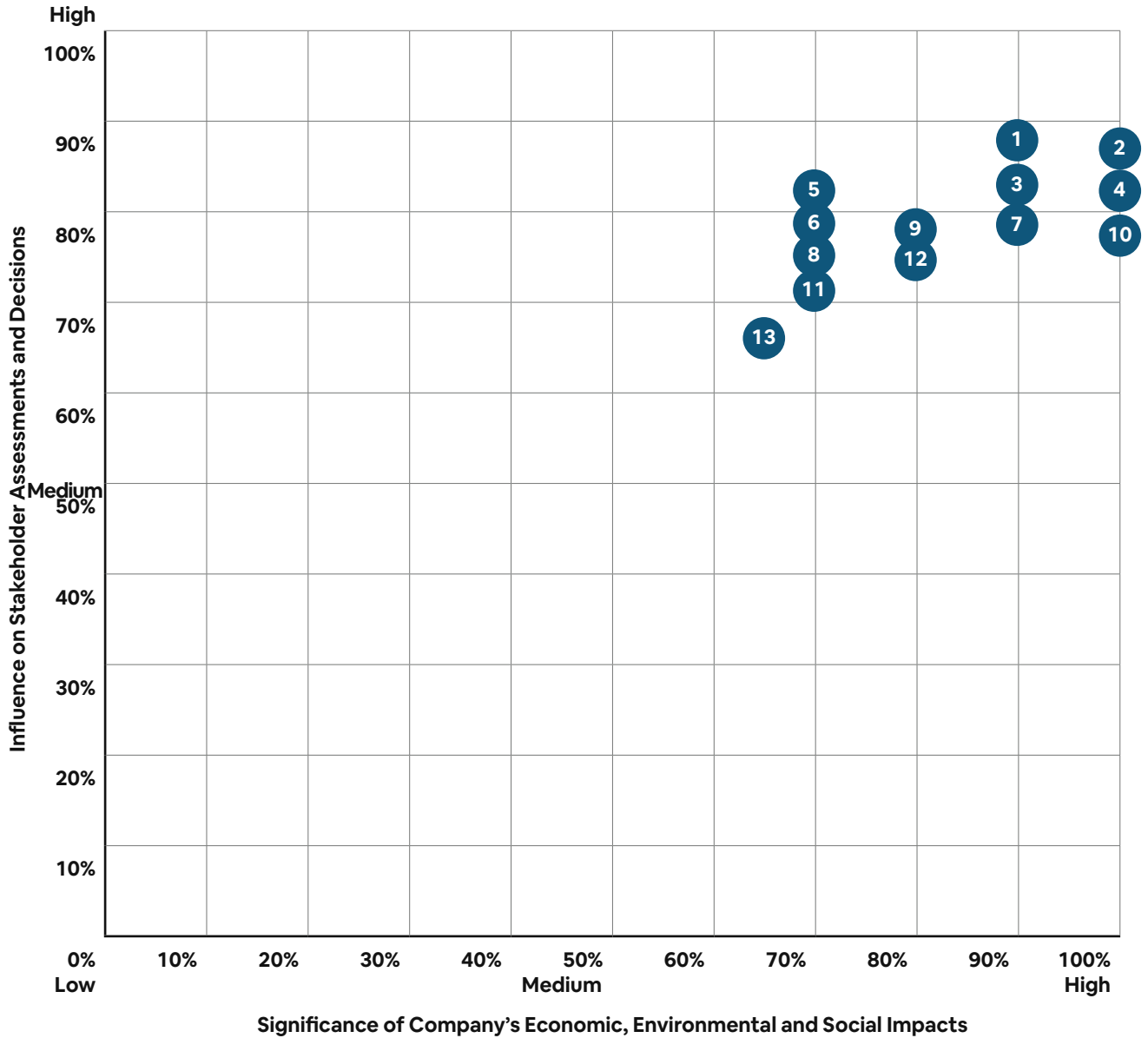
Review and approval - Upon finalisation of the materiality assessment, it was presented to the Board of Directors for approval



SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

MATERIAL MATRIX



- 1 Health & safety
- 8 Supply chain management
- 2 Customer satisfaction
- 9 Waste management
- 3 Climate change
- 10 Anti-corruption
- 4 Economic performance
- 11 Diversity, equity & inclusion
- 5 Policy & regulatory compliance
- 12 Cybersecurity & data protection
- 6 Human right
- 13 Community investment
- 7 Employee management



SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

RISK MANAGEMENT

KAG's unwavering dedication to risk management is a foundational element in ensuring our long-term viability and building stakeholder confidence, while concurrently fostering a lasting positive impact.

We have implemented a robust system encompassing risk management and internal control, extending beyond financial controls to include operational and compliance controls. This comprehensive approach to risk management and internal control is an ongoing and coordinated process aimed at minimising the likelihood of fraud and error, while also managing, rather than eliminating, the risk of failing to achieve our business objectives.

Material Matters	Risks	Opportunities
Economic Performance	Poor financial performance jeopardises business continuity and loss of investment opportunity	Sustainable financial performance attracts investors and generate long-term value for all stakeholders
Customer Satisfaction	Failing to meet customers' expectations undermines customer confidence and loyalty, ultimately resulting in lower revenue	Satisfied customers foster loyalty and promote repeat orders
Anti-Corruption	Corruption may tarnish the reputation, result in financial losses and reduced competitiveness	Strong governance to combat corruption enhances credibility and gains competitive edge
Cybersecurity & Data Protection	Cyberattacks can lead to unauthorised access, theft, or exposure of sensitive data, resulting in financial losses, loss of trade secrets and proprietary information, legal liabilities, and reputational damage	Robust cybersecurity measures build trust and confidence among customers, investors, and partners, enhancing the organisation's reputation and brand value
Human Right	Violations of human rights, such as labour exploitation, discrimination, or unsafe working conditions, can tarnish the organisation's reputation, leading to loss of trust among stakeholders, negative public perception and legal liabilities	Demonstrating a commitment to human rights principles and ethical practices enhances the organisation's reputation, builds trust with stakeholders, and attracts socially conscious consumers, investors, and partners.
Health & Safety	Failure to address health and safety hazards can lead to workplace accidents, injuries, and fatalities, resulting in human suffering, legal liabilities, and financial losses	Prioritising health and safety fosters a culture of care, trust, and mutual respect, enhancing employee morale, motivation, and engagement
Employee Management	Difficulty in attracting and retaining skilled employees can hinder business growth and innovation, leading to competitive disadvantages.	Engaged employees are more productive, committed, and loyal, leading to higher levels of job satisfaction, retention, and organisational success
Diversity, Equity & Inclusion	Exclusionary practices or cultures can lead to feelings of alienation and disengagement among employees from underrepresented groups, hindering collaboration, innovation, and productivity	Embracing diversity and equity fosters a culture of inclusion where employees feel empowered to contribute diverse perspectives and ideas, driving innovation and creativity

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY (CONT'D)

RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
Supply Chain Management	Dependence on a limited number of suppliers / subcontractors or single sourcing increases the risk of supply disruptions, quality issues, and price volatility, leaving the organisation vulnerable to changes in supplier / subcontractor behaviour or market conditions	Building collaborative relationships with suppliers / subcontractors based on trust, transparency, and mutual benefit fosters innovation, knowledge sharing, and joint problem-solving, leading to improved product quality, cost savings, and competitive advantage
Community Investment	Failure to address social issues, economic disparities, and community grievances may fuel social unrest, civil unrest, protests, and community opposition, posing operational disruptions, reputational damage, and regulatory scrutiny	Strategic community investment initiatives, philanthropic donations, and social programs enable organisations to address social challenges, support underserved communities, and create positive social impact, contributing to poverty alleviation, education, healthcare, and sustainable development goals
Climate Action	<p>Increasing government regulations aimed at reducing greenhouse gas emissions and mitigating climate change may require corporations to invest in costly emission reduction measures or face fines and penalties for non-compliance</p> <p>Climate change-related disruptions, such as extreme weather events or resource shortages, can disrupt supply chains, increase production costs, and lead to delays in product delivery, affecting business operations and profitability</p>	Corporations that demonstrate environmental stewardship and sustainability leadership can differentiate themselves in the market, enhance brand reputation, and attract environmentally-conscious consumers and investors
Waste Management	Non-compliance with waste management regulations, environmental laws, and health and safety standards may result in fines, penalties, legal liabilities, and reputational damage for the organisation	Implementing waste reduction, recycling, and proper waste disposal initiatives enables the organisation to recover valuable materials, conserve natural resources, reduce raw material costs, and minimise environmental impact, while promoting circular economy principles.
Policy & Regulatory Compliance	Non-compliance with policies and regulations can result in legal penalties, fines, or even lawsuits, which can significantly impact the financial health and reputation	Compliance with policies and regulations builds trust and credibility among stakeholders, including customers, investors, employees, and regulatory bodies, which can enhance long-term relationships and support business growth



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS (“SDG(s)”)

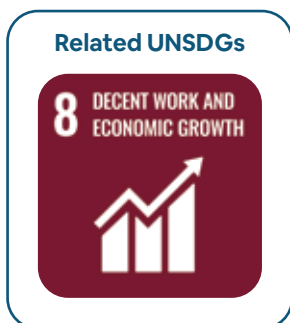
In September 2015, all one hundred and ninety-three (193) United Nation member states adopted “Agenda 2030” - a plan to solve the world’s most pressing environmental, social and economic problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation, and climate change. Malaysia is committed to “Agenda 2030” through its SDG Roadmap.

We support the SDGs, recognise their strategic importance to our business and to the world, hence we are committed to helping achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals.



ECONOMICAL SUSTAINABILITY

ECONOMIC PERFORMANCE



At KAG, our business success hinges on creating long-term value for our stakeholders. By achieving financial growth, we can facilitate job creation and entrepreneurial opportunities, increase our contributions to governmental taxes and strengthen local supply chains.

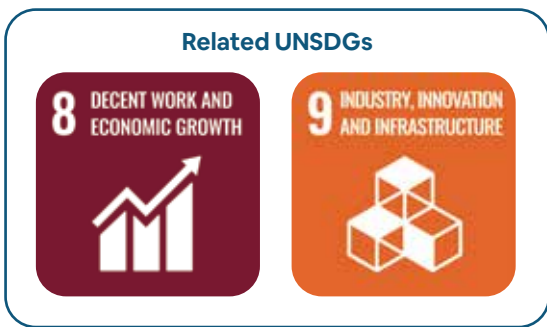
We achieve this by maintaining leadership in our core markets, harnessing innovative technologies, utilising our employees’ expertise to meet evolving consumer demands, and exploring opportunities to enter new markets. In FY2024, KAG reported a total revenue of RM33.88 million and consistently generates values for our stakeholders.

SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ECONOMICAL SUSTAINABILITY (CONT'D)

CUSTOMER SATISFACTION



The Group acknowledges that customer satisfaction and loyalty play crucial roles in achieving long-term success. To this end, we are committed to enhancing customer satisfaction by actively considering their feedback and ensuring that high-quality standards are consistently met across all our products and services.

We recognise that customers are our most important partners in innovation. To stay ahead of the competition, we value customer feedback as a valuable resource for ideas and to drive future improvement. We are committed to enhancing our customers' experience by engaging with them through multi-faceted channels, including in-person meeting, email or our website.

We have adopted an impartial feedback mechanism to address customer complaints and manage our relationship with them. This is not only ensure the Group's service records are clean but also enables product and service excellence. This reflects our ongoing efforts to address customer needs and exceed their expectations across various aspects of our operations.

Product & service quality & safety

Product and service quality as well as safety are fundamental principles deeply rooted in KAG's culture. Our history of success stems from delivering goods and services that instil confidence in our customers and this has gained us as one of the market leaders in this industry. To achieve this, it demands a holistic approach to quality and safety throughout our entire value chain.

Our IT business segment is accredited by ISO 27001 – ISMS to ensure compliance with cyber security and confidentiality requirements. The compliance to ISO 27001 helps to achieve the following benefits:

- Protect data digitally or in cloud
- Increase the resilience to cyber attack
- Respond to evolving security threats
- Improve company culture through embracing security as part of everyday working practices

Cybersecurity and privacy are core elements of customer trust. When customers choose to purchase our products or services, they have cast their vote of confidence in the quality of our products or services. To reciprocate this trust, we serve wholeheartedly to satisfy their needs and expectations by ensuring the data security and privacy are always protected. More details will be covered under the material matter : Cybersecurity & Data Protection.





SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ECONOMICAL SUSTAINABILITY (CONT'D)

CUSTOMER SATISFACTION (CONT'D)

Innovation

Innovation plays a crucial role in ensuring the long-term success of KAG’s business. It serves as a proactive strategy to tackle the increasing concerns related to societal and environmental issues. Additionally, innovation provides an opportunity to introduce new and unique product or service offerings that align with the evolving needs of our customers.

The COVID-19 pandemic and the corresponding rise in both remote work and education increase the demand for cloud and IT related services. As one of the market leaders in this industry, we possess teams of well-equipped employees with industry knowledge who can manage and deliver customers’ expectation. We are aware that the use of the new technologies to improve our business processes. In this regard, we endeavour to keep abreast with more technological advances and innovations in the cloud and IT related services. We are constantly offering variety of products and services to ensure higher satisfaction from our customers. We strive to differentiate ourselves with exceptional customer service by setting the bold target of 15 minutes response time from our NOC Team.

ANTI-CORRUPTION



KAG maintains high standards of business ethics and compliance throughout the Group, reflecting our core values. This commitment is essential for safeguarding the interests of both the business and stakeholders, while also building trust and reinforcing confidence among our stakeholders.

The Board and Management team remain dedicated to conducting business with integrity, guided by our Code of Conduct (“COC”). The COC articulates KAG’s fundamental principles and guidelines for all employees, including Directors, to address ethical issues and fulfil their responsibilities. Our zero-tolerance stance against corruption is outlined in our Anti-Bribery & Corruption (“ABC”) Policy, which undergoes regular review to align with the Malaysian Anti-Corruption Commission (MACC) Act 2009.



KAG has set up a dedicated whistleblowing channel in accordance with the Whistleblowing Policy. This channel enables both employees and external stakeholders to confidentially report improprieties via email or mail to Board Chairman and Audit and Risk Management Committee Chairman. The Group has made our COC, ABC Policy, and Whistleblowing Policy accessible on our corporate website to ensure accessibility for all stakeholders.

Corruption incidents

As of 31 March 2024, we recorded zero incidents of corruption across KAG’s business operations.

	2024	Target
Number of complaints of bribery or corruptions reported	Nil	Nil

SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ECONOMICAL SUSTAINABILITY (CONT'D)

CYBERSECURITY & DATA PROTECTION



In today’s digital landscape, cybersecurity holds paramount importance for companies. With the escalating reliance on technology, interconnected systems, and the increasing sophistication of cyber threats, organisations encounter substantial risks to their systems, data, and operations. At KAG, we recognise this reality and have implemented robust mitigation measures. We ensure that all systems and procedures across the Group comply with the Personal Data Protection Act 2010 and other applicable national data protection and privacy regulations in the countries where we operate. We continuously invest in exceptional data protection systems supported by a robust firewall and IT system.

We endeavour to provide high-quality and worry-free services to our customers hence the Group also in compliance with PCI DSS in order to ensure that the acceptance, processing, storing or transmission credit card information maintain a secure environment.



We firmly believe that cybersecurity is a collective responsibility. Employee awareness and training are integral components of our cybersecurity risk management strategy, serving as the primary line of defence against significant security risks.

Our employees participate in annual IT Security Awareness events to remain informed about evolving cybersecurity threats. This covers various topics such as cyberattacks, malware, impostor scams, phishing attacks, and best practices to protect both themselves and the company from cybersecurity threats. This spans a diverse spectrum of topics, equipping our employees with the knowledge to effectively counter cyber threats.

At KAG, we are committed to the highest standards of data security and privacy. We prioritise safeguarding the personal data and privacy of our valued customers, employees, and stakeholders. Our data management practices strictly comply with Malaysia’s Personal Data Protection Act 2010.



We regularly review our data privacy and security controls and processes to ensure their effectiveness. We take reasonable measures to ensure that data collection is lawful and transparent, disclosing how data is gathered, used, and secured. Consent from our customers is obtained when handling their data.

In 2024, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	2024	Target
Number of substantiated complaints concerning breaches in customer privacy or data loss	Nil	Nil



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ECONOMICAL SUSTAINABILITY (CONT'D)

SUPPLY CHAIN MANAGEMENT

Related UNSDGs

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

KAG prioritises trust and integrity in all supplier relationships. As a responsible company in Malaysia, we recognise our obligation to support our extensive supply chain, which includes small and medium-sized enterprises, especially in recovering local economy.

Our commitment to ethical business practices extends throughout our supply chain, where suppliers are expected to actively uphold our values and principles in their operations.

We are dedicated to ensuring fairness and transparency in our procurement practices to select the most credible suppliers. To facilitate this, our suppliers are efficiently engage in the following procurement processes:



Recognising our operational requirements, we prioritise sourcing products and services from local suppliers whenever feasible. We believe that this approach not only minimises the transportation of goods and reduces emissions, contributing to environmental preservation, but also provides local suppliers with opportunities for employment and business growth, thereby strengthening the local economy.

In 2024, we have utilised majority of procurement budgets to locate, evaluate and engage local suppliers with a strong service record, free from reputational issues and capable of turning around high-quality work at agreed schedules of delivery.



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ENVIRONMENTAL SUSTAINABILITY

CLIMATE ACTION

Related UNSDGs

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

The Group acknowledges the role of our energy consumption and greenhouse gas (“GHG”) emissions in contributing to climate change impacts. As responsible corporate citizens, we understand our duty to minimise our carbon footprint and seize opportunities that arise during the transition to a low-carbon economy.

We are deeply concerned about the environmental impact of our business operations, particularly in relation to global warming. The extreme weather events of the past year have underscored the growing reality and urgency of addressing climate change. As a Group committed to environmental protection, we are mindful of the delicate balance between the built and natural environments.

We are committed to ongoing efforts aimed at enhancing our energy utilisation and efficiency. This commitment is reflected in the initiatives such as replace traditional lighting with LED lights and install new inverter-type air conditioners for our office and the centralised cooling system is designed to accommodate the cooling load demand efficiently during both peak and off-peak hours, aligning seamlessly with our operational schedule.



Agrocloud Sdn Bhd, a subsidiary of KAG has partnered with the Northern Corridor Implementation Authority (“NCIA”) and KDDI, a global telecommunications company, to decarbonise Malaysian paddy cultivation. This project is the first of its kind in Malaysia and aims to introduce new methodologies in upstream paddy cultivation that have proven to reduce methane emission from submerged paddy fields. This reduction is a critical step in achieving our national SDGs.

The project will focus on the developing and implementing new technologies and practices to reduce methane emissions from paddy fields. These technologies include alternative wetting and drying (“AWD”) techniques, directly seeded rice (“DSR”), the use of biochar, and the introduction of new rice varieties that emit less methane.

WASTE MANAGEMENT

Related UNSDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

To promote sustainable consumption and production patterns, our commitment lies in minimizing consumption and utilizing resources responsibly. Initiatives such as paper recycling are actively underway, encouraging employees to favor electronic methods for sharing and storing documents, and to minimize printing or photocopying, opting instead for double-sided printing. The implementation of an e-portal for leave applications and access to payslips eliminates the necessity for physical copies. Furthermore, materials like furnishings and fixtures are recycled or reused whenever feasible.



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY

HUMAN RIGHTS



At KAG, we are dedicated to upholding the rights of every employee, recognising the inherent value of their talents and ensuring they are treated with dignity, respect, and fairness. Our Board and Management team are instrumental in establishing ethical guidelines throughout the organisation, demonstrating our unwavering dedication to human rights and the welfare of every individual.

We are devoted to giving top priority to health and safety in the workplace, upholding the right to decent work, supporting freedom of association, promoting equal opportunities, and ensuring protection against discrimination.

In FY2024, KAG's business practices are aligned with the Employment (Amendment) Act 2022. We do not abide by any form of child labour or forced labour, and we fully comply with the anti-child labour law. Additionally, we maintain strict compliance with the working hour laws set by the Employment (Amendment) Act 2022.

KAG's employees and external stakeholders are expected to read, understand and fully comply with the COC to ensure they conduct themselves with the highest standards of professionalism and work ethics.

Equal compensation & benefits

We conscientiously evaluate employee compensation and benefits to ensure their welfare and needs are adequately met. Our employment practices strictly adhere to all local labour legislation.

List of employee benefits in KAG :

 <p>Leaves Annual leave, sick leave, hospitalization leave, marriage leave, maternity leave, paternity leave, compassionate leave</p>	 <p>Insurance Hospitalization and surgical insurance, personal accident insurance</p>	 <p>Wellness Outpatient medical benefit</p>	 <p>Activity Monthly staff birthday celebration</p>
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Access to grievance mechanisms

We have established a mechanism to receive, document, and resolve complaints or grievances, which is accessible to all, whether within or outside our organisation, who have concerns about potential acts of wrong doing. This platform provides individuals with an avenue to voice their concerns openly. Our employees are informed about our grievance handling process and Whistleblowing Policy.

We ensure swift and effective resolution of policy violations or inappropriate behaviour. Our focus is on granting access to remediation and redress processes for victims of human rights violations. We aim for zero incidents of socioeconomic non-compliance.

SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

HUMAN RIGHTS (CONT'D)

Access to grievance mechanisms (cont'd)

	2024	Target
Number of substantiated complaints concerning human rights violations	Nil	Nil

HEALTH & SAFETY

Related UNSDGs

In our pursuit of sustainable organisations, we prioritise employee health and safety. We aim to eliminate unsafe practices and promote a proactive “safety first” culture among our workforces. At KAG, we seamlessly integrate workplace health and safety into our daily work routines, making it an integral part of every aspect of our operations. We enforce rigorous procedures to safeguard the physical well-being of our on-site employees and actively promote practices that contribute to the mental health enhancement of our workforce. We aim to achieve zero fatalities and Lost Time Incident Rate (“LTIR”).

Safety-first culture

KAG strictly adheres to the laws and regulations in relation to occupational safety and health such as Occupational Safety and Health Act 1994 and Malaysia Employment Act 1955. The guidelines and legal requirements of these policies have been extended in our internal Occupational Safety and Health Policy as a signal to our employees about our commitment to creating a safety culture for all.

We focus on improving occupational safety and health performance through establishing objectives, targets, and ongoing monitoring of key performance indicators. We ensure that every worker receives proper training and appropriate safety gear when needed.

Safety & health upskilling

To enhance the skills and safety awareness, we highlight risky behaviours and safety hazards, ensuring continuous awareness among our workforces. Employees are actively encouraged to report potential health and safety hazards by sharing their concerns with their safety representative or supervisor.

Safety & health reporting

Our highest priority is ensuring the health, safety, and well-being of our employees, a commitment we uphold through diligent oversight and ongoing improvement efforts. The presence of an incident reporting mechanism enables us to record occurrences, leading to the development of mitigation plans and preventive measures aimed at reducing workplace incidents.

	2024
Number of fatalities	Nil
Number of lost time injuries	Nil
LTIR	Nil

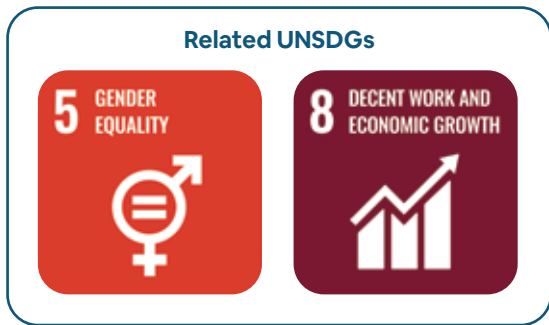


SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

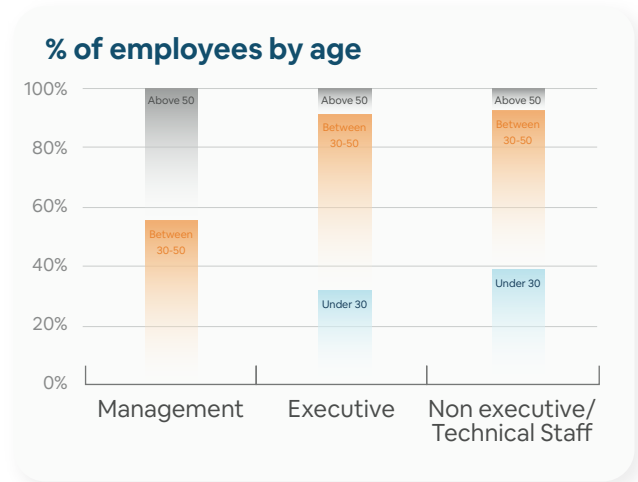
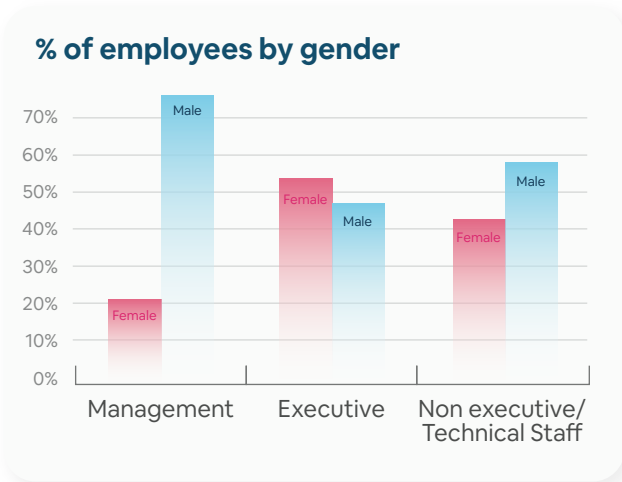
DIVERSITY, EQUITY & INCLUSION



It is a strategic imperative to embrace the multifaceted dimensions of diversity, encompassing differences in race, gender, ethnicity, age, religion, cultural belief, disabilities, and sexual orientation. By appreciating and leveraging the distinctive talents of each employee, we not only enhance our workplace culture but also unlock a multitude of benefits that have a positive impact on our operations.

We endeavour to establish a workplace that is devoid of discrimination, marginalisation, and harassment by ensuring a level playing field for all. At KAG, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

We find strength from the diversity and inclusivity that characterise our workplace. As at 31 March 2024, the total number of employees stood at 80 employees with 46% being female and the remaining 54% being male.



The Nomination Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition. During the fiscal year under review, KAG had 20% women directors on its board of the holding company. The Board has expressed the view that, given the status of the Group's business and lifecycle, prioritising the right mix of skills on the Board is more crucial than strictly adhering to the proposed 30% threshold outlined in Practice 5.9 of the Malaysian Code on Corporate Governance. However, there is a continued commitment to achieving gender balance in the boardroom, key management, senior management and the workplace. Consequently, the Board is actively seeking potential women Directors and intends to appoint additional women Directors as suitable candidates are identified. Efforts will also be made to explore ways to enhance gender balance in today's workplace.

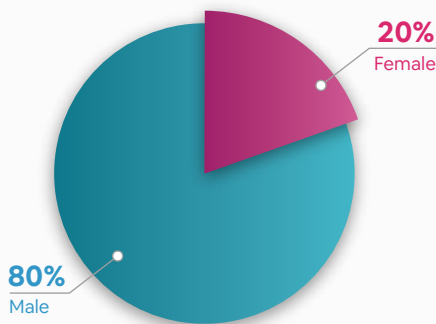
SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

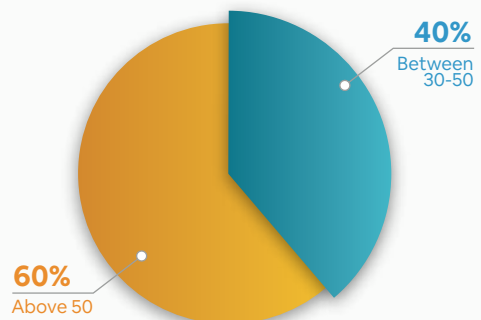
SOCIAL SUSTAINABILITY (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

2024 Board Diversity (Gender)

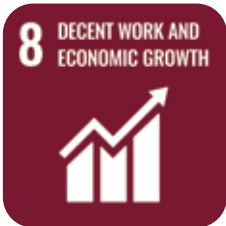


2024 Board Diversity (Age)



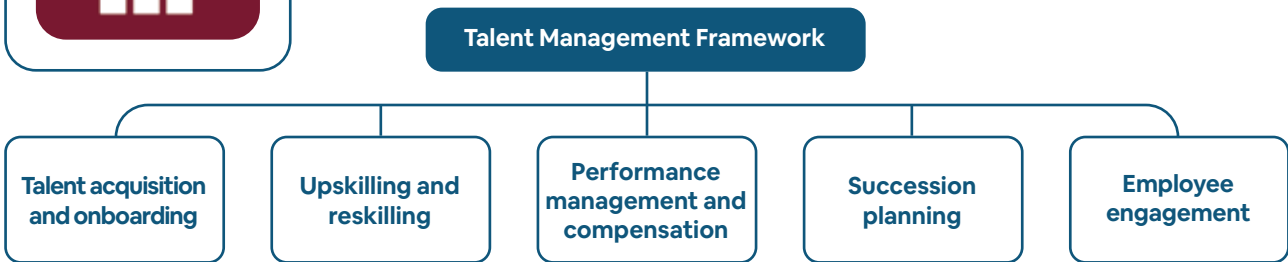
EMPLOYEE MANAGEMENT

Related UNSDGs



At KAG, our most precious assets are our employees, and our commitment to them is unwavering. We understand that a thriving organisation is founded on a workforce that feels valued, empowered, and respected. In a secure and healthy workplace environment, we endeavour to provide all employees with equitable access to resources, benefits, and opportunities for skill development and career advancement. This approach not only fosters personal growth but also drives sustainable business expansion.

Talent Management Framework



Talent acquisition & onboarding

Our goal is to foster the growth and advancement of our existing workforce, facilitating their progression within KAG. We are dedicated to maximising opportunities for our internal talent pool.

In cases where internal promotion may not be viable, our Human Resource team proactively employs a diverse array of assessment tools, ensuring a fair and rigorous recruitment process. We select candidates based on alignment with specific job requirements and our Group objectives. Our goal is to attract, hire, develop, and retain individuals who will positively contribute to our mission. We ensure all new hire benefit from on-boarding programme that incorporates support to facilitate a smooth transition into the organisation.



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Upskilling & reskilling

Empowering our people to excel enables the growth and success of the Group. To achieve this goal, we offer continuous learning opportunities designed to support our employees' personal and professional development.

In 2024, we remain committed to investing in training and development programmes, utilising both physical and online channels. We spent 457 hours on training, both in internal and external learning and development programmes.

Employee Category	Total hours of training 2024	Employee Category	Average training hours per employee 2024
Management	96	Management	11
Executive	361	Executive	8
Non-executive/Technical Staff	-	Non-executive/Technical Staff	-
Total	457		
			2024
Overall average training hours per employee (hours)			5.5

Performance management & compensation

At KAG, we firmly embrace our principles of being result-oriented, accountable, collaborative, and committed to shared success in driving both individual and team performance. These principles underscore our work culture, guiding us to achieve tangible outcomes, take ownership of our actions, foster teamwork, and celebrate collective achievements.

We recognise and reward exceptional performance through bonuses and promotions when one has delivered high-quality results and the demonstration of outstanding behaviour. Our employees are rewarded and recognised for their contributions with competitive pay and benefits. KAG regularly reviews our remuneration packages to ensure alignment within the Group and with our peers, under prevailing local market rates and practices.

We have implemented a Human Resource Management System (HRMS) online, primarily for payroll processing. This system empowers our employees and managers to efficiently handle and access payroll-related aspects of their employment, such as accessing pay slips and reviewing tax information. This initiative aims to reduce our reliance on paper printing, contributing to a more environmentally sustainable approach within our Human Resource team's operations.

Succession planning

Succession planning is crucial for the long-term performance of our Group as we embrace sustainability initiatives. Our Nomination Committee, supported by the Audit and Risk Management Committee, will evaluate the Group's human resources plan, including the succession management framework and activities. Succession planning will be executed across the Group in stages, with training programs tailored for managerial staff.

SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Employee engagement

KAG fosters a culture of engagement and inclusion through a range of activities such as team building, festive season celebration and etc. We have also encouraged our employees to improve their physical well-being through participation in our Group sports events.





SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

EMPLOYEE MANAGEMENT (CONT'D)

Employee retention & attribution

Our attrition rate stood at 41% in FY2024. We aim to reduce our attrition rate by improving on our salary and reward scheme, creating a strong talent pipeline, and continuing to strengthen our talent development programmes.

Employee Category	Total numbers of new hires 2024	Employee Category	Total numbers of employee turnover 2024
Management	1	Management	3
Executive	11	Executive	16
Non-executive/Technical Staff	6	Non-executive/Technical Staff	14
Total	18 (23%)	Total	33 (41%)

COMMUNITY INVESTMENT



At KAG, we endeavour to be a responsible corporate citizen by actively engaging with and giving back to the communities in which we operate. We strongly believe that nurturing a positive relationship between businesses and communities enhances social inclusion and yields favourable outcomes in the long term.

As part of our dedication to community engagement, KAG has made contributions totalling RM12,500 to school and charitable organisations such as orphanage. These contributions exemplify our commitment to supporting education, community development, and social welfare initiatives.

Furthermore, our donations to schools and charitable bodies aim to create a meaningful impact on the lives of individuals and communities in need. These contributions help support educational programs, provide essential resources to schools, and aid charitable organisations in addressing pressing social issues.



**2024
RM**

Total amount invested where the target beneficiaries are external to KAG 12,500

We value the spirit of volunteerism among our employees, which is crucial for the success of KAG's community impact programs and we will start to monitor and track employees' participation in community impact programs in the coming years.



SUSTAINABILITY REPORT

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

GOVERNANCE SUSTAINABILITY

POLICY & REGULATORY COMPLIANCE



Policy and regulatory compliance, particularly concerning environmental, social, and governance elements, stands as a cornerstone for ensuring the sustainability and long-term success of any company. Proactively adhering to policies and regulations can bolster KAG's competitive advantage by distinguishing its products and services, enticing socially responsible investors, and expanding market share. Prioritising sustainability and ethical business practices positions us to surpass competitors and attain enduring growth and profitability.

Conversely, non-compliance with laws and regulations can incur fines, penalties, legal actions, and reputational harm, potentially resulting in financial losses, heightened operating costs, and diminished shareholder value. Therefore, it is imperative to emphasise compliance and continuously monitor regulatory landscapes to mitigate risks and foster sustainable business practices.

MOVING FORWARD

In conclusion, our commitment to sustainability goes beyond mere rhetoric, it is deeply embedded in our corporate DNA and informs every decision we make. We recognise that sustainable business practices are not just a moral imperative but also a strategic advantage in today's dynamic business landscape.

We are committed to establishing a benchmark for sustainable business practices and are dedicated to systematically integrating sustainability initiatives into our day-to-day operations on an annual basis. Through the strategic deployment of sustainability measures, we seek not only to achieve superior business growth but also to honour our pledge to environmental preservation and social responsibility.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Key Alliance Group Berhad (“KAG” or “the Company”) recognises and is committed to ensuring the importance of good CG is being practised by the Company and its subsidiaries (“Group” or “KAG Group”) to safeguard stakeholders’ interests as well as enhancing shareholders’ value.

This CG Overview Statement sets out the manner in which the Group has applied and the extent of compliance with principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”), the relevant chapters of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) on CG and all applicable laws and regulations throughout the financial year ended 31 March 2024 (“FY2024”).

The CG Overview Statement shall be read together with the CG Report 2024, which can be downloaded from the Company’s website at www.kag.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS

1.1 Functions, Roles and Responsibilities of the Board

The Board leads KAG and plays a strategic role in overseeing the Group’s objectives, direction, goals and overall corporate governance to ensure that the strategic plans of the Group are implemented and accountability is monitored well.

The following are the key matters of the Company reserved for the Board’s approval:

- Reviewing and approving the financial results, strategies, business plan and policies;
- Overseeing and evaluating the conduct of the Group’s businesses;
- Ensuring competent management;
- Ensuring the establishment of risk management framework and policies;
- Reviewing the adequacy and integrity of the internal control systems and management information systems which include a sound system of reporting and ensuring regulatory compliance with applicable laws, regulations, rules, directives and guidelines; and
- Acquisition and disposal of companies within the Group.

The Board reserves certain powers for itself and has delegated certain matters, such as the day-to-day management of the Group to the Executive Directors. The Non-Executive Directors including the Chairman are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to Management.

The Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealings or other relationships with the Group. In this manner, the Non-Executive Directors fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgements on issues being deliberated and act in the best interest of the Group, its stakeholders and shareholders, including minority shareholders. There is a schedule of key matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Group are in its hands.

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT’D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT’D)

1.1 Functions, Roles and Responsibilities of the Board (cont’d)

In discharging its function and responsibilities, the Board has established and approved the respective Terms of Reference (“ToR”) for the relevant Board Committees where specific powers of the Board are delegated to the relevant Board Committees. The Board Committees include the following:

- Audit and Risk Management Committee (“ARMC”);
- Nomination Committee (“NC”);
- Remuneration Committee (“RC”); and
- Share Issuance Scheme (“SIS”) Committee (“SISC”).

Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman and/or Chairperson of each of the Board Committee, as well as the tabling of minutes of all Board Committee meetings, to the Board at Board meetings. The Board reviews the respective Board Committees’ authority and ToR from time to time to ensure their relevance and enhance its efficiency. The ultimate responsibility for the final decision on all matters, however, lies with the Board as a whole.

The ToR of each of the Board Committees as approved by the Board is available on the Company’s corporate website at www.kag.com.my.

The Board owes fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times. Aside from the key responsibilities as delineated in the Board Charter, each Board member is also expected to demonstrate and adhere to the following:

- (a) Time Commitment
 - (i) Attendance of Meetings

The Board ordinarily schedules 4 meetings in a year. The Board and Board Committee meetings are scheduled well in advanced, i.e. prior to the closing of each quarter to facilitate the Directors in planning ahead and to ensure that the Board and Board Committees meetings are booked in their respective schedules.

Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. The agenda for the meeting of the Board are set by the Company Secretary in consultation with the Chairman and/or the Executive Directors. Decisions of the Board are made unanimously or by consensus. Where appropriate, decisions may be taken by way of Directors’ Circular Resolutions between scheduled and special meetings.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

1.1 Functions, Roles and Responsibilities of the Board (cont'd)

(a) Time Commitment (cont'd)

(i) Attendance of Meetings (cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of KAG. This is evidenced by the attendance record of the Directors at the Board and Board Committee meetings held during the year under review as set out as follows:

Meeting Attendance	Board	ARMC	NC	RC	#SIS	@AGM
Dato' Zaidi Bin Mat <i>Isa @ Hashim</i> <i>(Resigned on 20</i> <i>September 2023)</i>	^3/3	N/A	N/A	N/A	N/A	^1/1
Mr Roy Ho Yew Kee	5/5	N/A	N/A	N/A	N/A	1/1
Mr Ong Gim Hai <i>(Resigned on 22</i> <i>April 2024)</i>	5/5	N/A	N/A	N/A	N/A	1/1
Mr Lee Kien Fatt	5/5	^5/5	^1/1	^1/1	N/A	1/1
Mr Yee Yit Yang	5/5	5/5	1/1	1/1	N/A	1/1
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad <i>(Resigned on 18</i> <i>March 2024)</i>	5/5	5/5	1/1	1/1	N/A	1/1
Dr Azizah Binti Sulaiman <i>(Appointed on 22</i> <i>1 June 2023)</i>	4/4	N/A	N/A	N/A	N/A	1/1
Sandraruben A/L Neelamagham <i>(Appointed on 22</i> <i>April 2024)</i>	N/A	N/A	N/A	N/A	N/A	N/A

@ Annual General Meeting (“AGM”) held on 13 September 2023

^ Chairperson/Chairman of the Board or Board Committees or AGM

No meeting held during the financial year under review

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

1.1 Functions, Roles and Responsibilities of the Board (cont'd)

(a) Time Commitment (cont'd)

(i) Attendance of Meetings (cont'd)

Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other board appointment(s) in other companies so long as the appointment is not in conflict with the Company’s business and does not affect the discharge of his/her duty as a Director of the Company. Each Board member is expected to achieve at least 50% attendance of total Board Meetings held in any applicable financial year with appropriate leave of absence and be notified to the Chairman and/or Company Secretary, where applicable.

(ii) New Directorships

Prior to the acceptance of new board appointment(s) in other companies and/or Public Listed Companies (“PLCs”), the Directors are to notify the Chairman and/or the Company Secretary in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, 1 criterion as agreed by the Board is that they must not hold more than 5 directorships in PLCs (as prescribed in Rule 15.06 of the Listing Requirements).

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held and for notification to the Companies Commission of Malaysia (“CCM”) accordingly.

(b) Continuing Training Programmes

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are mindful that they should continue to attend training programmes from time to time to enhance their skills and knowledge where relevant, as well as to keep abreast with the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board will also on a continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties effectively.

During the FY2024, all the Directors appointed to the Board have attended the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad (“Bursa Securities”). In addition, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the external auditors, the internal auditors and Company Secretaries during the Board and Board Committees meetings.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT’D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT’D)

1.1 Functions, Roles and Responsibilities of the Board (cont’d)

(b) Continuing Training Programmes (cont’d)

The details of trainings and various external programs attended by the Directors during the financial year under review are as follows:

Board members	Seminars/Conferences/Training Programmes Attended
Dato’ Zaidi Bin Mat Isa @ Hashim	-
Mr Roy Ho Yew Kee	Anti-Bribery & Corruption – Awareness & Compliance
Mr Ong Gim Hai	Anti-Bribery & Corruption – Awareness & Compliance
Mr Lee Kien Fatt	Anti-Bribery & Corruption – Awareness & Compliance
Mr Yee Yit Yang	Mandatory Accreditation Programme Part II: Leading for Impact
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	Mandatory Accreditation Programme Part II: Leading for Impact
Dr Azizah Binti Sulaiman	Mandatory Accreditation Programme

(c) Conflict of Interest and Related Party Transactions

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, Directors are reminded by the Company Secretary of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, all related party transactions and/or potential conflict of interest situations (if any) will be submitted to the ARMC for review on a quarterly basis.

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened. In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

During the financial year under review, the ARMC and the Board have not received any reports from the Directors or chief executive of the Company relating to conflicts of interest or potential conflicts of interest situations, including interests in any competing business, that they have with the Company or its subsidiaries.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT’D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT’D)

1.2 The Chairman of the Board

During the financial year under review, the Board is chaired by Dato’ Zaidi Bin Mat Isa @ Hashim, the Independent Non-Executive Director of the Company, who is not related to any Directors of the Company and majority of the Board consists of Independent Non-Executive Directors. In addition, the Chairman is not involved in the day-to-day management of the Group’s business and has no relationship that could materially interfere with his judgment.

The Chairman is responsible for the Board’s effectiveness and conduct, implementing the Group’s policies, business plans and executive decision making and is assisted by the Executive Director. He also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. The Chairman exercises control over the quality, quantity and timeliness of information flow between the Board and Management. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management.

At a general meeting, the Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.

In line with the recommendation of the MCCG, the Chairman is not a member of any Board Committees. This is to ensure check and balance as well as that objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).

On 20 September 2023, Dato’ Zaidi Bin Mat Isa @ Hashim has resigned as the Independent Non-Executive Chairman of the Company. As of todate, the Board has yet to identify a suitable candidate to be appointed as the Chairman of the Board. Notwithstanding that the role of the Chairman is currently vacant, the Board is of the opinion that the current Board size is optimum and well-managed under the leadership of the Board as a whole. With a strong and effective representation of Independent Non-Executive Directors, the necessary check and balance is in place to safeguard the interests of all shareholders and stakeholders and to preserve a balance of authority, power and accountability. The Board as a whole is wholly responsible for matters pertaining to the overall conduct of the Group and is committed to good corporate governance practices. Hence, the Board is of the view to maintain the current well-balanced Board composition until such time where the need for a Chairman arises.

1.3 Separation of Roles of Independent Non-Executive Chairman and Executive Director

In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of the Independent Non-Executive Chairman and Executive Director are strictly separated. The Company practices a division of responsibilities between the Independent Non-Executive Chairman and the Executive Director. This is also to maintain effective supervision and accountability of the Board and Executive Management. The Independent Non-Executive Chairman is responsible for the Board’s effectiveness and for ensuring that the conduct and working of the Board is in an orderly and effective manner while the Executive Directors take on the primary responsibility of managing the Group’s businesses and resources as well as overseeing and managing the day-to-day operations of the Group.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

1.4 Qualified and Competent Company Secretaries

The Company Secretaries of KAG, have the requisite credentials and are competent and suitably qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (“the Act”). The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions. The Company Secretaries play an advisory role to the Board in relation to the Company’s Constitution, the Board’s policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislation.

The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and adhered to board policies and procedures, rules, relevant laws and best practices on CG and deliberations at the Board and Board Committee meetings as well as follow-up on matters arising are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Listing Requirements and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training.

1.5 Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board. External advisers are invited to attend meetings to provide insights and professional views, advice and explanations on specific items on the meeting agenda, when required. The Directors may seek advice from the Management on issues under their respective purview.

Prior to the Board meetings, the agenda for each meeting together with a full set of the board papers containing the information relevant to the business of the meetings are circulated to the Directors at least seven (7) days before the meeting. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company’s operations or business concerns from them.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approvals will be obtained via circular resolutions which are supported with information necessary for an informed decision.

The deliberations of the Board in terms of the issues discussed during the meetings and the Board’s conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the next meeting.

The Directors are also notified of any corporate announcement(s) released to Bursa Securities and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly financial results.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

1.5 Access to Information and Advice (cont'd)

When necessary, the Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company’s expense to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

2. DEMARCATION OF RESPONSIBILITIES

2.1 Board Charter

The Board recognises the importance of establishing a single source of reference for Board activities through a Board Charter as recommended by the MCCG. As such, a Board Charter was formalised on 24 November 2014 to clearly delineate the roles of the Board, Board Committees and Management in order to provide structured guidance for the Directors and Management regarding their responsibilities of the Board, its Board Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities.

The Board reviews and updates its Board Charter regularly to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board’s objectives. Any subsequent amendment to the Charter can only be approved by the Board. The Board Charter is available on the Company’s corporate website at www.kag.com.my.

3. PROMOTING GOOD BUSINESS CONDUCT AND MAINTAINING A HEALTHY CORPORATE CULTURE

3.1 Code of Conduct

The Company’s Code of Conduct requires all officers and employees to observe high standards of business and personal ethics in carrying out duties and responsibilities. As employers and representatives of KAG, or any of its subsidiaries, they must practice honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations. It is thus the responsibility of all officers and employees to comply with the Code of Conduct and to report violations or suspected violations thereto.

The salient features of the Code of Conduct are accessible by the public through the Company’s corporate website at www.kag.com.my.

3.2 Whistleblowing Policy

To maintain the highest standard of ethical conduct, the Board also has a separate formal Whistleblowing Policy stating the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of such policy is in line with Section 587 of the Act where provisions have been made to protect KAG’s officers or stakeholders who make disclosures on breach or non-observance of any requirement or provision of the Act or any serious offence involving fraud and dishonesty. All concerns raised will be investigated and whistle-blowers can report directly to the Independent Director.

The Whistleblowing Policy is accessible by the public through the Company’s corporate website at www.kag.com.my.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

3. PROMOTING GOOD BUSINESS CONDUCT AND MAINTAINING A HEALTHY CORPORATE CULTURE (CONT'D)

3.3 Anti-Bribery and Corruption Policy (“ABC Policy”)

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted the ABC Policy which set out the Group’s responsibilities in providing principles, guidelines and recommendation to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities.

The Company had also conducted briefings and training for all employees of the Group to create awareness of the ABC Policy to foster commitment of the employees in instilling the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABC Policy is accessible by the public through the Company’s corporate website at www.kag.com.my.

3.4 Directors’ Fit and Proper Policy

The Board has established the Directors’ Fit and Proper Policy, to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner. The Directors’ Fit and Proper Policy is accessible on the Company’s website at www.kag.com.my.

3.5 Conflict of Interest Policy for Directors

The Board has established the Conflict of Interest Policy for Directors, to ensure that actual, potential and perceived conflicts of interest are effectively identified and managed and to provide guidance on how to deal with conflict of interest situations as they arise. The Conflict of Interest Policy for Directors is accessible on the Company’s website at www.kag.com.my.

3.6 Promote Sustainability

The Board has established the Sustainability Policy to demonstrate its commitment to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board and Senior Management of the Company recognises the importance of prioritising sustainability as part of its overall approach to value creation.

The Board believes that introducing environmental, social and governance (“ESG”) considerations in its business decisions is an essential foundation to achieve long-term business success besides creating value for all its stakeholders, as well as a strategic approach to support and empower communities, encourage social inclusivity and improve the environments. The balancing of ESG with the interest of stakeholders is essential to enhancing investor perception and public trust that works towards value enhancement for stakeholders in the long run. The Company also believes that as a responsible corporate citizen, one would have an obligation in making the earth a better place to live in through responsible investing, besides weighing on an appropriate risk-return profile for its investments.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – BOARD RESPONSIBILITIES (CONT’D)

3. PROMOTING GOOD BUSINESS CONDUCT AND MAINTAINING A HEALTHY CORPORATE CULTURE (CONT’D)

3.6 Promote Sustainability (cont’d)

The Board fulfils its responsibilities by delegating to Management. The Management is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and updating the Board on the Group’s sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.

The Sustainability Policy adopted by the Board can be found on the Company’s website at www.kag.com.my. The details of the sustainability effort are presented in the Sustainability Report of this Annual Report.

PART II – BOARD COMPOSITION

4. BOARD’S OBJECTIVITY

4.1 Composition of the Board

The Company is led by an experienced Board consisting of individuals with appropriate knowledge and skills to enhance the growth of the Group’s business with good corporate governance.

The current Board comprises 5 members, comprising of 2 Executive Directors and 3 Independent Non-Executive Directors. In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board is an Independent Director. In addition, KAG also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 1/3 of the Board membership and at least 1 of the Directors of the Company is a woman.

The Board views the present number of its Independent Directors as ideal to provide the necessary checks and balances to the Board’s decision-making process. There is a good mix of skills and core competencies in the current Board membership. The Board is of the opinion that the existing 3 Independent Non-Executive Directors, with their extensive knowledge and experience, would be able to represent the investment of the public and the minority shareholders. The Board is, however, open to board changes as and when appropriate. The profile of each of the Director is set out on pages 6 to 8 of this Annual Report.

The Board has not nominated a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Board is of the opinion that given the strong independent element of the Board, any concern regarding the Group may be conveyed by shareholders or investors to any of the Independent Directors at the following address and such concerns will be reviewed and addressed by the Board accordingly:

Mr Lee Kien Fatt / Mr Yee Yit Yang / Dr Azizah Binti Sulaiman
Key Alliance Group Berhad
Lot 18.2, 18th Floor, Menara Lien Hoe,
No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya, Selangor



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD’S OBJECTIVITY (CONT'D)

4.2 Tenure of Independent Directors

As at 31 March 2024, none of the Independent Directors has reached 9 years of service since their appointment as Directors. The tenure of the Independent Non-Executive Directors of the Company are as follows:

	1-3 Years	4-6 Years	7-9 Years
Lee Kien Fatt			✓
Yee Yit Yang			✓
Dr Azizah Binti Sulaiman	✓		

4.3 Policy of Independent Director’s Tenure

The Board has adopted a 9 years policy for its Independent Directors. Upon completion of 9 years, an Independent Director may continue to serve on the Board subject to the Director’s re-designation as a Non-Independent Director. In the event the Board intends to retain such Director as an Independent Director after the latter has served a cumulative term of 9 years, the Board must justify the decision and seek annual shareholders’ approval through a two-tier voting process.

4.4 Diverse Board and Senior Management Team

The Company does not set specific criteria for the assessment and selection of director candidates. However, all candidates for appointment and/or election are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim of meeting the current and future needs of the Board composition. The NC also evaluates the candidates’ character and ability to commit sufficient time to the Group. Other factors considered for the appointment of an Independent Director will include the level of independence of the subject candidate.

4.5 Gender Diversity Policy

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board had adopted the Board Diversity Policy which sets out the Company’s approach to diversity on the Board of KAG. The Board together with the NC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates’ competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race or religion, throughout the organisation.

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT’D)

4. BOARD’S OBJECTIVITY (CONT’D)

4.5 Gender Diversity Policy (cont’d)

Currently, our Board comprises 1 female Director, representing 20% of the total number of the Board. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of additional female directors onto the Board in the future to bring about a more diverse perspective.

4.6 New Candidates for Board Appointment

The screening and evaluation process for potential candidates to be nominated as Directors are delegated to the NC. The process involves the NC’s consideration and submission to the Board its recommendation of suitable candidates from either the Management, the existing Board member(s) or major shareholder(s) for the proposed appointment as Directors of the Company. The NC may also obtain and rely upon independent sources such as a directors’ registry, open advertisement or use of independent search firms in furtherance of their duties at the Company’s expense, subject to approval by the Chairman or the Board, and depending on the quantum of the fees involved.

Upon receiving a nomination for a new Director, the review process entails the assessment of the candidate’s background, experience, knowledge and skills critical to the Group’s business. Other criteria such as integrity, wisdom, independence of the candidates, existing commitments, potential risk and/or conflict of interest are also considered in the assessment of the suitability of candidates for appointment to the Board.

The shortlisted candidates, who were not known to the existing Board members, will be interviewed by the NC and thereafter, met with the Board for endorsement of appointment.

4.7 Re-Election of Directors

The procedure for the re-election of directors by rotation is set out in the Company’s Constitution. Pursuant to the Company’s Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. The Company’s Constitution also provides at least 1/3 of the remaining Directors are subject to re-election by rotation at each Annual General Meeting, and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once every 3 years, but shall be eligible for re-election.

The NC would carry out a formal assessment evaluation on the performance as well as identifying any gaps or areas of improvement of the individual directors, Board and Board Committee annually. The NC also would identify the Directors to be retired (“Retiring Directors”) by rotation in accordance with the Constitution of the Company and assess the Retiring Directors’ eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective Director’s performance and contributions to the Board, the NC then will recommend to the Board the re-election of the Retiring Directors at the AGM.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election and re-appointment at the forthcoming AGM of the Company are as stated in the Notice of Annual General Meeting.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD’S OBJECTIVITY (CONT'D)

4.8 Nomination Committee

In line with the Listing Requirements, the Board has established the NC which is comprised exclusively of Independent Non-Executive Directors.

The NC of KAG was established on 29 April 2005 to assist the Board in assessing the balanced composition of Board members and nominate the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis.

The ToR of the NC can be viewed at the Company’s website at www.kag.com.my.

The activities undertaken by NC during the financial year under review are as follows:

- reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
- undertook an annual assessment of its Independent Directors;
- reviewed the performance of the Board as a whole and the Board Committees, particularly the term of office and performance of the ARMC and each of its members;
- Reviewed and recommended the retirement and re-election of Directors in accordance with the Company’s Constitution;
- Reviewed and recommended the appointment of Dr Azizah Binti Sulaiman as Independent Non-Executive Director of the Company;
- Reviewed and recommended any modifications and/or amendments to the ToR of the NC and other policies; and
- Reviewed and recommended the adoption of the Succession Planning Policy.

4.9 Share Issuance Scheme Committee

The SIS Committee was established on 7 May 2015 to assist the Board in establishment of the SIS by rewarding and retaining the eligible Directors and key management personnel who have contributed to the growth of the Company.

The existing SIS which was implemented on 6 May 2015 had expired on 6 May 2023.

As at 31 March 2024, the total number of SIS options granted, exercised and outstanding under the SIS during the financial year are set out in the table below:

Category of Employees	No. of SIS Options Over Ordinary Shares			
	Granted and Vested	Exercised	Lapsed/ Forfeited/ Revoked	Outstanding
Eligible Employees	-	-	-	-



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – BOARD COMPOSITION (CONT’D)

4. BOARD’S OBJECTIVITY (CONT’D)

4.9 Share Issuance Scheme Committee (cont’d)

Pursuant to the SIS By-Laws, the aggregate maximum allocation of SIS Options applicable to the eligible employee (including the allocation to the Directors and senior management) shall be determined by the SIS Committee at its sole and absolute discretion.

The ARMC has verified and noted that there was no SIS Options granted to the eligible employees of KAG Group during the FY2024.

5. OVERALL BOARD EFFECTIVENESS

5.1 Annual Evaluation

The NC would conduct an assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment approach on an annual basis.

The criteria used by the NC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The results, in particular the key strength and weaknesses identified from the evaluation, will be shared with the Board to allow enhancements to be undertaken. The Board did not engage any external party to undertake an independent assessment of the Directors.

The Board will also undertake an annual assessment of its Independent Directors on an annual basis and the criteria for assessment covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board’s effectiveness. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transactions with the Group including their ability to exercise independent judgment at all times and based on the criteria set out in the Listing Requirements.

From the annual assessment and review conducted for FY2024, the NC was satisfied that all the Directors possess sufficient qualifications to remain on the Board. Save for the NC members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NC members views that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company’s industry.

As for the Board evaluation, the NC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. The NC further concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.

The NC was also satisfied that the Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Additionally, each of the Independent Directors has provided an annual confirmation of their independence to the NC and the Board.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART III - REMUNERATION

6. LEVEL AND COMPOSITION OF REMUNERATION

6.1 Remuneration Policy

The Board has adopted a Remuneration Policy to ensure the payment of equitable, competitive remuneration to the Directors and Senior Management of the Company which is based on individual performance, the company’s benchmark, industry practices and performance of the Group as a whole.

The Company’s Remuneration Policy is formulated to attract and retain individuals of the necessary caliber needed to run the business of the Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.

The determination of the remuneration for the Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for the Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Director concerned. The remuneration package of the Non-Executive Directors will be a matter to be deliberated on by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors’ fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board. A copy of the Company’s Remuneration Policy is available on the Company’s website at www.kag.com.my.

6.2 Remuneration Committee

In line with the best practices of MCCG, the Board has established the RC which is comprised exclusively of Independent Non-Executive Directors.

The RC was established on 6 June 2003 and is responsible for recommending to the Board the remuneration framework as well as the remuneration package of the Executive Director to ensure that rewards commensurate with his contributions to the Group’s growth and profitability in order to align the interest of the Director with those of the shareholders. The RC also ensures the level of remuneration for the Non-Executive Directors and Executive Directors is linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

The ToR of the RC can be viewed at the Company’s website at www.kag.com.my.

The activities undertaken by the RC during the financial year under review were as follows:

- Reviewed and recommended the payment of Directors’ fees and other benefits payable to the Directors for the shareholders’ approval; and
- Reviewed and recommended any modifications and/or amendments to the ToR of the RC and other policies.

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART III - REMUNERATION (CONT'D)

7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

7.1 Details of Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during FY2024 are as follows:

GROUP Name	Fees RM	Salaries RM	Bonus RM	Allowance RM	Benefits in Kind RM	Other Emoluments RM	Total RM
Roy Ho Yew Kee	130,000	264,000	22,000	-	3,500	31,786	451,286
Dato' Zaidi Bin Mat Isa @ Hashim (Resigned on 20.09.2023)	40,000	-	-	-	-	-	40,000
Lee Kien Fatt	48,000	-	-	-	-	-	48,000
Ong Gim Hai (Resigned on 22.04.2024)	106,000	276,000	18,000	-	-	45,189	445,189
Yee Yit Yang	138,000	-	-	-	-	-	138,000
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Resigned on 18.03.2024)	90,532	-	-	-	-	-	90,532
Dr Azizah Binti Sulaiman (Appointed on 01.06.2023)	35,000	-	-	-	-	-	35,000
Total	587,532	540,000	40,000	-	3,500	76,975	1,248,007

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART III - REMUNERATION (CONT’D)

7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT (CONT’D)

7.2 Details of Key Senior Management’s Remuneration

The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company’s business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group’s senior management personnel who are not directors of the Company.

The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top 5 senior management received for FY2024 was RM729,000 representing 13.62% of the total employees’ remuneration of the Group.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top 5 senior management’s total combined remuneration package should meet the intended objectives of the MCCG and the interest of the shareholders will not be prejudiced as a result of non-disclosure of the key senior management on a named basis.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

8. EFFECTIVE AND INDEPENDENT AUDIT AND RISK MANAGEMENT COMMITTEE

8.1 The Chairman of the Audit and Risk Management Committee is Not the Chairman of the Board

During the financial under review, the positions of the Chairman of the ARMC and the Board are held by 2 different individuals. Hence, the objectivity of the Board’s review of the ARMC’s findings and recommendations will be able to be preserved. The Board is of the view that the Chairman of the ARMC has performed the duties as defined and his judgment was not impaired as he is sufficiently independent from Management in leading the discussion on the matters being deliberated and findings as well as recommendations made by the ARMC objectively in the Board meetings.

8.2 Cooling-off Period for a Former Audit Partner to be Appointed as Audit and Risk Management Committee Member

KAG recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. As recommended by MCCG, the Company will observe a cooling-off period of at least 3 years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by the Group.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

8. EFFECTIVE AND INDEPENDENT AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

8.3 Policies and Procedures for Assessment of Suitability, Objectivity and Independence of External Auditors

The external auditors fill an essential role by enhancing the reliability of the Company’s annual audited financial statements and giving assurance to stakeholders of the reliability of the annual audited financial statements. The external auditors have an obligation to bring any significant defects in the Company’s system of control and compliance to the attention of the Management, and if necessary, to the ARMC and the Board.

The external auditors are working closely with the internal auditors and tax consultants, without compromising their independence. Their liaison with the internal auditors would be in accordance with International Standards on Auditing (ISA) No. 610: “Considering the Work of Internal Auditing”, with the main objective of avoiding duplication of efforts to maximise audit effectiveness and efficiency. The external auditors review internal audit reports and discuss findings with internal auditors where necessary.

In accordance with the principles set out in ISA No. 260 “Communicating of Audit Matters with Those Charged with Governance”, the external auditors have brought to the Board’s attention through the ARMC, all the significant accounting, auditing, taxation, internal accounting systems & process control and other related matters that arise from the audit of the financial statements of the Company. Where necessary, the ARMC will meet with the external auditors without the presence of Executive Board members and Management to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit findings.

The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the external auditors are reviewed annually by the ARMC.

To assess or determine the suitability and independence of the external auditors, the ARMC has taken into consideration, among others, the following:

- (a) the adequacy of the competency, experience and quality of the external auditors;
- (b) the external auditor’s resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- (c) the nature of the non-audit services provided by the external auditors and fees paid for such services relative to the audit fee; and
- (d) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.

Annual appointment or re-appointment of the external auditors is via shareholders’ resolution at the AGM on the recommendation of the ARMC and the Board. The external auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders’ enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT’D)

8. EFFECTIVE AND INDEPENDENT AUDIT AND RISK MANAGEMENT COMMITTEE (CONT’D)

8.3 Policies and Procedures for Assessment of Suitability, Objectivity and Independence of External Auditors (cont’d)

The ARMC had assessed the independence of Messrs. Russell Bedford LC PLT (“RBLC”) as external auditors of the Company as well as reviewed the level of non-audit services rendered by RBLC to the Company for FY2024. The ARMC had obtained written assurance from RBLC confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants. The external auditors provided such declaration in their annual audit plan presented to the ARMC prior to the commencement of the audit for a particular financial year.

The ARMC was satisfied with RBLC’s technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid to RBLC. Having satisfied itself with their performance and technical competency as well as received the assurance from RBLC as stated above, the Board approved the ARMC’s recommendation for the shareholders’ approval to be sought at the forthcoming AGM on the re-appointment of RBLC as the External Auditors of the Company for the financial year ending 31 March 2025.

8.4 Composition of the Audit and Risk Management Committee

The current ARMC comprises 3 Independent Non-Executive Directors. On the composition, please refer to the Corporate Information of this Annual Report on page 4.

The Board is of the view that the ARMC is able to assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards.

8.5 Continuous Professional Development

To assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards, all the ARMC members will undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Board, through the recommendation of the NC and with the exception of the Directors who are also the ARMC is generally satisfied that all the ARMC members are financially literate and have sufficient understanding of the Company’s business.

Further details on the external programs attended by the ARMC members are set out in this Annual Report on page 50.

8.6 Compliance with Applicable Financial Reporting Standards

The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group’s financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual reports and announcements to Bursa Securities.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT’D)

8. EFFECTIVE AND INDEPENDENT AUDIT AND RISK MANAGEMENT COMMITTEE (CONT’D)

8.6 Compliance with Applicable Financial Reporting Standards (cont’d)

The interim financial reports, annual audited financial statements and annual reports of the Group for FY2024 are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements and the Act. The ARMC assists the Board in overseeing the financial reporting processes and ensuring the quality of its financial reporting.

The statement by the Board pursuant to Rule 15.26(a) of the Listing Requirements on its responsibilities in preparing the financial statements is set out on page 80 of this Annual Report.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9.1 Sound Framework to Manage Risk

The Board recognises the importance of managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls.

The Board has established an Enterprise Risk Management framework and on-going reviews are performed on a quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Company’s Management Team as well as the Group’s independent and sufficiently resourced internal audit function. The findings of the internal audit function are regularly reported to the ARMC.

The ARMC is tasked to review the risk management policies and internal control procedures formulated by Management and make relevant recommendations to the Board for approval from time to time to ensure, as far as possible, the protection of its assets and its shareholders’ investments.

Details of the Company’s risk management and internal controls framework are further elaborated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

9.2 Implementation of Mitigating Measures

The responsibilities of identifying and managing risks are delegated to the respective Heads of Department (“HoD”). The ARMC is responsible for reviewing the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.

The ARMC will assist the Board in implementing and overseeing the risk management framework of the Group reviewing the risk management policies formulated by Management and making relevant recommendations to the Board for approval.

The main features of the Company’s risk management framework and internal controls system are further elaborated in the Statement on Risk Management and Internal Control of this Annual Report.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT’D)

9. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT’D)

9.3 Risk Management Committee

The ARMC was renamed on 27 November 2017 with its scope of duty and responsibilities being broadened and the importance being placed on the risk management of the various elements of the Company’s business whilst also covering the areas of internal control, financial reporting and CG.

The ARMC currently comprises 3 Independent Non-Executive Directors. This is in line with Practice Note 10.3 of the MCCG whereby the risk management committee should comprise a majority of Independent Directors.

Details of the main features of the Company’s risk management and internal controls framework are further elaborated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

10. EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

10.1 Internal Audit Function

The Board has delegated the implementation and monitoring of the internal control system to the Management and has engaged the services of an independent assurance provider to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group’s systems of internal control. The internal auditors report directly to the ARMC on its activities based on the approved annual internal audit plans. The principal role of the internal auditors is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

10.2 Competency of Internal Auditors

To ensure that the responsibilities of internal auditors are fully discharged, the ARMC shall review the adequacy of the scope, functions and resources of the internal audit function as well as the competency i.e. qualification and experience of the internal auditors on a yearly basis.

For FY2024, the Group has outsourced its internal audit function to Vaersa Advisory Sdn. Bhd., a professional service firm (“Outsourced IA”).

The Outsourced IA is headed by its associate director, Ms Tiffany Lim, who holds a Bachelor’s Accounting, member of the Malaysian Institute of Accountants and associate member of the Institute of Internal Auditors Malaysia. The Outsourced IA has assigned 2 staff to provide internal audit services during the financial period. The work of the outsourced IA is guided by, in all material respects, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.

The internal audit function has been mandated to assess and monitor the Group’s system of internal control and provides reasonable assurance that the Group’s system of internal control is satisfactory and operating effectively. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business units of the Group and presents to the ARMC for review and approval.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT’D)

10. EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

10.2 Competency of Internal Auditors (cont’d)

During the financial year, the following activities were carried out by the Outsourced IA in discharge of its responsibilities:

- (a) Reviewed the adequacy and effectiveness of the systems of internal control and compliance with the Group’s policies and procedures on the following business process/area set out below:
 - Progenet Cloud Services and Data Centre
- (b) Proposed and presented the internal audit plan for the ARMC’s approval and ensured that appropriate actions were taken to carry out the audits based on the approved plan; and
- (c) Reported to the ARMC the results of the internal audit reports and its findings and the implementation of the management responses to the findings.

The ARMC had assessed the adequacy of the scope, functions, competency and resources of the Outsourced IA for the financial year under review and the internal audit function performed by the Outsourced IA was satisfactory and adequate. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal of the adequacy and effectiveness of the Group’s internal control system.

An overview of the state of internal controls function within the Group, which includes the risk and key internal control structures, is set out in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

11. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS

11.1 Effective, Transparent and Regular Communication with its Stakeholders

The Board recognises the importance of prompt and timely dissemination of information to shareholders and investors, in order for these stakeholders to be able to make informed investment decisions. KAG’s website incorporates an Investor Relations (“IR”) section which provides all relevant information on the Group and is accessible by the public. This section enhances the IR function by including share price information, all announcements made by the Company, annual reports, Board Charter and the corporate and governance structure of the Company.

The Company will continuously enhance the disclosures on its website for broader and more effective dissemination of information to its stakeholders from time to time. The announcement of the quarterly financial results is also made via Bursa LINK in a timely manner as required under the Listing Requirements in ensuring equal and fair access to information by the investing public.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART I – ENGAGEMENT WITH STAKEHOLDERS (CONT’D)

11. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS (CONT’D)

11.1 Effective, Transparent and Regular Communication with its Stakeholders (cont’d)

To promote the dissemination of the financial results of the Company to investors, shareholders and media as well as to keep the investing public and other stakeholders updated on the progress and development of the Group’s business, the Board may conduct open briefings from time to time in ensuring constant interactions with existing and prospective investors. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or by phone. Primary contact details are set out on the Group’s corporate website.

11.2 Integrated Reporting

The Company has provided concise information in relation to its strategy, performance, governance and prospects through the Management Discussion and Analysis and the Sustainability Statements in this Annual Report. This is to ensure that the stakeholders are well informed of the business and performance of the Company and to promote transparency and accountability of the Company.

PART II – CONDUCT OF GENERAL MEETINGS

12. STRENGTH RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

12.1 Encourage Shareholder Participation at General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. At every AGM, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent Question & Answer (“Q&A”) session wherein the Directors, Company Secretary and/or HoD as well as the Group’s external auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution.

The Company dispatches its notice of AGM to the shareholders at least 28 days before the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. This would allow the shareholders to make necessary arrangements to attend and participate in person, by a corporate representative, by proxy or by attorney.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

12.2 Effective Communication and Proactive Engagements

All the Directors shall endeavor to present in person to engage directly with and be accountable to, the shareholders for their stewardship of the Company at the AGM. The Chairman will also invite shareholders to raise questions pertaining to the Company’s financial statements and other items for adoption at the meeting, before putting a resolution to vote and/or during the Q&A session.



CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT

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

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. STRENGTH RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS (CONT'D)

12.2 Effective Communication and Proactive Engagements (cont'd)

Together with the Directors, Management and external auditors will be in attendance to respond to the shareholders’ queries. The Board will also share with the shareholders the Company’s responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group, if any.

In addition to the above, the Company will look into the allocation of time during the AGM for dialogue with the Shareholders, if necessary to address the issues concerning the Group and to make arrangements for officers of the Company to present and handle other face-to-face enquiries from the shareholders.

In line with the recommendation of MCCG, the minutes of the AGM or any general meeting will be posted on the Company’s website for public viewing within 30 business days after the AGM or general meeting.

12.3 Facilitate Greater Shareholder Participation at General Meetings

Under Rule 8.31A(1) of the Listing Requirements, a public listed company must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the votes cast at the AGM.

The 20th AGM of the Company which was held on 13 September 2023 was conducted by way of a virtual basis and online remote voting using the Remote Participation and Voting Facilities and has been attended by all the Directors of the Company.

COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report and the CG Report 2024, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company’s shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the CG Report 2024.



AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT

COMPOSITION AND ATTENDANCE

The ARMC of Key Alliance Group Berhad (“KAG” or “the Company”) had on 27 November 2017, broadened its scope and highlighted the importance placed on the risk management of the various elements of the Company’s business whilst also covering the areas of internal control, financial reporting and corporate governance. Currently, the ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. This meets the requirements of Rule 15.09(1)(b) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The ARMC Chairman, Mr Lee Kien Fatt, is a member of the Malaysia Institute of Accountants (“MIA”). Accordingly, KAG also complies with Rule 15.09(1)(c)(i) of the Listing Requirements. No alternate director is appointed as a member of the ARMC.

The record of attendance of the members of the ARMC for meetings held during the financial year ended 31 March 2024 (“FY2024”) is disclosed in the Corporate Governance (“CG”) Overview Statement on page 48 of this Annual Report.

The Terms of Reference (“ToR”) of the ARMC is available for download on the Company’s website at www.kag.com.my.

SUMMARY OF ACTIVITIES

During the financial year under review, the ARMC discharged its functions and duties in accordance with its existing ToR. The activities undertaken during the financial year under review are summarised broadly as follows:

(a) External Audit

- Reviewed external audit scope and audit plans based on the external auditors’ presentation of audit strategy and plan;
- Reviewed external audit results, audit reports, management letter and the response from the Management;
- Reviewed and evaluated factors relating to the independence of the external auditors and worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they were, and had been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the International Federation of Accountants and the MIA;
- Considered and recommended to the Board for approval of the audit fees payable to the external auditors; and
- Carried out an assessment of the performance and suitability of Messrs Russell Bedford LC PLT (“RBLC”) based on the quality of services and relationship with Management, the ARMC has been satisfied with the independence, performance and suitability of RBLC based on the assessment and that the ARMC has recommended to the Board and shareholders for approval on the re-appointment of RBLC for the financial year ended 31 March 2024.

(b) Internal Audit

- Reviewed internal auditors (“IA”)’s resource requirements, scope, adequacy and function;
- Reviewed of the annual IA plan and programs;
- Reviewed IA reports, recommendations and Management’s responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the IA were discussed together with the Management Team in a separate forum;
- Reviewed implementation of these recommendations through follow-up audit reports;



AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT

SUMMARY OF ACTIVITIES (CONT'D)

(b) Internal Audit

- Suggested additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- Reviewed the risk management framework and any significant proposed changes to risk management policies and strategies for adoption by the Board;
- Reviewed and monitored principal risks which may affect the Group directly or indirectly, and if deemed necessary, and recommended additional course(s) of action to mitigate such risks;
- Monitored the risk assessment results and communication to the Board with mitigating measures for consideration; and
- Assessed the actual and potential impact of any failure or weakness of the internal controls in place.

(c) Financial Reporting

- Reviewed the quarterly unaudited financial results before recommending for the Board’s approval, focusing particularly on:
 - o any change in accounting policies and practices;
 - o significant adjustments arising from the audit;
 - o the going concern assumption; and
 - o compliance with applicable financial reporting standards and other legal requirements.
- Reviewed annual report and the annual audited financial statements of the Company prior to submission to the Directors for their perusal and approval to ensure compliance of the financial statements with the provisions of the Companies Act 2016 and the applicable approved accounting standards as per the Malaysian Accounting Standards Board (“MASB”); and
- Reviewed the Group’s compliance with the Listing Requirements, MASB and other relevant legal and regulatory requirements and deliberation on the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements with regards to the quarterly financial statements and annual audited financial statements of the Company.

(d) Risk Management and Internal Control

- Reviewed the effectiveness of the internal control system and risk management framework adopted within the Group and be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities;
- Assessed the systems processes, policy and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- Reviewed the system of internal control to ensure that they are in place, effectively administered and regularly monitored;
- Recommended to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the ARMC itself;
- Reviewed the updates on the risk profile and summary of risk presented by the Management; and
- Highlighted to the Board any significant new risks which had come to its attention from the IA or Risk Management reports which are of sufficient importance to warrant the attention of the Board.



AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT

SUMMARY OF ACTIVITIES (CONT'D)

(e) Related Party Transactions/Conflict of Interest Situations

- Reviewed any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(f) Other activities:

- Reviewed its ToR and made recommendations to the Board on revision, if necessary;
- Verified the options allocated under the Share Issuance Scheme (“SIS”) in compliance with criteria as stipulated in the SIS By-laws of the Company;
- Reviewed application of CG principles and the extent of the Group’s compliance with the best practices set out under the Malaysian Code on Corporate Governance (“MCCG”);
- Reviewed the Management Discussion & Analysis, CG Overview Statement, CG Report, ARMC Report and the Statement on Risk Management and Internal Control for adoption by the Board; and
- Reviewed and recommended the adoption of the Conflict of Interest Policy for Directors.

INTERNAL AUDIT FUNCTION

The purpose of the internal audit function is to provide the Board, through the ARMC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To provide an independent appraisal over the system of internal control of the Group to the ARMC, the Company outsources the internal audit function to an independent assurance provider (“IA”). In this respect, the IA has added value by improving the control processes within the Group. The total costs incurred amounted to RM22,000 for FY2024.

The internal audit activities were carried out based on a risk-based audit plan presented by the internal auditors to the ARMC for approval. The establishment of the audit plan took into consideration the corporate risk profile and input from Senior Management and the ARMC. The internal auditors highlighted to the ARMC the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective actions to ensure an adequate and effective internal control system within the Group.

An overview of the Group’s approach to maintaining a sound system of internal control is set out in the Statement on Risk Management and Internal Control on pages 74 to 77 of this Annual Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Securities Berhad and guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” and with the Malaysian Code of Corporate Governance issued by Securities Commission Malaysia, the Board of Directors of the Company (“the Board”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) which outlines the governance policies, key elements, nature and scope of risk management and internal control of the Group during financial year ended 31 March 2024 (“FY2024”).

BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibilities in maintaining a sound system of internal controls that covers financial, operational and risk management within the Group to meet its business objectives. The Board affirms its overall responsibility for reviewing the adequacy, integrity and effectiveness of the risk management and internal control systems to safeguard shareholders’ investment and the Group’s assets. It covers not only financial controls but operational and compliance controls, and risk management.

However, such systems, by their nature, can only provide reasonable, but not absolute, assurance against hindering the Group achieving its business objectives, material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

The Board is of the view that the risk management and internal control system is in place for the year under review and is sound and adequate to safeguard shareholders’ investment and the Group’s assets. Notwithstanding, the Company’s internal control system does not apply to its associate companies which fall within the control of their majority shareholders.

RISK MANAGEMENT

The Board recognises the importance of identifying, evaluating and managing the significant risks that could potentially impact the Group. The Board is aware that risk management practices need to be embedded into the organisation’s business processes. Hence, risk registers and risk profiles are used as one of the business tools to highlight the risk exposures and their risk mitigation to Management and the Board. The risk register and risk profiles for all business units of the Group are updated as and when there are changes to the business environment or regulatory guidelines. This process is regularly reviewed by the Audit and Risk Management Committee (“ARMC”) and reported to the Board.

During the financial year under review, the underlying principal risks of the Company are market competition risk, security risk, dependence on key management personnel risk, operational and business risks, foreign exchange risks, regulatory and political risk.

The key elements of the Group’s risk management practices are described below:

1. The Group maintains a sound system of risk management by ensuring that the risk management and control framework are embedded into the culture, processes and structure of the Group and to the achievement of its business objectives.
2. The Group has established an organisation structure with clearly defined limits of authority, lines of responsibility and accountability that align with the Group’s business objectives.
3. The Heads of Department and Key Management staff are responsible for identifying, assessing and managing the risks faced by the respective departments. The results of risk assessment activities are shared across the business unit for appropriate actions to be taken.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

4. Periodic operational/management meetings are held to ensure that the risks identified are monitored and appropriately addressed to the Executive Directors and they shall highlight those significant risks identified to the ARMC and the Board.
5. The Board is assisted by the ARMC in overseeing the effectiveness of the Group's policies and guidelines to ensure proper management of risks to which the Group is exposed and to take appropriate and timely action to manage the risks.
6. The Board through the ARMC, maintains risk oversight for the Group by carrying out the following:
 - i. On-going review with the Key Management personnel within the Group on the development and maintenance of risk management practices and internal control systems.
 - ii. Review on the results of the internal audit plan and processes undertaken at least once a year and whether or not appropriate action is taken on the recommendations made by the internal auditors.
 - iii. Review with external auditors the results of their audit, the audit report and internal control recommendations with respect to internal control weaknesses noted in the course of their audit on a yearly basis.

INTERNAL CONTROL PROCESSES

The Group's internal control mechanism covers not only day-to-day operations but also the governance of the Group at the highest level through the Board and various Board Committees. While the Board and its Board Committees are governed by their respective Terms of Reference ("ToR") established and are reviewed on an annual basis, Management's conduct is monitored and reviewed through operational performance reviews on a quarterly basis, risk position reviewed periodically and independent internal audit conducted by an independent professional firm. The internal control processes are reviewed and updated from time to time to ensure that they are relevant and effective when responding to changes in circumstances and external environment and also for further improvement by adopting the best practices, where practical.

Apart from risk management and internal audit function, the Board, through the ARMC has also put in place the following key elements as part of the Group's system of internal control:

- The Executive Directors meet monthly with senior management to discuss and review the financial and business performance of all operating entities, management accounts, new business initiatives, and other management and corporate issues of the Group.
- There are policy and authority limits implemented on the Executive Directors and Senior Management within the Group with respect to the day-to-day operations and financing, investments, acquisitions and disposal of assets.
- The Group has in place a Whistleblowing Policy, to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential environment.
- The ARMC comprising exclusively of Independent Non-Executive Directors, is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The ARMC and the Board are also entitled to seek such other third party independent professional advice deemed necessary to the discharge of its responsibilities.
- An integrated Board Charter and Code of Conduct are in place and available on the Company's website to set the pace of upholding integrity and ethical values within the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

During the financial year under review, the Group has outsourced its internal audit function to Vaersa Advisory Sdn Bhd, a professional service firm (“Outsourced IA”).

The Outsourced IA is headed by its associate director, Ms Tiffany Lim, who holds a Bachelor’s Accounting Degree, member of the Malaysian Institute of Accountants and associate member of the Institute of Internal Auditors Malaysia. The Outsourced IA has assigned 2 staff to provide internal audit services during the financial period. The work of the outsourced IA is guided by, in all material respects, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.

The internal audit reviews were conducted using a risk-based approach and were guided by, in all material respects, the International Professional Practice Framework issued by the Institute of Internal Auditors. The internal audit reviews involved assessing key risk areas, a walkthrough or high-level reviews of the major operations, discussions held with management and key staff as well as tests of transactions on a sample basis.

The internal audit function independently assess operations of the Group’s system of internal control and provides reasonable assurance that the Group’s system of internal control is satisfactory and operating effectively. The internal audit function prepares a risk-based internal audit strategy based on the risk profiles of individual business units of the Group and presents it to the ARMC for review and approval.

The comprehensive report on the approaches of internal audit reviews, findings and recommendation action plans are tabled for the ARMC’s review and endorsement. The results of their review presented in the Internal Audit Report, which includes a summary of internal audit findings and management’s responses, were discussed with Management and subsequently presented to the ARMC.

During the financial year under review, the Outsourced IA has conducted audits based on an approved internal audit plan. The area of IA covered the following:

- Progenet Cloud Services and Data Centre

Based on the internal audit review conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainty that would require separate disclosure in this Annual Report.

The ARMC assessed the adequacy of the scope, functions, competency and resources of the Outsourced IA for the financial year under review and the internal audit function performed by the Outsourced IA was satisfactory and adequate. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal of the adequacy and effectiveness of the Group’s internal control system.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONCLUSION

The Board has received reasonable assurance from the Executive Directors and Senior Management that the Group's risk management and internal control systems, in all material aspects, are operating adequately and effectively. The Board is of the opinion that there were no significant weaknesses identified during the financial year under review in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group save and except for the specific shortcomings in operational related issues as highlighted by the internal audit conducted. These gaps will be gradually closed through on-going corrective measures.

Nevertheless, the Board recognises that the systems must continuously improve to meet the changing business environment. The Board and the Management will continue to take necessary measures to strengthen and improve its internal control environment and processes.



ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of proceeds raised

Save as disclosed below, there were no other proceeds raised from corporate proposal during the financial year ended 31 March 2024 ("FY2024").

Right Issue with Warrants

On 20 November 2020, the Rights Issue with Warrants has been completed with the listing of Rights Shares and Warrants on the ACE Market of Bursa Malaysia Securities Berhad. As at 31 March 2024, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Variation RM'000	Revised Utilisation of Proceed RM'000	Actual Utilisation RM'000	Unutilised RM'000
Business expansion					
- Purchase of Covid-19 RT PCR Test Kit, and other in vitro diagnostic devices and/or medical equipment/devices	28,995	1,388	30,383	(30,383)	-
- Staff related costs	1,000	-	1,000	(490)	510
- Marketing & Advertising costs	5,000	(2,400)	2,600	(286)	2,314
Repayment of bank borrowings	9,600	-	9,600	(9,600)	-
Working capital	3,810	1,012	4,822	(4,822)	-
Estimated expenses for the Corporate Exercises	700	-	700	(700)	-

Private Placement I

On 23 December 2021, the Private Placement I has been completed with the listing of 510,861,906 placement shares on the ACE Market of Bursa Malaysia Securities Berhad. As at 31 March 2024, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised RM'000
Development of an electronic-commerce marketplace/platform for medical equipment, devices and related products	6,787	(4,144)	2,643
Estimated expenses for the Corporate Exercises	110	(92)	18

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of proceeds raised (cont'd)

Private Placement II

On 13 April 2022, the Private Placement II has been completed with the listing of 613,000,000 placement shares on the ACE Market of Bursa Malaysia Securities Berhad. As at 31 March 2024, the status of the utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised RM'000
Data centre maintenance and upgrade	2,070	(2,070)	-
Software development/expansion for agricultural cloud-based business	1,274	(839)	435
Working capital	1,589	(1,397)	192
Estimated expenses in relation to the proposals	400	(400)	-

2. Material contracts

There were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries ("Group") involving Directors' or substantial shareholders' interest, either still subsisting at the end of FY2024 or entered into since the end of the previous financial year ended 31 March 2023.

3. Options, warrants or convertible securities

The Company did not issue any options, warrants or convertible securities during the financial year under review.

4. Audit and Non-Audit Fees

During the FY2024, audit and non-audit fees incurred for services rendered to the Company and/or its subsidiaries by the Company's external auditors, Messrs. Russell Bedford LC PLT were as follows:

	The Company RM	The Group RM
Audit Services Rendered	76,000	247,000
Non-Audit Services Rendered		
(a) Review of Statement of Risk Management and Internal Control	6,000	6,000

5. Recurrent Related Party Transactions of Revenue Nature

Save for such disclosure made in note 31 of the audited consolidated financial statements on pages 142 to 143 of this Annual Report, there were no other material recurrent related party transactions entered by the Group during the financial year under review.



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required under the Companies Act 2016 to prepare the financial statements for each financial year. These financial statements are to be drawn up in accordance with applicable approved accounting standards other than private entities as issued by Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the year then ended.

In preparing these financial statements, the Directors have considered that:

- The Group and the Company have used appropriate accounting policies, and are consistently applied;
- Reasonable and prudent judgments and estimates were made;
- The applicable approved accounting standards in Malaysia have been applied; and
- The preparation of the financial statements is on a going concern basis.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibility for taking steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2024, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

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DIRECTORS' REPORT

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

Principal activities

The principal activity of the Company is that of investment and property holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 15 to the financial statements.

Financial results

	Group RM	Company RM
Net loss for the financial year	(11,671,175)	(26,996,940)
<hr/>		
Attributable to:		
Owners of the Company	(11,216,620)	(26,996,940)
Non controlling interests	(454,555)	-
	(11,671,175)	(26,996,940)

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

Dividend

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

Reserves and provisions

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

Issue of shares and debentures

During the financial year, the issued and paid up capital of the Company was increased by way of the exercise of 50,000 Warrants C by the holders to subscribe for 50,000 new ordinary shares at an exercise price of RM0.05 per share for cash.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The movements in the Company's share capital account are disclosed in Note 25 to the financial statements.

The Company has not issued any debentures during the financial year.

DIRECTORS' REPORT

Warrants C

The Company had on 20 November 2020 issued 982,103,848 warrants in conjunction with its renounceable rights issue exercise. The warrants are constituted by a deed poll dated 7 October 2020 ("Deed Poll").

The salient features of the warrants are as follows:

- The issue date of the warrants is 20 November 2020 and the expiry date is on 19 November 2023. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- Each warrant entitles the registered holder the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.05 per ordinary share until the expiry of the exercise period;
- The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll;
- The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such warrant holders exercise their rights to subscribe for new ordinary shares; and
- The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The movements in the Company's warrants during the financial year are as follows:

	Entitlement for ordinary shares			Balance at 31.3.2024
	Balance at 1.4.2023	Exercised	Expired	
Number of unexercised warrants	982,103,848	(50,000)	(982,053,848)	-

Directors

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

Roy Ho Yew Kee

Lee Kien Fatt

Yee Yit Yang

Dr Azizah Binti Sulaiman

Sandraruben A/L Neelamagham

Dato' Zaidi Bin Mat Isa @ Hashim

Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad

Ong Gim Hai

Appointed on 1 June 2023

Appointed on 22 April 2024

Resigned on 20 September 2023

Resigned on 18 March 2024

Resigned on 22 April 2024



DIRECTORS' REPORT

Directors (cont'd)

The directors of the Company's subsidiaries in office since the end of the previous financial year to the date of this report, not including those directors listed above are:

Tay Ben Seng, Benson	Resigned on 30 May 2023
Koo Kien Yoon	
Vishnu Nair A/L Jeyarajan	
Hon Chao Sheung	
Dato' Dr Azirul Salihin Bin Anuar	Resigned on 1 June 2023
Khairul Anuar Bin Danial	Resigned on 1 June 2023
Mohamad Reza Bin Abu Hassan	Resigned on 17 May 2024

Directors' interests in shares

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares			
	Balance as at 1.4.2023	Bought	Sold	Balance as at 31.3.2024
In the Company				
Shareholdings registered in the name of directors:				
Roy Ho Yew Kee	225,400,000	500,000	-	225,900,000
Ong Gim Hai	11,800,000	-	-	11,800,000

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

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration are disclosed in Note 6 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance

The total amount of indemnity insurance effected for directors of the Company for the financial year amounted to RM5,000,000 (any one claim and in annual aggregate). There was no indemnity given to or insurance effected for any officers and auditors of the Company during the financial year.

DIRECTORS' REPORT

Other statutory information

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

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

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

Auditors

The auditors, Messrs Russell Bedford LC PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 6 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

SANDRARUBEN A/L NEELAMAGHAM

ROY HO YEW KEE

Kuala Lumpur

Dated: 23 July 2024



STATEMENT BY DIRECTORS

The directors of **KEY ALLIANCE GROUP BERHAD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

SANDRARUBEN A/L NEELAMAGHAM

ROY HO YEW KEE

Kuala Lumpur

Dated: 23 July 2024

STATUTORY DECLARATION

I, **ROY HO YEW KEE**, being the director primarily responsible for the financial management of **KEY ALLIANCE GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
above named ROY HO YEW KEE at Kuala)
Lumpur in Wilayah Persekutuan on)
23 July 2024

ROY HO YEW KEE

Before me,

COMMISSIONER FOR OATHS
LEE CHIN HOCK
No. W909

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements

1.1 Opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 March 2024, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including the material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the year then ended in accordance with the Companies Act 2016 (the "Act") and the Malaysian Financial Reporting Standards.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA 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 MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3 Key audit matters

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

1.3.1 Impairment review of plant and equipment and right of use assets of data centre and cloud services segment

A subsidiary of the Group in the data centre and cloud services segment, Progenet Innovations Sdn Bhd had been persistently making losses. This is an indication that an impairment might have occurred on the plant and equipment and right of use assets of the subsidiary as at 31 March 2024.

The carrying amount (before impairment) of the plant and equipment and right of use assets are RM35,289,189 and RM2,348,508 respectively as at 31 March 2024. Management has performed an impairment review and no impairment is required as the recoverable amounts of these assets are higher than their carrying amounts.

We focused on this area as significant judgements are involved in determining the recoverable amount by using the chosen valuation techniques and due to the application of assumptions by the professional valuers.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements (cont'd)

1.3 Key audit matters (cont'd)

1.3.1 Impairment review of plant and equipment and right of use assets of data centre and cloud services segment (cont'd)

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- performed site visit to verify the existence and conditions of the plant and equipment;
- considered the professional competencies, capabilities, objectivity and independence of the professional valuers engaged by the Group;
- discussed with the independent professional valuers to obtain an understanding of the valuation techniques, key assumptions and input data used; and
- assessed the appropriateness of the valuation techniques and the key assumptions used based on our industry knowledge.

We found the valuation techniques used to be appropriate and assumptions applied were supported by available evidence.

Additional information on the impairment review is disclosed in Note 11.1 to the financial statements.

1.3.2 Recoverability of trade and other receivables

As disclosed in Note 21 and 22 to the financial statements, the gross trade receivables and other receivables of the Group as at 31 March 2024 was RM10,568,698 and RM24,323,758 and the associated expected credit losses was RM1,003,484 and RM 13,388,387 respectively.

As at 31 March 2024, the gross other receivables of the Company was RM88,880,388 and the associated expected credit losses was RM28,992,122, as disclosed in Note 22 to the financial statements.

The Group and the Company have significant receivable balances that are overdue, leading to the risk that the Group's and the Company's allowance for expected credit losses for receivables being insufficient if these amounts are not recoverable in the event of default. The recoverability of receivables is a key audit matter as its assessment involve significant judgements and assumptions.

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- reviewed and verified the collections received during and subsequent to the reporting period to bank records;
- assessed the adequacy of impairment assessment performed by management on overdue receivables. For a balance where no allowance for impairment was made, we obtained evidence in the form of subsequent receipts, historical payment trends and customer's financial position; and
- tested the adequacy of the allowance of expected credit losses made by management through challenging the relevant assumptions and data applied in making the estimates.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements (cont'd)

1.3 Key audit matters (cont'd)

1.3.2 Recoverability of trade and other receivables (cont'd)

How the matter was addressed in the audit (cont'd)

For related party balances, we also:

- discussed with management to understand the underlying assumptions used in the preparation of cash flow projections;
- compared the assumptions used within the cash flow projections to approved budgets and business plans;
- compared prior period projections against actual outcome to assess reliability of management forecasting process;
- benchmarked key assumptions used by management in estimating future cash flows such as revenue growth and gross profit margin to historical performance;
- benchmarked key assumptions including discount rates, where applicable, and inflation against our own internal research data;
- reviewed management's calculation together with relevant supporting documents; and
- evaluated the basis used by management in determining cash flows recoverable in worst case scenarios, where applicable.

We are satisfied with the results of our procedures performed.

1.3.3 Capitalisation of development costs in progress

As disclosed in Note 14 to the financial statements, included under intangible assets is an amount of RM7,000,000 being capitalised as development costs incurred directly in developing a telemedicine portal to provide remote clinical services.

Capitalisation of development costs in progress is a key audit matter as the ability to complete the development project (including the technical feasibility) as well as the probability of expected future economic benefit involved significant assessment, judgement and estimation by management.

How the matter was addressed in the audit

We assessed whether the development costs capitalised fulfilled the required criterion for such costs to be recognised as an intangible asset in accordance with MFRS138 Intangible Assets. Our audit procedures included, amongst others:

- verified that the costs capitalised are directly attributable costs incurred in the development to supplier invoices;
- reviewed the feasibility study reports prepared by an independent consultant appointed by management and approved by the Board of Directors;
- reviewed the approved project plan and discussed with management to obtain an understanding on the Group's overall business concept including the budgeted project costs and defined project milestones in completing the development;
- reviewed the qualifications and competency of the independent consultant appointed;
- reviewed the scope of work of the supplier and discussed with the project team members involved in the development project to assess their knowledge and experience in completing the development for commercialisation; and
- attended live demonstrations performed by the supplier that covers the development progress up to date.

We are satisfied with the results of our procedures performed.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements (cont'd)

1.3 Key audit matters (cont'd)

1.3.4 Impairment review of development costs in progress

The ability of the capitalised development costs in progress to generate sufficient future economic benefits to recover its carrying amount is usually subject to greater uncertainty before the asset is available for use than after it is available for use. Therefore, development costs in progress is subject to impairment assessment annually.

We focused on this area due to the nature of judgements and assumptions made by management in determining whether there is any impairment that has occurred.

How the matter was addressed in the audit

- We discussed with management to understand the underlying assumptions used in the impairment review model;
- We compared the assumptions used within the impairment review model to approved budgets and business plans;
- We benchmarked key assumptions including discount rates, where applicable, and inflation against our own internal research data; and
- We tested the mathematical accuracy of the impairment assessment.

We are satisfied with the results of our procedures performed.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

1.5 Responsibilities of management and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Act and the Malaysian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements (cont'd)

1.5 Responsibilities of management and those charged with governance for the financial statements (cont'd)

In preparing the financial statements, management is 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 management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the Approved Standards on Auditing in Malaysia and the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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/or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements 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 and/or the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY ALLIANCE GROUP BERHAD

1. Report on the audit of the financial statements (cont'd)

1.6 Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

2. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Lew Chui Hoong.

RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

Kuala Lumpur

Date: 23 July 2024

LEW CHUI HOONG
03481/01/2026 J
CHARTERED ACCOUNTANT

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	4	33,881,183	50,222,161	324,000	324,000
Cost of sales	5	(30,031,203)	(45,964,179)	-	-
Gross profit		3,849,980	4,257,982	324,000	324,000
Other operating income		10,237,413	991,432	2,421,698	652,791
Administrative expenses		(10,242,144)	(11,026,156)	(3,487,422)	(3,877,976)
Other operating expenses		(15,628,202)	(5,867,049)	(17,349,069)	(2,173,688)
Net allowance for expected credit losses		328,693	(7,778,837)	(9,206,157)	(1,886,000)
Loss from operations	6	(11,454,260)	(19,422,628)	(27,296,950)	(6,960,873)
Finance income	7	142,256	244,928	572,454	640,659
Finance costs	8	(473,021)	(617,069)	(272,444)	(331,104)
Net finance (costs)/income		(330,765)	(372,141)	300,010	309,555
Share in profit/(loss) of associates		322,768	(1,247,762)	-	-
Loss before tax		(11,462,257)	(21,042,531)	(26,996,940)	(6,651,318)
Income tax expense	9	(208,918)	(169,252)	-	2,890
Net loss/Total comprehensive loss for the year		(11,671,175)	(21,211,783)	(26,996,940)	(6,648,428)
Net loss/Total comprehensive loss attributable to:					
Owners of the Company		(11,216,620)	(20,582,778)		
Non controlling interests		(454,555)	(629,005)		
		(11,671,175)	(21,211,783)		
Basic loss per share (sen)	10	(0.30)	(0.56)		

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



STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Group			Company	
		31.3.2024	31.3.2023 (As restated)	1.4.2022 (As restated)	31.3.2024	31.3.2023
		RM	RM	RM	RM	RM
Non current assets						
Plant and equipment	11	35,608,497	40,108,294	44,707,078	157,904	348,841
Right of use assets	12	5,178,521	4,556,867	6,590,431	2,826,829	3,684,729
Investment properties	13	18,200,000	18,200,000	18,200,000	9,000,000	9,000,000
Intangible assets	14	7,000,000	221,686	233,278	-	-
Investment in subsidiaries	15	-	-	-	1,852,023	6,400,018
Investment in associates	16	11,356,965	9,962,699	11,210,461	11,071,498	10,000,000
Other financial assets	17	25,082,405	23,101,910	25,271,804	24,882,531	22,907,086
Goodwill	18	-	-	-	-	-
Deferred tax assets	19	-	-	73,000	-	-
Other receivables, deposits and prepayments	22	35,779	54,043	1,912,810	7,076,722	6,489,600
		102,462,167	96,205,499	108,198,862	56,867,507	58,830,274
Current assets						
Inventories	20	1,281,100	2,021,465	4,104,126	-	-
Trade receivables	21	9,565,214	19,799,833	22,451,404	-	-
Other receivables, deposits and prepayments	22	10,899,592	3,319,664	16,789,145	52,811,544	59,938,473
Contract assets		-	-	517,267	-	-
Contract costs	23	6,719,800	4,752,312	-	-	-
Tax recoverable		260,739	540,731	501,790	30,859	50,575
Fixed deposits with licensed banks	24	4,944,450	2,748,475	2,901,135	2,764,267	2,696,953
Cash and bank balances		5,223,754	19,111,611	16,780,931	1,701,847	13,447,438
		38,894,649	52,294,091	64,045,798	57,308,517	76,133,439
Total assets		141,356,816	148,499,590	172,244,660	114,176,024	134,963,713

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Group			Company	
		31.3.2024	31.3.2023 (As restated)	1.4.2022 (As restated)	31.3.2024	31.3.2023
		RM	RM	RM	RM	RM
Equity						
Share capital	25	193,399,478	193,395,978	188,508,602	193,399,478	193,395,978
Reserves	26	(91,190,299)	(80,023,896)	(59,441,118)	(90,901,309)	(63,903,369)
Equity attributable to owners of the Company		102,209,179	113,372,082	129,067,484	102,498,169	129,492,609
Non controlling interests		(4,115,222)	(3,609,430)	(2,980,425)	-	-
Total equity		98,093,957	109,762,652	126,087,059	102,498,169	129,492,609
Non current liabilities						
Lease liabilities	27	4,101,033	3,369,789	5,161,502	2,248,448	3,094,949
Contract liabilities	4	24,264	371,575	1,694,424	-	-
Deferred tax liabilities	19	496,793	496,793	496,793	496,793	496,793
		4,622,090	4,238,157	7,352,719	2,745,241	3,591,742
Current liabilities						
Trade payables	28	12,778,891	17,155,848	18,228,351	-	-
Other payables and accruals	29	12,704,841	2,781,686	3,976,017	8,085,944	1,096,083
Contract liabilities	4	8,729,839	10,682,481	12,391,135	-	-
Borrowings	30	2,990,732	1,993,101	1,982,858	-	-
Lease liabilities	27	1,436,466	1,885,665	2,226,521	846,670	783,279
		38,640,769	34,498,781	38,804,882	8,932,614	1,879,362
Total liabilities		43,262,859	38,736,938	46,157,601	11,677,855	5,471,104
Total equity and liabilities		141,356,816	148,499,590	172,244,660	114,176,024	134,963,713

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



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

Group	Share capital RM	Warrant reserve RM	Accumulated losses RM	Equity attributable to owners of the Company RM		Non controlling interests RM	Total equity RM
				Warrant reserve RM	Company RM		
At 1 April 2023							
- as previously reported	193,395,978	19,642,077	(100,977,466)	112,060,589	(3,820,852)	108,239,737	
- prior year adjustments	-	-	1,311,493	1,311,493	211,422	1,522,915	
As restated	193,395,978	19,642,077	(99,665,973)	113,372,082	(3,609,430)	109,762,652	
Transactions with owners:							
Issuance of shares pursuant to exercise of Warrants C	3,500	(1,000)	-	2,500	-	2,500	
Warrants C expired	-	(19,641,077)	19,641,077	-	-	-	
Acquisition of non controlling interests	-	-	51,217	51,217	(51,237)	(20)	
Net loss/Total comprehensive loss for the year	3,500	(19,642,077)	19,692,294	53,717	(51,237)	2,480	
	-	-	(11,216,620)	(11,216,620)	(454,555)	(11,671,175)	
At 31 March 2024	193,399,478	-	(91,190,299)	102,209,179	(4,115,222)	98,093,957	

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

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

Group	Share capital RM	Warrant reserve RM	Accumulated losses RM	Equity attributable to owners of the Company		Non controlling interests RM	Total equity RM
				Company RM	RM		
At 1 April 2022							
- as previously reported	188,508,602	19,642,077	(80,394,688)	127,755,991	(3,191,847)	124,564,144	
- prior year adjustments	-	-	1,311,493	1,311,493	211,422	1,522,915	
As restated	188,508,602	19,642,077	(79,083,195)	129,067,484	(2,980,425)	126,087,059	
Transactions with owners:							
Issuance of shares	4,887,376	-	-	4,887,376	-	4,887,376	
Net loss/Total comprehensive loss for the year	-	-	(20,582,778)	(20,582,778)	(629,005)	(21,211,783)	
At 31 March 2023	193,395,978	19,642,077	(99,665,973)	113,372,082	(3,609,430)	109,762,652	

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



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

Company	Share capital RM	Warrant reserve RM	Accumulated losses RM	Total equity RM
At 1 April 2022	188,508,602	19,642,077	(76,897,018)	131,253,661
Transactions with owners:				
Issuance of shares	4,887,376	-	-	4,887,376
Net loss/Total comprehensive loss for the year	-	-	(6,648,428)	(6,648,428)
At 31 March 2023	193,395,978	19,642,077	(83,545,446)	129,492,609
Transactions with owners:				
Issuance of shares pursuant to exercise of Warrants C	3,500	(1,000)	-	2,500
Warrants C expired	-	(19,641,077)	19,641,077	-
Net loss/Total comprehensive loss for the year	3,500	(19,642,077)	19,641,077	2,500
Net loss/Total comprehensive loss for the year	-	-	(26,996,940)	(26,996,940)
At 31 March 2024	193,399,478	-	(90,901,309)	102,498,169

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from/(used in) operating activities				
Loss before tax	(11,462,257)	(21,042,531)	(26,996,940)	(6,651,318)
Adjustments for:				
Allowance for expected credit losses – net	(328,693)	7,778,837	9,206,157	1,886,000
Bad debts written off	28,953	12,510	-	-
Deposits written off	-	87,444	-	87,444
Depreciation	5,904,452	6,751,200	1,090,754	1,526,777
Distribution income from unquoted mutual funds	(5,267)	(3,794)	(217)	(179)
Fair value loss on other financial assets	11,699,057	2,173,688	11,699,057	2,173,688
Gain on disposal of other financial assets	(671,000)	-	(671,000)	-
Gain on derecognition of lease liabilities/lease modifications	(1,797)	(15,695)	-	-
Gain on disposal of plant and equipment	(339,975)	-	-	-
Gain on disposal of a subsidiary	(6,136,389)	-	(99,998)	-
Impairment loss on				
- plant and equipment	252,849	241,103	-	-
- right of use assets	-	262,004	-	-
- intangible assets	127,908	-	-	-
- investment in subsidiaries – net	-	-	4,650,013	-
Interest expense	473,021	617,069	272,444	331,104
Interest income	(142,256)	(244,928)	(572,454)	(640,659)
Inventories written off/written down	19,611	1,501,035	-	-
Intangible assets written off	93,778	52,000	-	-
Plant and equipment/Right of use assets written off	22,068	150,598	-	3,797
Unrealised loss/(gain) on foreign exchange	804	(2,549)	-	-
Share in (profit)/loss of associates	(322,768)	1,247,762	-	-
Operating loss before working capital changes	(787,901)	(434,247)	(1,422,184)	(1,283,346)
(Increase)/Decrease in trade and other receivables	(4,786,023)	10,101,028	(216,609)	452,004
Decrease in inventories	751,527	601,523	-	-
Changes in contract assets/ liabilities	(2,299,953)	(2,514,236)	-	-
Increase in contract costs	(1,967,488)	(4,752,312)	-	-
Increase/(Decrease) in trade and other payables	16,797,192	(1,713,751)	708,470	(714,783)
Cash generated from/(used in) operations	7,707,354	1,288,005	(930,323)	(1,546,125)
Income tax paid	(253,846)	(175,585)	(14,964)	(17,340)
Income tax refunded	324,920	40,392	34,680	17,340
Net cash from/(used in) operating activities	7,778,428	1,152,812	(910,607)	(1,546,125)

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



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from/(used in) investing activities				
Distribution income received	5,267	3,794	217	179
Increase in fixed deposits pledged	(2,077,570)	(13,102)	(67,314)	(53,170)
Decrease in fixed deposits with maturity of more than 3 months	-	166,528	-	-
Acquisition of other financial assets	(16,315,717)	(3,794)	(16,310,667)	(179)
Proceeds from disposal of other financial assets	2,869,000	-	2,869,000	-
Acquisition of investment in associates	(633,333)	-	(633,333)	-
Acquisition of shares in a subsidiary	-	-	(102,020)	-
Acquisition of non controlling interests	(20)	-	-	-
(Advances to)/Repayments from subsidiaries	-	-	(2,265,333)	904,877
Interest received	142,256	244,928	572,454	640,659
Proceeds from disposal of a subsidiary	100,000	-	100,000	-
Additions to intangible assets	(4,000,000)	(50,408)	-	-
Proceeds from disposal of plant and equipment	348,400	-	-	-
Purchase of plant and equipment	(599,075)	(1,209,175)	(41,917)	(73,712)
Net cash (used in)/from investing activities	(20,160,792)	(861,229)	(15,878,913)	1,418,654
Cash flows from/(used in) financing activities				
Proceeds from issuance of shares	2,500	4,887,376	2,500	4,887,376
Advances from/(Repayments of) advances from subsidiaries	-	-	6,096,983	(120,640)
Repayments of lease liabilities	(1,914,198)	(2,240,687)	(783,110)	(724,448)
Interest paid	(473,021)	(617,069)	(272,444)	(331,104)
Net cash (used in)/from financing activities	(2,384,719)	2,029,620	5,043,929	3,711,184
Net (decrease)/increase in cash and cash equivalents	(14,767,083)	2,321,203	(11,745,591)	3,583,713
Cash and cash equivalents at beginning of year	17,170,032	14,848,829	13,447,438	9,863,725
Cash and cash equivalents at end of year	2,402,949	17,170,032	1,701,847	13,447,438

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and cash equivalents are represented by:				
Cash and bank balances	5,223,754	19,111,611	1,701,847	13,447,438
Fixed deposits with licensed banks	4,944,450	2,748,475	2,764,267	2,696,953
Bank overdrafts	(2,990,732)	(1,993,101)	-	-
	7,177,472	19,866,985	4,466,114	16,144,391
Less: Fixed deposits pledged	(4,774,523)	(2,696,953)	(2,764,267)	(2,696,953)
	2,402,949	17,170,032	1,701,847	13,447,438

Reconciliation of liabilities arising from financing activities

Group	1.4.2023 RM	Cash flows RM	Non-cash changes RM	31.3.2024 RM
Lease liabilities				
- hire purchase	184,022	(94,610)	-	89,412
- other lease liabilities	5,071,432	(1,819,588)	2,196,243	5,448,087
	5,255,454	(1,914,198)	2,196,243	5,537,499

Group	1.4.2022 RM	Cash flows RM	Non-cash changes RM	31.3.2023 RM
Lease liabilities				
- hire purchase	495,458	(311,436)	-	184,022
- other lease liabilities	6,892,565	(1,929,251)	108,118	5,071,432
	7,388,023	(2,240,687)	108,118	5,255,454

Company	1.4.2023 RM	Cash flows RM	Non-cash changes RM	31.3.2024 RM
Lease liabilities				
- hire purchase	137,747	(48,335)	-	89,412
- other lease liabilities	3,740,481	(734,775)	-	3,005,706
Amount due to subsidiaries	837,911	6,096,983	184,408	7,119,302
	4,716,139	5,313,873	184,408	10,214,420

Company	1.4.2022 RM	Cash flows RM	Non-cash changes RM	31.3.2023 RM
Lease liabilities				
- hire purchase	184,069	(46,322)	-	137,747
- other lease liabilities	4,418,607	(678,126)	-	3,740,481
Amount due to subsidiaries	958,551	(120,640)	-	837,911
	5,561,227	(845,088)	-	4,716,139

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



NOTES TO THE FINANCIAL STATEMENTS

1. General information

The principal activity of the Company is that of investment and property holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 15.

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

The registered office of the Company is located at 22-09, Menara 1MK, No.1 Jalan Kiara, Mont Kiara 50480 Kuala Lumpur.

The principal place of business is located at Lot 18.2, 18th Floor, Menara Lien Hoe, No 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the board of directors on 23 July 2024.

2. Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention and any other bases described in the notes to the financial statements.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”) and their related IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

The amendments to MFRS 101 Disclosure of Accounting Policies became effective for application during the current reporting period. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments have an impact on the manner in which the Group’s accounting policies are disclosed, but not on the measurement, recognition or presentation of any components in the Group’s financial statements.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation of financial statements (cont'd)

2.3 Material accounting policy information

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

Non controlling interests

For business combination, non controlling interests are initially measured at the present ownership instruments’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

Investment properties

The Group adopted the fair value model in measuring its investment properties.

Inventories

Cost of inventories are accounted for on a first in first out basis.

Leases

The Company has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets.

Financial instruments

Financial assets at fair value through profit or loss

The Group classifies its investments in quoted equity as financial assets at fair value through profit or loss as these investments are held for trading, Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

In the process of applying the Group’s accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

3. Critical accounting estimates and judgements (cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

(a) Impairment of non financial assets

In assessing impairment of plant and equipment, right of use assets and investment in subsidiaries, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the relevant assets.

Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these non financial assets. To the extent of any future determination that these non financial assets are not recoverable, future financial results in the reporting period in which this determination is made will be affected.

(b) Allowance for expected credit losses for debt instruments at amortised cost

When measuring expected credit losses, the Group uses reasonable and supportable forward looking information, which is based on assumptions for future conditions and how these conditions will affect the amount of expected credit losses.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and internal credit enhancements. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(c) Recognition of construction and renovation revenue

Over time construction and renovation revenue is recognised by selecting an appropriate method for measuring the Group's progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured using an input method, by reference to the construction and renovation costs incurred to date as a percentage of the estimated total costs of the contract.

Significant estimation is required in determining the progress based on actual costs incurred to date over the estimated total construction and renovation costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example scope of work and costs to completion. In making the estimation, the Group evaluates based on past experience.

(d) Fair values of investment properties

Fair values of investment properties are determined by independent firms of professional valuers.

Significant judgements are involved in determining the fair values by using the chosen valuation technique and applying the assumptions as disclosed in Note 35.3. Any changes in fair values of these investment properties are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. Critical accounting estimates and judgements (cont'd)

(e) Capitalisation of development costs

The Group capitalised development costs for the telemedicine portal to provide remote clinical services. The extent of development costs incurred and capitalised is based on management's judgements that takes into consideration the technical feasibility of the application, the milestones achievability in completing the development and the anticipated economic return that outweighs the costs incurred and capitalised.

(f) Impairment of development costs in progress

In assessing impairment of development costs in progress, the recoverable amount is estimated using the value in use of the asset. Significant variations to the assumptions and estimates used to determine future cash flows could result in changes to the assessment of the recoverability of the development costs incurred.

4. Revenue

4.1 Disaggregation of revenue

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Type of goods or services				
<i>Data centre and cloud services</i>				
Data centre, cloud services and co-location services	6,599,569	5,196,321	-	-
IT support services	1,681,214	3,116,884	-	-
Maintenance support	-	398,296	-	-
	8,280,783	8,711,501	-	-
<i>Construction and renovation</i>				
Renovation contracts	22,277,377	24,492,113	-	-
<i>Trading</i>				
Sale of multifunction printers	3,999	12,860	-	-
Sale of accessories, consumables, computers and software	133,473	146,562	-	-
Click charges income	1,535,238	1,832,433	-	-
Service charges income	294,512	343,087	-	-
Sale of kitchen appliances	461,146	542,326	-	-
Sale of medical products	(313,516)	12,656,768	-	-
Other services	1,928	4,283	-	-
	2,116,780	15,538,319	-	-
<i>Others</i>				
Management fees	-	-	324,000	324,000



NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

4.1 Disaggregation of revenue (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers	32,674,940	48,741,933	324,000	324,000
Operating lease income	1,206,243	1,480,228	-	-
	33,881,183	50,222,161	324,000	324,000
Timing of revenue recognition				
Goods transferred at a point in time	253,397	15,924,705	-	-
Services transferred over time	10,835,291	9,670,420	324,000	324,000
Services transferred at a point in time	21,586,252	23,146,808	-	-
Revenue from contracts with customers	32,674,940	48,741,933	324,000	324,000

4.2 Contract balance

	Group	
	2024 RM	2023 RM
Contract liabilities		
Current	8,729,839	10,682,481
Non current	24,264	371,575
	8,754,103	11,054,056

The contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received the consideration in advance or has billed the customers.

Contract liabilities are recognised as revenue upon the Group delivering the goods to customers or performing the services under the contract.

	Group	
	2024 RM	2023 RM
The performance obligations for the non current portion of the contract liabilities is expected to be satisfied as follows:		
Later than 1 year and not later than 2 years	23,644	348,885
Later than 2 years and not later than 5 years	620	22,690
	24,264	371,575

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

4.2 Contract balance (cont'd)

The following table provides information of the contract balance:

	Group	
	2024 RM	2023 RM
At beginning of year	11,054,056	13,568,292
Advance consideration received/Billings issued during the year	25,509,195	19,292,596
Revenue recognised during the year	(27,809,148)	(21,806,832)
At end of year	8,754,103	11,054,056

The significant decrease in contract liabilities was mainly due to the completion of renovation contracts during the year which were previously brought forward as contract liabilities.

4.3 Performance obligations

Segment	Nature of goods or services	Timing of transfer of goods or services	Significant payment terms
Data centre and cloud services	Data centre, cloud services and co-location services	Revenue is recognised over time when the customer simultaneously receives and consumes the benefits	Generally due within 30 days to 90 days from invoice date
Data centre and cloud services	IT support services (including installation and configuration)	Revenue is recognised at a point in time when the services are rendered	Generally due within 90 days from invoice date
Data centre and cloud services	Maintenance support	Revenue is recognised over time when the customer simultaneously receives and consumes the benefits	Generally due within 90 days from invoice date
Data centre and cloud services	Others	Revenue is recognised at a point in time upon delivery of goods to the customer	Generally due within 30 days to 60 days from invoice date
Construction and renovation	Renovation works	Revenue is recognised over time by reference to the progress towards the complete satisfaction of the performance obligation	Generally due within 30 to 60 days from invoice date
Construction and renovation	Renovation works	Revenue is recognised at a point in time upon completion and customer acceptance of the renovation works	Generally due within 30 to 60 days from invoice date
Trading	Sale of multi function printers, accessories, consumables, computers and software	Revenue is recognised at a point in time upon delivery of goods to the customers	Generally due within 30 to 60 days from invoice date
Trading	Click charges income	Revenue is recognised over time when the customer simultaneously receives and consumes the benefits	Generally due within 30 to 60 days from invoice date



NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

4.3 Performance obligations (cont'd)

Segment	Nature of goods or services	Timing of transfer of goods or services	Significant payment terms
Trading	Service charges income	Revenue is recognised at a point in time when the services are rendered	Generally due within 30 to 60 days from invoice date
Trading	Sale of kitchen appliances	Revenue is recognised at a point in time upon delivery of goods to the customers	Generally due within 30 to 90 days from invoice date
Trading	Sale of medical products	Revenue is recognised at a point in time upon delivery of goods to the customers	Generally due within 30 days from invoice date
Trading	Other services	Revenue is recognised at a point in time when the services are rendered	Generally due within 30 to 90 days from invoice date
Others	Management fees	Revenue is recognised over time when subsidiaries simultaneously receive and consume the benefits	Generally due within 30 days from invoice date

4.4 Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period for contracts that have a duration of more than one year:

	Group	
	2024 RM	2023 RM
- 2024	-	740,468
- 2025	213,155	348,885
- 2026	23,644	22,690
- 2027	620	-
	237,419	1,112,043

4.5 Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS

5. Cost of sales

	Group	
	2024	2023
	RM	RM
Data centre and cloud services	8,080,554	8,622,157
Construction and renovation	19,403,667	21,685,323
Trading	2,546,982	15,656,699
	30,031,203	45,964,179

6. Loss from operations

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Loss from operations is arrived at after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- current year	247,000	232,000	76,000	64,000
- under provision in prior years	-	7,000	-	5,000
Bad debts written off	28,953	12,510	-	-
Deposits written off	-	87,444	-	87,444
Directors' remuneration				
- fees				
- Company	587,532	589,000	397,532	384,000
- subsidiaries	103,000	60,000	-	-
- other than fees				
- Company	660,475	620,460	-	-
Intangible assets written off	93,778	52,000	-	-
Inventories written off	19,611	368,367	-	-
Inventories written down	-	1,132,668	-	-
Expenses relating to leases of low value assets	43,435	31,609	-	-
Expenses relating to short term leases	131,250	41,580	14,982	14,155
Plant and equipment/Right of use assets written off	22,068	150,598	-	3,797
Liquidated and ascertained damages income	(154,191)	(110,000)	-	-
(Gain)/Loss on foreign exchange - net				
- realised	(1,639)	(7,319)	-	-
- unrealised	804	(2,549)	-	-
Distribution income from unquoted mutual funds	(5,267)	(3,794)	(217)	(179)
Gain on disposal of plant and equipment	(339,975)	-	-	-
Gain on disposal of other financial assets	(671,000)	-	(671,000)	-
Gain on disposal of a subsidiary	(6,136,389)	-	(99,998)	-
Gain on derecognition of lease liabilities/lease modifications	(1,797)	(15,695)	-	-
Rental income - included in other operating income	(857,490)	(789,540)	(649,012)	(651,012)



NOTES TO THE FINANCIAL STATEMENTS

6. Loss from operations (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs comprise:				
Salaries, bonus and allowances	5,992,165	5,926,092	1,236,766	1,183,400
Defined contribution plan	603,320	610,206	97,493	92,173
Other employee related expenses	269,470	297,821	76,506	66,550
	6,864,955	6,834,119	1,410,765	1,342,123

The key management personnel of the Group and the Company whose remuneration is analysed as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors				
- fees	284,000	276,000	192,000	192,000
- other than fees	656,975	616,960	-	-
	940,975	892,960	192,000	192,000
Non executive directors:				
- fees	406,532	373,000	205,532	192,000
Total remuneration	1,347,507	1,265,960	397,532	384,000
Estimated money value of benefits in kind	3,500	3,500	-	-
Total remuneration including benefits in kind	1,351,007	1,269,460	397,532	384,000

7. Finance income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from:				
- fixed deposits	68,700	57,624	67,686	55,295
- advances to a subsidiary	-	-	436,262	401,675
- unit trust funds	5,050	3,615	-	-
- short term deposits	68,506	183,689	68,506	183,689
	142,256	244,928	572,454	640,659

NOTES TO THE FINANCIAL STATEMENTS

8. Finance costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- hire purchase	3,368	22,222	4,777	6,788
- other lease liabilities	353,124	484,143	267,667	324,316
- interest bearing advances from a corporate shareholder of a subsidiary	48,097	50,531	-	-
- overdrafts	68,432	60,173	-	-
	473,021	617,069	272,444	331,104

9. Income tax expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Expected income tax payable				
- current year	(198,000)	(99,800)	-	-
- (under)/over provision in prior years	(10,918)	3,548	-	2,890
	(208,918)	(96,252)	-	2,890
Deferred tax (Note 19)				
- current year	-	(39,400)	-	-
- under provision in prior years	-	(33,600)	-	-
	-	(73,000)	-	-
	(208,918)	(169,252)	-	2,890

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax	(11,462,257)	(21,042,531)	(26,996,940)	(6,651,318)
Less: Share in (profit)/loss of associates	(322,768)	1,247,762	-	-
	(11,785,025)	(19,794,769)	(26,996,940)	(6,651,318)



NOTES TO THE FINANCIAL STATEMENTS

9. Income tax expense (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Taxation at statutory tax rate of 24% (2023: 24%)	2,828,000	4,751,000	6,479,000	1,596,000
Expenses not deductible for tax purposes	(5,472,300)	(2,949,325)	(6,613,000)	(1,309,000)
Income not subject to tax	5,309,300	74,000	425,000	400
Utilisation of deferred tax assets not recognised in prior years	-	51,525	-	-
Deferred tax assets not recognised (Under)/Over provision in prior years	(2,863,000)	(2,066,400)	(291,000)	(287,400)
- current tax	(10,918)	3,548	-	2,890
- deferred tax	-	(33,600)	-	-
Income tax expense for the year	(208,918)	(169,252)	-	2,890

10. Loss per share

10.1 Basic loss per share

Basic loss per ordinary share is calculated based on the net loss attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	Group	
	2024 RM	2023 RM
Net loss attributable to owners of the Company	(11,216,620)	(20,582,778)
Weighted average number of ordinary shares in issue	3,678,191,440	3,659,697,467
Basic loss per ordinary share (sen)	(0.30)	(0.56)

10.2 Diluted earnings per share

Diluted loss per share for the current reporting period equals to the basic loss per share as there are no potential dilutive ordinary shares at the end of the reporting period.

For the reporting period ended 31 March 2023, diluted loss per share is not presented in the financial statements as there is an anti dilutive effect on loss per share.

NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment

Group	Computers, equipment, software, furniture and fittings RM	Motor vehicles RM	Renovation RM	Cabling and storage systems RM	Signboard RM	Equipment rental units RM	Data centre RM	Total RM
Cost								
At 1 April 2022	2,225,687	2,096,877	5,516,391	11,900,000	118,687	1,609,321	36,207,844	59,674,807
Reclassification from right of use assets	-	-	-	-	-	148,582	-	148,582
Reclassification from intangible assets	40,000	-	-	-	-	-	-	40,000
Transfer to inventories	-	-	-	-	-	(248,388)	-	(248,388)
Additions	658,641	-	-	-	-	-	-	658,641
Write offs	(14,081)	-	(80,880)	-	-	(231,995)	-	(326,956)
At 31 March 2023	2,910,247	2,096,877	5,435,511	11,900,000	118,687	1,277,520	36,207,844	59,946,686
Reclassification from right of use assets	-	-	-	-	-	679,676	-	679,676
Transfer to inventories	-	-	-	-	-	(174,219)	-	(174,219)
Additions	101,840	-	-	-	-	35,929	11,840	149,609
Disposals	(10,498)	(1,924,093)	-	-	-	-	-	(1,934,591)
Disposal of a subsidiary	(25,500)	-	-	-	-	-	-	(25,500)
Write offs	(13,632)	-	-	-	-	-	(11,840)	(25,472)
At 31 March 2024	2,962,457	172,784	5,435,511	11,900,000	118,687	1,818,906	36,207,844	58,616,189



NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

Group	Computers, equipment, software, furniture and fittings	Motor vehicles	Renovation	Cabling and storage systems	Signboard	Equipment rental units	Data centre	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation								
At 1 April 2022	1,576,810	2,088,076	4,158,457	60,005	808	922,471	6,027,467	14,834,094
Reclassification from right of use assets	-	-	-	-	-	107,710	-	107,710
Reclassification from intangible assets	30,000	-	-	-	-	-	-	30,000
Transfer to inventories	-	-	-	-	-	(211,661)	-	(211,661)
Charge for the year	287,955	2,400	837,091	1,229,162	25,686	198,273	2,374,694	4,955,261
Write offs	(10,202)	-	(47,180)	-	-	(175,129)	-	(232,511)
At 31 March 2023	1,884,563	2,090,476	4,948,368	1,289,167	26,494	841,664	8,402,161	19,482,893
Reclassification from right of use assets	-	-	-	-	-	511,116	-	511,116
Disposals	(6,078)	(1,919,401)	-	-	-	-	-	(1,925,479)
Disposal of a subsidiary	(18,275)	-	-	-	-	-	-	(18,275)
Transfer to inventories	-	-	-	-	-	(137,251)	-	(137,251)
Charge for the year	326,965	1,708	371,867	1,190,000	-	104,276	2,404,446	4,399,262
Write offs	(5,226)	-	-	-	-	-	-	(5,226)
At 31 March 2024	2,181,949	172,783	5,320,235	2,479,167	26,494	1,319,805	10,806,607	22,307,040

NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

Group	Computers, equipment, software, furniture and fittings RM	Motor vehicles RM	Renovation RM	Cabling and storage systems RM	Signboard RM	Equipment rental units RM	Data centre RM	Total RM
Accumulated impairment losses								
At 1 April 2022	1,746	-	17,471	-	-	114,418	-	133,635
Reclassification from right of use assets	-	-	-	-	-	9,449	-	9,449
Transfer to inventories	-	-	-	-	-	(17,560)	-	(17,560)
Write offs	-	-	-	-	-	(11,128)	-	(11,128)
Impairment loss for the year	11,329	-	21,181	-	92,193	116,400	-	241,103
At 31 March 2023	13,075	-	38,652	-	92,193	211,579	-	355,499
Reclassification from right of use assets	-	-	-	-	-	117,211	-	117,211
Transfer to inventories	-	-	-	-	-	(24,220)	-	(24,220)
Disposal	(687)	-	-	-	-	-	-	(687)
Impairment loss for the year	232,804	-	20,045	-	-	-	-	252,849
At 31 March 2024	245,192	-	58,697	-	92,193	304,570	-	700,652
Carrying amount								
At 31 March 2024	535,316	1	56,579	9,420,833	-	194,531	25,401,237	35,608,497
At 31 March 2023	1,012,609	6,401	448,491	10,610,833	-	224,277	27,805,683	40,108,294



NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

Company	Computer equipment and software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost					
At 1 April 2022	40,917	262,733	38,288	4,468,183	4,810,121
Additions	62,412	-	11,300	-	73,712
Write offs	(9,509)	-	(4,452)	-	(13,961)
At 31 March 2023	93,820	262,733	45,136	4,468,183	4,869,872
Additions	3,399	-	38,518	-	41,917
At 31 March 2024	97,219	262,733	83,654	4,468,183	4,911,789
Accumulated depreciation					
At 1 April 2022	22,051	233,548	22,554	3,584,165	3,862,318
Charge for the year	11,219	27,059	8,266	622,333	668,877
Write offs	(5,883)	-	(4,281)	-	(10,164)
At 31 March 2023	27,387	260,607	26,539	4,206,498	4,521,031
Charge for the year	15,776	1,060	13,634	202,384	232,854
At 31 March 2024	43,163	261,667	40,173	4,408,882	4,753,885
Carrying amount					
At 31 March 2024	54,056	1,066	43,481	59,301	157,904
At 31 March 2023	66,433	2,126	18,597	261,685	348,841

NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

Cash payments made to purchase plant and equipment are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total additions	149,609	658,641	41,917	73,712
Repayments to other payables	449,466	550,534	-	-
Total cash payments	599,075	1,209,175	41,917	73,712

11.1 Impairment review for plant and equipment, right of use assets and intangible assets

In the current reporting period

As the trading segment, the others segment and the data centre and cloud services segment had been persistently making losses, the Group performed an impairment test on the plant and equipment, right of use assets and intangible assets of the subsidiaries in the trading segment, the others segment and the data centre and cloud services segment. The respective carrying amounts (before impairment) are as follows:

Subsidiaries	Segment	Plant and equipment RM	Right of use assets RM	Intangible assets RM
Digital Paper Solutions Sdn. Bhd. ("DPS")	Trading	221,892	191,081	-
GE Green Sdn. Bhd. ("GEG")	Trading	-	211,176	-
Progenet Innovations Sdn. Bhd. ("PGI")	Data centre and cloud services	35,289,189	2,348,508	-
Agrocloud Sdn Bhd ("Agro")	Others	252,849	21,551	127,908

The impairment review led to the recognition of impairment loss of plant and equipment and right of use assets in the others segment as follows:

	Plant and equipment RM	Intangible assets RM
Agro	252,849	127,908

The impairment losses have been recognised in profit or loss under "Other operating expenses" line item in the Group's statement of comprehensive income for the reporting period ended 31 March 2024.

No impairment is required for the plant and equipment and right of use assets of DPS, GEG and PGI as the recoverable amounts of these assets are higher than their respective carrying amounts.



NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

11.1 Impairment review for plant and equipment, right of use assets and intangible assets (cont'd)

In the previous reporting period

As the trading segment and the data centre and cloud services segment had been persistently making losses, the Group performed an impairment test on the plant and equipment and right of use assets of the subsidiaries in the trading segment and the data centre and cloud services segment. The respective carrying amounts (before impairment) are as follows:

Subsidiaries	Segment	Plant and equipment RM	Right of use assets RM
Digital Paper Solutions Sdn Bhd	Trading	406,814	766,840
GE Green Sdn Bhd	Trading	102,107	272,988
Progenet Innovations Sdn Bhd	Data centre and cloud services	21,152,820	417,749
Key Alliance Sdn Bhd ("KASB")	Data centre and cloud services	18,027,433	345,607

The impairment review led to the recognition of impairment loss of plant and equipment and right of use assets in the trading segment as follows:

	Plant and equipment RM	Right of use assets RM
DPS	138,996	262,004
GEG	102,107	-
	241,103	262,004

The impairment losses have been recognised in profit or loss under "Other operating expenses" line item in the Group's statement of comprehensive income for the reporting period ended 31 March 2023.

No impairment is required for the plant and equipment and right of use assets of PGI and KASB as the recoverable amounts of these assets are higher than their respective carrying amounts.

11.2 Key assumptions used in the value in use calculations

The recoverable amount of the plant and equipment and right of use assets of DPS is determined from value in use calculations using cash flows projections from financial budgets prepared by management covering a 2 year (2023: 4 year) business plan and the following are the key assumptions:

- The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the business of DPS at the rate of 9.51% (2023: 11.19%); and
- The value assigned to the key assumptions such as sales growth, fixed and variable costs are based on management's assessment of future trends of the business and its historical data.

The recoverable amount of the plant and equipment of GEG is determined to be RM Nil as GEG is not expected to generate any positive operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

11. Plant and equipment (cont'd)

11.2 Key assumptions used in the value in use calculations (cont'd)

The recoverable amount of the plant and equipment and intangible assets of Agro is determined to be RM Nil as Agro is not expected to generate any positive operating cash flows.

Management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of these plant and equipment, right of use assets and intangible assets to materially exceed their respective recoverable amounts.

11.3 Key assumptions used in the fair value calculations

The recoverable amount of the plant and equipment and right of use assets of PGI and KASB is determined based on valuation of its estimated net selling price carried out by a firm of independent professional valuers using the cost approach of valuation. The depreciated replacement cost method in applying the cost approach considers the new cost of replacement of the plant and equipment and the accrued depreciation. New costs of replacement is calculated by assuming the costs of reconstruction of similar utilities and functions of the plant and equipment are estimated based on current market price of constructing the assets carried out as a turnkey contract and adjusted to reflect the impact on the value of physical, functional, technological, and economic obsolescence on value.

Management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of these plant and equipment and right of use assets to materially exceed their respective recoverable amounts.

11.4 Depreciation

Depreciation on plant and equipment is calculated on a straight line basis at the following annual rates based on their estimated useful lives:

Computers, equipment and software	20% to 30%
Furniture and fittings	10% to 30%
Office equipment	10% to 20%
Motor vehicles	20%
Renovation	20%
Equipment rental units	20%
Signboard	10%
Cabling and storage systems	10%
Data centre	15 years

12. Right of use assets

Group	Office buildings RM	Equipment rental units RM	Motor vehicles RM	Total RM
Cost				
At 1 April 2022	7,187,701	2,430,641	298,000	9,916,342
Reclassification to plant and equipment	-	(148,582)	-	(148,582)
Transfer to inventories	-	(99,478)	-	(99,478)
Additions	3,471	-	-	3,471
Write offs	-	(270,554)	-	(270,554)
Lease modifications	28,925	91,417	-	120,342
Derecognition upon lease completion	(3,471)	(668,525)	-	(671,996)



NOTES TO THE FINANCIAL STATEMENTS

12. Right of use assets

Group	Office buildings	Equipment rental units	Motor vehicles	Total
Cost	RM	RM	RM	RM
At 31 March 2023	7,216,626	1,334,919	298,000	8,849,545
Reclassification to plant and equipment	-	(679,676)	-	(679,676)
Transfer to inventories	-	(108,057)	-	(108,057)
Additions	2,169,183	-	-	2,169,183
Write offs	-	(7,818)	-	(7,818)
Lease modifications	28,703	-	-	28,703
Derecognition upon lease completion	(1,923,861)	-	-	(1,923,861)
At 31 March 2024	7,490,651	539,368	298,000	8,328,019
Accumulated depreciation				
At 1 April 2022	1,831,588	1,160,491	79,467	3,071,546
Reclassification to plant and equipment	-	(107,710)	-	(107,710)
Transfer to inventories	-	(98,616)	-	(98,616)
Charge for the year	1,347,030	389,309	59,600	1,795,939
Write offs	-	(183,906)	-	(183,906)
Derecognition upon lease completion	(3,037)	(658,465)	-	(661,502)
At 31 March 2023	3,175,581	501,103	139,067	3,815,751
Reclassification to plant and equipment	-	(511,116)	-	(511,116)
Transfer to inventories	-	(69,415)	-	(69,415)
Charge for the year	1,259,232	186,358	59,600	1,505,190
Write offs	-	(4,324)	-	(4,324)
Derecognition upon lease completion	(1,917,587)	-	-	(1,917,587)
At 31 March 2024	2,517,226	102,606	198,667	2,818,499
Accumulated impairment losses				
At 1 April 2022	42,778	211,587	-	254,365
Reclassification to plant and equipment	-	(9,449)	-	(9,449)
Transfer to inventories	-	(132)	-	(132)
Impairment loss for the year	66,278	195,726	-	262,004
Write offs	-	(19,367)	-	(19,367)
Derecognition upon lease completion	(434)	(10,060)	-	(10,494)
At 31 March 2023	108,622	368,305	-	476,927
Reclassification to plant and equipment	-	(117,211)	-	(117,211)
Transfer to inventories	-	(20,617)	-	(20,617)
Derecognition upon lease completion	(6,428)	-	-	(6,428)
Write offs	-	(1,672)	-	(1,672)
At 31 March 2024	102,194	228,805	-	330,999

NOTES TO THE FINANCIAL STATEMENTS

12. Right of use assets (cont'd)

	Office buildings RM	Equipment rental units RM	Motor vehicles RM	Total RM
Group				
Carrying amount				
At 31 March 2024	4,871,231	207,957	99,333	5,178,521
At 31 March 2023	3,932,423	465,511	158,933	4,556,867
Company				
Cost				
At 1 April 2022/31 March 2023/31 March 2024		298,000	4,789,771	5,087,771
Accumulated depreciation				
At 1 April 2022		79,467	465,675	545,142
Charge for the year		59,600	798,300	857,900
At 31 March 2023		139,067	1,263,975	1,403,042
Charge for the year		59,600	798,300	857,900
At 31 March 2024		198,667	2,062,275	2,260,942
Carrying amount				
At 31 March 2024		99,333	2,727,496	2,826,829
At 31 March 2023		158,933	3,525,796	3,684,729

The information relating to the impairment review for right of use assets is disclosed in Notes 11.1, 11.2 and 11.3.

12.1 Depreciation

The right of use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Office buildings	2 - 6 years
Equipment rental units	3 - 5 years
Motor vehicles	4 years

13. Investment properties

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold buildings, at fair value				
At beginning/end of year	18,200,000	18,200,000	9,000,000	9,000,000

The Group and Company has entered into operating leases on its investment property portfolio consisting of office building and shop office units. These leases have terms of between less than 1 year and 2 years.



NOTES TO THE FINANCIAL STATEMENTS

13. Investment properties (cont'd)

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	288,400	549,860	-	290,160
Later than 1 year and not later than 2 years	90,800	71,000	-	-
	379,200	620,860	-	290,160

At the reporting date, the title deeds of the freehold buildings have yet to be transferred to the Group by the developer.

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	835,490	785,940	435,240	435,240
Liquidated and ascertained damages income	154,191	110,000	-	-
Direct operating expenses				
- income generating investment properties	(256,423)	(256,137)	(172,887)	(172,887)

Details of valuation techniques and inputs are disclosed in Note 35.3.

14. Intangible assets

Group Cost	Software RM	Website development expenditure RM	Software development expenditure RM	Telemedicine portal	Total RM
				development costs in progress RM	
At 1 April 2022	40,000	93,778	129,500	-	263,278
Additions	-	-	50,408	-	50,408
Write offs	-	-	(52,000)	-	(52,000)
Reclassification to plant and equipment	(40,000)	-	-	-	(40,000)
At 31 March 2023	-	93,778	127,908	-	221,686
Additions	-	-	-	7,000,000	7,000,000
Write offs	-	(93,778)	-	-	(93,778)
At 31 March 2024	-	-	127,908	7,000,000	7,127,908

NOTES TO THE FINANCIAL STATEMENTS

14. Intangible assets (cont'd)

Group	Software RM	Website development expenditure RM	Software development expenditure RM	Telemedicine portal development costs in progress RM	Total RM
Accumulated amortisation					
At 1 April 2022	30,000	-	-	-	30,000
Reclassification to plant and equipment	(30,000)	-	-	-	(30,000)
At 31 March 2023/31 March 2024	-	-	-	-	-
Accumulated impairment loss					
At 1 April 2022/31 March 2023	-	-	-	-	-
Impairment loss for the year	-	-	127,908	-	127,908
At 31 March 2024	-	-	127,908	-	127,908
Carrying amount					
At 31 March 2024	-	-	-	7,000,000	7,000,000
At 31 March 2023	-	93,778	127,908	-	221,686

Cash payments made to purchase intangible assets are as follows:

	Group	
	2024 RM	2023 RM
Total additions	7,000,000	50,408
Additions through other payables	(3,000,000)	-
Total cash payments	4,000,000	50,408

14.1 Depreciation

No amortisation is provided on website development expenditure, software development expenditure and telemedicine portal development cost in progress. Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use as follows:

Website development expenditure	5 years
Software development expenditure	5 years
Telemedicine portal development costs in progress	10 years

14.2 Impairment review

14.2.1 The information relating to the impairment review for software development expenditure is disclosed in Notes 11.1, 11.2 and 11.3.



NOTES TO THE FINANCIAL STATEMENTS

14. Intangible assets (cont'd)

14.2 Impairment review (cont'd)

14.2.2 Capitalised telemedicine portal development costs in progress that are not ready for use, are not subject to amortisation and are tested annually for impairment. The recoverable amount of the development costs is based on its value in use.

No impairment is required for the development costs in progress as the recoverable amount of this development costs is higher than its carrying amount.

14.3 Key assumptions used in the value in use calculations

The recoverable amount of the telemedicine portal development costs in progress is determined from value in use calculations using cash flows projections from financial budgets prepared by management covering a 10-year business plan and the following are the key assumptions:

- The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the business at the rate of 17.83% ; and
- The value assigned to the key assumptions such as sales growth, fixed and variable costs are based on management's assessment of future trends of the business.

Management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of the telemedicine portal development costs in progress to materially exceed its recoverable amounts.

15. Investment in subsidiaries

	Company	
	2024	2023
	RM	RM
Unquoted shares at cost		
At beginning of year	30,874,754	30,874,754
Acquisition of additional shares in a subsidiary	102,020	-
Disposal of a subsidiary	(760,410)	-
At end of year	30,216,364	30,874,754
Accumulated impairment losses		
At beginning of year	24,474,736	24,474,736
Disposal of a subsidiary	(760,408)	-
Impairment loss no longer required	(999,999)	-
Impairment loss during the year	5,650,012	-
At end of year	28,364,341	24,474,736
Carrying amount	1,852,023	6,400,018

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective and voting interest		Principal activities
		2024	2023	
Subsidiaries of the Company		%	%	
Key Alliance Sdn Bhd ("KASB")	Malaysia	-	100	Provision of co-location in relation to data centre, contractor for building constructions and distributing, importing, exporting and handling of various medical devices
Progenet Innovations Sdn Bhd ("PGI")	Malaysia	100	100	Provide cloud data center services to business entities and individuals
Digital Paper Solutions Sdn Bhd ("DPS")	Malaysia	51	51	Trading and rental of office equipment
Design Dept Sdn Bhd ("DDSB")	Malaysia	100	100	Engaged in the business of general builders, contractors, renovations, project management and its related field
GE Green Sdn Bhd	Malaysia	100	100	Trading of kitchen wares and related products
Pacifica KAG Sdn Bhd	Malaysia	100	100	Dormant
Agrocloud Sdn Bhd ("Agro")	Malaysia	90	90	Providing solutions and services related to mobile app for building management systems and information technology system security
Corporate One Training Academy Sdn Bhd	Malaysia	100	100	Provision of business and operational support systems and services, software development and business process outsourcing
Ebizmedic Sdn Bhd ("EBIZ")	Malaysia	100	51	One stop business to business medical products and services supplier platform over the internet
Subsidiary of PGI				
Progenet Sdn Bhd	Malaysia	100	100	Engaged in the business of computer networking and system consultants including the supply of equipment and cabling

15.1 Acquisition of shares in a subsidiary

During the reporting period, the Company acquired 100% equity interest in EBIZ from KASB for a cash consideration of RM102,020. Upon the completion of the acquisition, EBIZ became a wholly owned subsidiary of the Company.



NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

15.2 Disposal of shares in a subsidiary

During the reporting period, the Company disposed of its entire shareholding of 1,000,000 ordinary shares representing 100% shareholding in KASB for a cash consideration of RM100,000. As a result of the disposal, KASB ceased to be a subsidiary of the Company.

The disposal of KASB had the following financial effects on the Group's financial statements:

	2024
	RM
Plant and equipment	7,225
Trade receivables	1,855,088
Other receivables, deposits and prepayments	84,853
Trade payables	(1,804,287)
Other payables and accruals	(6,179,268)
	<hr/>
Net liabilities disposed of	(6,036,389)
Less: Cash consideration received	(100,000)
	<hr/>
Gain on disposal of a subsidiary (included in "Other operating income" line item in profit or loss)	(6,136,389)
	<hr/>
Cash consideration received	100,000
Less: Cash and cash equivalents disposed of	-
	<hr/>
Net cash inflow on disposal of subsidiary	100,000
	<hr/>

The subsidiary had also contributed the following results to the Group prior to being disposed of:

	2024
	RM
Revenue	3,264,825
Net profit for the period	8,068,175
	<hr/>

15.3 Impairment of investment in subsidiaries

In the current reporting period

The directors performed an impairment test on the investment in PGI and Agro as these subsidiaries had been persistently making losses. An impairment loss of RM4,650,000 and RM1,000,012 was recognised to write down the carrying amount of investment in PGI and Agro to its recoverable amount of RM750,000 and RM Nil respectively. The recoverable amount has been determined based on adjusted net assets.

Reversal of impairment loss on the investment in DDSB of RM999,999 was recognised to write back the investment in subsidiary to its recoverable amount. The recoverable amount has been determined based on net assets.

The amount of impairment loss has been recognised under "Other operating expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

15.3 Impairment of investment in subsidiaries (cont'd)

In the current reporting period (cont'd)

The amount of reversal of impairment loss has been included in the Company's profit or loss under "Other operating income" line item.

In the previous reporting period

PGI has been making losses since the previous reporting period, which is considered as a triggering event for impairment review on the carrying amount of the investment in PGI amounting to RM5,400,000. Based on the impairment review carried out, the directors are of the view that no impairment loss is required.

The recoverable amount of the investment in PGI is determined based on its value in use calculations using cash flows projections from financial budgets prepared by management covering a four year period and the following are the key assumptions:

- (i) The discount rate used for the discounted cash flow model is based on the country's industry weighted average cost of capital specific to the industry at the rate of 9.52%; and
- (ii) The value assigned to the key assumptions such as sales growth, fixed and variable costs are based on the management's assessment of future business trends and its historical data.

15.4 Interest in subsidiary with material non controlling interests ("NCI")

The Group has the following subsidiary with NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI		Net loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
		2024 %	2023 %	2024 RM	2023 RM	2024 RM	2023 RM
DPS	Malaysia	49	49	(349,594)	(565,479)	(3,892,888)	(3,543,294)

Summarised financial information about subsidiary with material NCI

(i) Summarised statement of financial position

	2024 RM	2023 RM
Non current assets	412,973	788,496
Current assets	5,586,267	6,041,206
Total assets	5,999,240	6,829,702
Non current liabilities	-	274,841
Current liabilities	13,943,909	13,786,073
Total liabilities	13,943,909	14,060,914



NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

15.4 Interest in subsidiary with material non controlling interests ("NCI") (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

(i) Summarised statement of financial position (cont'd)

	2024 RM	2023 RM
Net liabilities	(7,944,669)	(7,231,212)
Non-controlling interests share of net liabilities	(3,892,888)	(3,543,294)

(ii) Summarised statement of comprehensive income

	2024 RM	2023 RM
Revenue	3,384,240	4,021,845
Loss before tax	(713,457)	(1,154,038)
Net loss	(713,457)	(1,154,038)
Total comprehensive loss	(713,457)	(1,154,038)

(iii) Other summarised information

	2024 RM	2023 RM
Cash flows from operating activities	733,369	671,398
Cash flows used in investing activities	(38,329)	(6,878)
Cash flows used in financing activities	(779,137)	(703,092)
Net decrease in cash and cash equivalents	(84,097)	(38,572)

16. Investment in associates

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost				
At beginning of year	10,000,300	10,000,300	10,000,300	10,000,300
Additions	633,333	-	633,333	-
Reclassification from other financial assets (Note 17)	438,165	-	438,165	-
At end of year	11,071,798	10,000,300	11,071,798	10,000,300
Accumulated impairment loss				
At beginning/end of year	-	-	(300)	(300)
Share in post acquisition profit/(loss) of associate	11,071,798 285,167	10,000,300 (37,601)	11,071,498 -	10,000,000 -
Carrying amount	11,356,965	9,962,699	11,071,498	10,000,000

NOTES TO THE FINANCIAL STATEMENTS

16. Investment in associates (cont'd)

The details of the associates are as follows:

Name of company	Country of incorporation	Group's effective and voting interests		Principal activities
		2024	2023	
DVM AllSportz Asia Sdn Bhd	Malaysia	30	30	Streaming of audio and video on sports news
Tree Med Sdn Bhd ("Tree Med")	Malaysia	30	30	Distributor and comission agent in the sale of medical equipment, reagents and consumables
Modern Falcon Sdn Bhd	Malaysia	50	-	Investment holding

The financial statements of the associates are not audited by Russell Bedford LC PLT.

During the reporting period, the Company acquired 400,000 ordinary shares representing 40% equity interest in Modern Falcon Sdn Bhd ("MFSB") for a cash consideration of RM633,333. As a result of the acquisition, the equity interest in MFSB has increased from 10% to 50% and MFSB became an associate of the Company.

The summarised financial information of the major associate is as follows:

	Tree Med 2024 RM	Tree Med 2023 RM
Assets and liabilities		
Non current assets	6,531,993	6,981,750
Current assets	27,272,908	25,604,761
Total assets	33,804,901	32,586,511
Non current liabilities	5,136,824	5,222,236
Current liabilities	20,678,909	20,451,001
Total liabilities	25,815,733	25,673,237
Net assets	7,989,168	6,913,274
Results		
Revenue	83,131,648	75,393,018
Net profit/(loss)/Total comprehensive income/(loss) for the year	1,075,894	(4,159,209)



NOTES TO THE FINANCIAL STATEMENTS

16. Investment in associates (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of the interest in associate is as follows:

	Group	
	2024	2023
	RM	RM
Group's share of net assets	2,552,666	2,073,983
Goodwill on acquisition	8,804,299	7,888,716
Carrying amount	11,356,965	9,962,699

NOTES TO THE FINANCIAL STATEMENTS

17. Other financial assets

Group	Unquoted ordinary shares RM	Unquoted redeemable preference shares RM	Quoted shares RM	Quoted irredeemable convertible preference shares RM	Quoted warrants RM	Unquoted mutual funds RM	Total RM
At fair value							
At 1 April 2022	688,165	63,862	22,882,430	788,849	900,563	197,933	25,521,802
Additions	-	-	-	-	-	3,794	3,794
Changes in fair value	-	-	(1,925,438)	-	(248,250)	-	(2,173,688)
At 31 March 2023	688,165	63,862	20,956,992	788,849	652,313	201,727	23,351,908
Additions	-	-	16,310,450	-	-	5,267	16,315,717
Disposals	-	-	(2,198,000)	-	-	-	(2,198,000)
Reclassification to investment in associates (Note 16)	(438,165)	-	-	-	-	-	(438,165)
Changes in fair value	-	-	(14,508,536)	-	2,809,479	-	(11,699,057)
At 31 March 2024	250,000	63,862	20,560,906	788,849	3,461,792	206,994	25,332,403
Accumulated impairment losses							
At 1 April 2022/31 March 2023/31 March 2024	249,998	-	-	-	-	-	249,998
Carrying amount							
At 31 March 2024	2	63,862	20,560,906	788,849	3,461,792	206,994	25,082,405
At 31 March 2023	438,167	63,862	20,956,992	788,849	652,313	201,727	23,101,910



NOTES TO THE FINANCIAL STATEMENTS

17. Other financial assets (cont'd)

Company	Unquoted ordinary shares RM	Unquoted redeemable preference shares RM	Quoted shares RM	Quoted irremediable convertible preference shares RM	Quoted warrants RM	Unquoted mutual funds RM	Total RM
At fair value							
At 1 April 2022	688,165	63,862	22,882,430	788,849	900,563	6,724	25,330,593
Additions	-	-	-	-	-	179	179
Changes in fair value	-	-	(1,925,438)	-	(248,250)	-	(2,173,688)
At 31 March 2023	688,165	63,862	20,956,992	788,849	652,313	6,903	23,157,084
Additions	-	-	16,310,450	-	-	217	16,310,667
Disposals	-	-	(2,198,000)	-	-	-	(2,198,000)
Reclassification to investment in associates (Note 16)	(438,165)	-	-	-	-	-	(438,165)
Changes in fair value	-	-	(14,508,536)	-	2,809,479	-	(11,699,057)
At 31 March 2024	250,000	63,862	20,560,906	788,849	3,461,792	7,120	25,132,529
Accumulated impairment losses							
At 1 April 2022/31 March 2023/31 March 2024	249,998	-	-	-	-	-	249,998
Carrying amount							
At 31 March 2024	2	63,862	20,560,906	788,849	3,461,792	7,120	24,882,531
At 31 March 2023	438,167	63,862	20,956,992	788,849	652,313	6,903	22,907,086

NOTES TO THE FINANCIAL STATEMENTS

18. Goodwill

	Group	
	2024 RM	2023 RM
Cost		
At beginning/end of year	10,597,004	10,597,004
Accumulated impairment losses		
At beginning/end of year	10,597,004	10,597,004
Carrying amount	-	-

19. Deferred tax assets/(liabilities)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of year	(496,793)	(423,793)	(496,793)	(496,793)
Recognised in profit or loss (Note 9)				
- current year	-	(39,400)	-	-
- under provision in prior years	-	(33,600)	-	-
	-	(73,000)	-	-
At end of year	(496,793)	(496,793)	(496,793)	(496,793)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Gross:				
Deferred tax assets	2,374,700	3,649,200	4,800	3,700
Deferred tax liabilities	(2,871,493)	(4,145,993)	(501,593)	(500,493)
	(496,793)	(496,793)	(496,793)	(496,793)
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	(496,793)	(496,793)	(496,793)	(496,793)

Deferred tax liabilities are in respect of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax effects of:				
Fair value of investment properties	(496,793)	(496,793)	(496,793)	(496,793)
Differences between tax capital allowances and accounting depreciations	(2,374,700)	(3,649,200)	(4,800)	(3,700)
	(2,871,493)	(4,145,993)	(501,593)	(500,493)



NOTES TO THE FINANCIAL STATEMENTS

19. Deferred tax assets/(liabilities) (cont'd)

Deferred tax assets of the Group are in respect of the following:

	Gross		Tax Effect	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses to be utilised up to year ending				
- 31 March 2028	6,666,800	11,126,800	1,600,000	2,669,900
- 31 March 2029	1,382,500	2,003,500	332,000	480,000
- 31 March 2030	2,744,300	2,684,300	658,700	644,200
- 31 March 2031	7,501,200	7,501,200	1,800,200	1,800,200
- 31 March 2032	3,314,600	2,799,600	795,900	671,900
- 31 March 2033	3,251,600	6,564,500	780,300	1,575,400
- 31 March 2034	2,783,700	-	668,200	-
Unabsorbed capital allowances	16,769,400	19,759,100	4,024,900	4,741,500
Differences between accounting depreciation and tax capital allowance	796,300	694,900	191,000	158,100
Differences between accounting depreciation and finance lease payments	267,500	190,600	64,100	55,500
Other deductible temporary differences	475,000	494,000	114,000	118,000
	45,952,900	53,818,500	11,029,300	12,914,700
Less: Deferred tax assets recognised	(9,896,000)	(15,207,000)	(2,374,700)	(3,649,200)
Deferred tax assets not recognised	36,056,900	38,611,500	8,654,600	9,265,500

Deferred tax assets of the Company are in respect of the following:

	Gross		Tax Effect	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses to be utilised up to year ending				
- 31 March 2028	342,000	342,000	82,100	82,100
- 31 March 2029	633,000	633,000	151,900	151,900
- 31 March 2030	778,000	778,000	186,700	186,700
- 31 March 2031	983,000	983,000	235,900	235,900
- 31 March 2032	1,139,000	1,139,000	273,400	273,400
- 31 March 2033	1,174,000	1,097,000	281,800	263,300
- 31 March 2034	1,165,000	-	279,600	-
Unabsorbed capital allowances	78,000	70,000	18,700	16,800
Differences between accounting depreciation and finance lease payments	278,000	215,000	66,700	51,500
	6,570,000	5,257,000	1,576,800	1,261,600
Less: Deferred tax assets recognised	(20,000)	(15,000)	(4,800)	(3,700)
Deferred tax assets not recognised	6,550,000	5,242,000	1,572,000	1,257,900

Portion of the deferred tax assets has not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

NOTES TO THE FINANCIAL STATEMENTS

20. Inventories

	Group	
	2024	2023
	RM	RM
Trading merchandise, at costs	1,281,100	2,021,465
<hr/>		
Amount of inventories recognised as expenses	2,593,162	16,939,367

21. Trade receivables

	Group	
	2024	2023
	RM	RM
Third parties	6,837,202	14,564,825
Retention sum due from a third party	-	1,855,088
Amount due from corporate shareholder of a subsidiary	3,731,496	3,728,050
Amount due from an associate	-	2,409,046
	10,568,698	22,557,009
Less: Allowance for expected credit losses	(1,003,484)	(2,757,176)
<hr/>		
	9,565,214	19,799,833

The Group's normal trade credit terms range from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis. Trade receivables are not secured by any collateral or credit enhancements.

The movements in the allowance for expected credit losses of trade receivables during the reporting period are as follows:

	Group	
	2024	2023
	RM	RM
At beginning of year	2,757,176	1,619,557
Additions	314,031	2,090,130
Write offs	(7,828)	(641,218)
Reversals	(2,059,895)	(311,293)
<hr/>		
At end of year	1,003,484	2,757,176



NOTES TO THE FINANCIAL STATEMENTS

21. Trade receivables (cont'd)

The following table provides information on the trade receivables' credit risk exposure.

2024	Trade receivables - days past due					Total RM
	Not past due RM	<30 days RM	31-60 days RM	61-90 days RM	>90 days RM	
Group						
Impairment assessed through provision matrix						
Gross carrying amount	1,069,647	186,398	65,615	46,258	386,916	1,754,834
Less: Allowance for expected credit losses	(12,716)	(8,821)	(5,324)	(38,727)	(186,465)	(252,053)
	1,056,931	177,577	60,291	7,531	200,451	1,502,781
Impairment assessed individually						
Gross carrying amount	1,510,956	198,368	2,126	15,822	7,086,592	8,813,864
Less: Allowance for expected credit losses	-	-	-	-	(751,431)	(751,431)
	1,510,956	198,368	2,126	15,822	6,335,161	8,062,433
	2,567,887	375,945	62,417	23,353	6,535,612	9,565,214
2023	Trade receivables - days past due					
	Not past due RM	<30 days RM	31-60 days RM	61-90 days RM	>90 days RM	Total RM
Group						
Impairment assessed through provision matrix						
Gross carrying amount	4,515,595	3,141,107	1,923,514	570,150	8,315,150	18,465,516
Less: Allowance for expected credit losses	(15,887)	(22,761)	(9,593)	(3,730)	(2,285,230)	(2,337,201)
	4,499,708	3,118,346	1,913,921	566,420	6,029,920	16,128,315
Impairment assessed individually						
Gross carrying amount	302	292	331	257	4,090,311	4,091,493
Less: Allowance for expected credit losses	-	-	-	-	(419,975)	(419,975)
	302	292	331	257	3,670,336	3,671,518
	4,500,010	3,118,638	1,914,252	566,677	9,700,256	19,799,833

NOTES TO THE FINANCIAL STATEMENTS

22. Other receivables, deposits and prepayments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest bearing advances due from a subsidiary at 8% (2023: 8%) per annum	-	-	5,679,050	5,241,176
Less: Allowance for expected credit losses	-	-	(5,101,781)	(5,101,781)
	-	-	577,269	139,395
Interest free advances due from subsidiaries	-	-	61,110,869	80,492,322
Less: Allowance for expected credit losses	-	-	(10,644,470)	(14,674,261)
	-	-	50,466,399	65,818,061
Interest free advances due from associates	1,159,116	131,159	1,153,146	9,923
Less: Allowance for expected credit losses	(15,893)	(131,159)	(9,923)	(9,923)
	1,143,223	-	1,143,223	-
Other receivables	14,257,809	325,677	13,998,928	66,139
Less: Allowance for expected credit losses	(13,372,494)	(136,546)	(13,235,948)	(60,654)
	885,315	189,131	762,980	5,485
Deposits	753,424	683,196	456,769	404,700
Trust monies placed with a licensed securities broker	-	53,367	-	53,367
Prepayments for trade purchases	-	490,873	-	-
Other prepayments	1,698,767	1,497,416	481,626	7,065
Performance bond	6,000,000	6,000,000	6,000,000	-
Less: Allowance for expected credit losses	-	(6,000,000)	-	-
	6,000,000	-	6,000,000	-
Advance billings	454,642	459,724	-	-
	10,935,371	3,373,707	59,888,266	66,428,073
Less: non-current portion	-	-	(7,076,722)	(6,489,600)
Interest free advances due from subsidiaries	(35,779)	(54,043)	-	-
Advanced billings	(35,779)	(54,043)	(7,076,722)	(6,489,600)
	10,899,592	3,319,664	52,811,544	59,938,473

At the reporting date, amount due from subsidiaries of RM7,076,722 (2023: RM6,489,600) has been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date in accordance with FRSIC Consensus 31 - Classification of Amount Due from Subsidiaries and Amount Due to Holding Company that is Repayable on Demand issued by The Malaysian Institute of Accountants.

The amounts due from subsidiaries and associates represent unsecured advances receivable on demand.



NOTES TO THE FINANCIAL STATEMENTS

22. Other receivables, deposits and prepayments (cont'd)

The movements in the allowance for expected credit losses of other receivables during the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of year	6,267,705	355,603	19,846,619	17,960,619
Additions	7,417,171	6,000,000	9,436,074	1,886,000
Write offs	(115,266)	(87,898)	(60,654)	-
Arising from disposal of a subsidiary	5,818,777	-	-	-
Reversal	(6,000,000)	-	(229,917)	-
At end of year	13,388,387	6,267,705	28,992,122	19,846,619

23. Contract costs

Contract costs incurred for contracted works that has yet to be completed are capitalised as cost to fulfil contracts. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

	Group	
	2024 RM	2023 RM
Contract costs amortised to profit or loss	23,917,107	26,824,198

24. Fixed deposits with licensed banks

Fixed deposits of the Group and the Company amounting to RM4,774,523 (2023: RM2,696,953) and RM2,764,267 (2023: RM2,696,953) respectively have been pledged with licensed banks to secure the banking facilities of the subsidiaries.

25. Share capital

	Group and Company			
	2024 No. of ordinary shares	2023 No. of ordinary shares	2024 RM	2023 RM
Issued and fully paid:				
At beginning of year	3,678,171,440	3,065,171,440	193,395,978	188,508,602
Issue of shares pursuant to private placements	-	613,000,000	-	4,887,376
Issue of shares pursuant to exercise of Warrants C	50,000	-	3,500	-
At end of year	3,678,221,440	3,678,171,440	193,399,478	193,395,978

In the current reporting period, the issued and paid up capital of the Company was increased by way of the exercise of 50,000 Warrants C by the holders to subscribe for 50,000 new ordinary shares at an exercise price of RM0.05 per share for cash.

NOTES TO THE FINANCIAL STATEMENTS

25. Share capital (cont'd)

In the previous reporting period, the Company increased its issued and paid up capital by way of private placement of 613,000,000 new ordinary shares at an issue price of RM0.0087 per share, net of shares issuing expenses of RM445,724, for cash. The shares were issued for working capital purposes.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

25.1 Warrants C

The Company had on 20 November 2020 issued 982,103,848 warrants in conjunction with its renounceable rights issue exercise. The warrants are constituted by a deed poll dated 7 October 2020 (“Deed Poll”).

The salient features of the warrants are as follows:

- (a) The issue date of the warrants is 20 November 2020 and the expiry date is on 19 November 2023. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each warrant entitles the registered holder the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.05 per ordinary share until the expiry of the exercise period;
- (c) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll;
- (d) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such warrant holders exercise their rights to subscribe for new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The movements in the Company’s warrants during the reporting period are as follows:

	Entitlement for ordinary shares			Balance at 31.3.2024
	Balance at 1.4.2023	Exercised	Expired	
Number of unexercised warrants	982,103,848	(50,000)	(982,053,848)	-

	Entitlement for ordinary shares			Balance at 31.3.2023
	Balance at 1.4.2022	Issuance	Exercised	
Number of unexercised warrants	982,103,848	-	-	982,103,848



NOTES TO THE FINANCIAL STATEMENTS

26. Reserves

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Distributable:				
Accumulated losses	(91,190,299)	(99,665,973)	(90,901,309)	(83,545,446)
Non distributable:				
Warrant reserve	-	19,642,077	-	19,642,077
	(91,190,299)	(80,023,896)	(90,901,309)	(63,903,369)

The warrant reserve represents the reserve arising from the rights issue with free detachable warrants which is determined based on the estimated fair value of the warrants immediately upon the listing and quotation thereof.

27. Lease liabilities

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Hire purchase	89,412	184,022	89,412	137,747
Other lease liabilities	5,448,087	5,071,432	3,005,706	3,740,481
	5,537,499	5,255,454	3,095,118	3,878,228
Less: Portion due within one year	(1,436,466)	(1,885,665)	(846,670)	(783,279)
Non current portion	4,101,033	3,369,789	2,248,448	3,094,949
The non current portion of the lease liabilities is payable as follows:				
Later than 1 year and not later than 2 years	1,211,350	1,061,402	901,563	846,670
Later than 2 years and not later than 5 years	2,475,503	2,308,387	1,346,885	2,248,279
Later than 5 years	414,180	-	-	-
	4,101,033	3,369,789	2,248,448	3,094,949

The weighted average effective interest rates are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Hire purchase	6.00	6.51	6.00	6.00
Other lease liabilities	8.08	8.23	8.05	8.05

NOTES TO THE FINANCIAL STATEMENTS

27. Lease liabilities (cont'd)

Total cash outflows for leases are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lease payments	2,445,375	2,820,241	1,070,536	1,069,707

28. Trade payables

	Group	
	2024 RM	2023 RM
Amount due to a corporate shareholder of a subsidiary	5,555,186	5,694,560
Accrued purchases	200,745	426,158
Retention sum	-	1,782,765
Third parties	7,022,960	9,252,365
	12,778,891	17,155,848

The normal credit terms granted to the Group range from 30 to 120 days (2023: 30 to 120 days). Other credit terms are granted on a case to case basis.

29. Other payables and accruals

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount due to subsidiaries – interest free advances	-	-	7,119,302	837,911
Amount due to corporate shareholder of a subsidiary - advances bearing effective interest rate of 8% (2023: 8%) per annum	728,192	728,192	-	-
Accruals	991,592	493,971	217,196	115,523
Other payables	1,545,196	697,486	640,636	33,839
Balance payable for purchase of intangible assets	3,000,000	-	-	-
Balance payable for purchase of plant and equipment	-	449,466	-	-
Refundable deposits received	6,439,861	412,571	108,810	108,810
	12,704,841	2,781,686	8,085,944	1,096,083

The amounts due to subsidiaries and corporate shareholder of a subsidiary are unsecured and repayable on demand.



NOTES TO THE FINANCIAL STATEMENTS

30. Borrowings

	Group	
	2024 RM	2023 RM
Bank overdrafts	2,990,732	1,993,101

The effective interest rate is as follows:

	Group	
	2024 %	2023 %
Bank overdrafts	4.24	3.02

The borrowings of the Group are secured by way of:

- (i) Corporate guarantee by the Company and a subsidiary; and
- (ii) Fixed deposits as disclosed in Note 24.

31. Significant related party disclosures

31.1 Related party transactions

Significant transactions with related parties are as follows:

Name of company	Type of transactions	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
With subsidiaries:					
Key Alliance Sdn Bhd	Purchases - medical products	-	-	900	8,070
Design Dept Sdn Bhd	Management fee income	-	-	144,000	144,000
	Rental income	-	-	72,156	72,156
Progenet Innovations Sdn Bhd	Management fee income	-	-	180,000	180,000
	Rental income	-	-	62,400	62,400
	Subscription fee expenses	-	-	2,032	4,600

NOTES TO THE FINANCIAL STATEMENTS

31. Significant related party disclosures (cont'd)

31.1 Related party transactions (cont'd)

Name of company	Type of transactions	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Digital Paper Solutions Sdn Bhd	Interest income	-	-	436,262	401,675
	Printing and stationery expenses	-	-	12,586	10,355
GE Green Sdn Bhd	Rental income	-	-	77,616	77,616
With corporate shareholders of subsidiaries:					
Digital Paper Sdn Bhd	Sales	3,446	11,301	-	-
	Rental of equipment expense	-	73,053	-	-
	Interest expense	48,097	50,531	-	-
Fortifoods Sdn Bhd	Graphic designer fee expense	75,000	-	-	-
	Management fee expense	90,000	-	-	-
With an associate:					
Tree Med Sdn Bhd	Sales return- medical products	830,234	678,028	-	-

31.2 Related party balances

Individually significant outstanding balances arising from transactions other than normal trade transactions are as follows:

Type of transactions	Group		
	2024 RM	2023 RM	
Financial assets			
With associates:			
DVM AllSportz Asia Sdn Bhd	Advances	15,893	131,159
	Less: Allowance for ECL	(15,893)	(131,159)
		-	-
Tree Med Sdn Bhd	Advances	1,143,223	-
Financial liability			
With a corporate shareholder of a subsidiary			
Digital Paper Sdn Bhd	Interest bearing advances	728,192	728,192



NOTES TO THE FINANCIAL STATEMENTS

31. Significant related party disclosures (cont'd)

31.2 Related party balances (cont'd)

	Type of transactions	Company	
		2024 RM	2023 RM
Financial assets			
With subsidiaries:			
Design Dept Sdn Bhd	Advances	-	2,728,890
	Less: Allowance for ECL	-	(229,917)
		-	2,498,973
Digital Paper Solutions Sdn Bhd	Advances	5,679,050	5,241,176
	Less: Allowance for ECL	(5,101,781)	(5,101,781)
		577,269	139,395
GE Green Sdn Bhd	Advances	16,369,288	15,110,469
	Less: Allowance for ECL	(9,292,566)	(8,620,869)
		7,076,722	6,489,600
Key Alliance Sdn Bhd	Advances	-	41,561,717
	Less: Allowance for ECL	-	(5,818,777)
		-	35,742,940
Pacifica KAG Sdn Bhd	Advances	7,948	4,698
	Less: Allowance for ECL	(7,948)	(4,698)
		-	-
Progenet Innovations Sdn Bhd	Advances	39,288,478	20,329,456
Ebizmedic Sdn Bhd	Advances	4,101,199	-
Agrocloud Sdn Bhd	Advances	1,343,956	757,092
	Less: Allowance for ECL	(1,343,956)	-
		-	757,092
With associates:			
DVM AllSportz Asia Sdn Bhd	Advances	9,923	9,923
	Less: Allowance for ECL	(9,923)	(9,923)
		-	-
Tree Med Sdn Bhd	Advances	1,143,223	-
Financial liabilities			
With subsidiaries:			
Corporate One Training Academy Sdn Bhd	Advances	945,294	765,558
Digital Paper Solutions Sdn Bhd	Advances	84,940	72,353
Design Dept Sdn Bhd	Advances	6,089,068	-

NOTES TO THE FINANCIAL STATEMENTS

31. Significant related party disclosures (cont'd)

31.3 Compensation of key management personnel

The key management personnel comprises mainly directors of the Company whose remuneration is disclosed in Note 6.

32. Segmental information

For management purposes, the Group is organised into business units based on the nature of business and has four reportable operating segments as follows:

Business segment

Data centre and cloud services	- Provision of cloud, data centre and co-location services and other IT support services
Trading	- Trading and rental of office equipment, trading of kitchen appliances, medical products and other related services
Construction and renovation	- Contractor for building constructions and provision of renovation works
Others	- Investment and property holding and other businesses that do not fall into above segments

All the above reportable segments operate in Malaysia.

Management monitors the operating results of its business units as well as relying on the segment information as disclosed below for the purpose of making decision about resources allocation and performance assessment.



NOTES TO THE FINANCIAL STATEMENTS

32. Segmental information (cont'd)

32.1 Business segment

2024	Data centre and cloud services RM	Construction and renovation RM		Others RM	Total RM	Elimination RM	Consolidated RM
		Trading RM	RM				
Segment Revenue							
Revenue from external customers	8,280,783	3,323,023	22,277,377	-	33,881,183	-	33,881,183
Inter-segment revenue	367,446	214,325	-	324,000	905,771	(905,771)	-
	8,648,229	3,537,348	22,277,377	324,000	34,786,954	(905,771)	33,881,183
Results							
(Loss)/Profit from operations before interest	(3,058,032)	(272,478)	7,996,940	(15,318,872)	(10,652,442)	(801,818)	(11,454,260)
Interest income	234	-	5,830	572,454	578,518	(436,262)	142,256
(Loss)/Profit from operations	(3,057,798)	(272,478)	8,002,770	(14,746,418)	(10,073,924)	(1,238,080)	(11,312,004)
Finance costs	(54,733)	(628,193)	(19,266)	(273,904)	(976,096)	503,075	(473,021)
Share in profit of associates	-	-	-	322,768	322,768	-	322,768
(Loss)/Profit before tax	(3,112,531)	(900,671)	7,983,504	(14,697,554)	(10,727,252)	(735,005)	(11,462,257)
Income tax expense	(374)	-	(202,344)	(6,200)	(208,918)	-	(208,918)
Net (loss)/profit for the year	(3,112,905)	(900,671)	7,781,160	(14,703,754)	(10,936,170)	(735,005)	(11,671,175)
Non controlling interests	-	349,594	-	104,961	454,555	-	454,555
Net (loss)/profit attributable to equity owners of the Company	(3,112,905)	(551,077)	7,781,160	(14,598,793)	(10,481,615)	(735,005)	(11,216,620)

NOTES TO THE FINANCIAL STATEMENTS

32. Segmental information (cont'd)

32.1 Business segment (cont'd)

2024	Data centre and cloud services RM	Construction and renovation RM		Others RM	Total RM	Elimination RM	Consolidated RM
		Trading RM	Renovation RM				
Segment assets	42,503,117	16,051,342	21,909,400	115,438,219	195,902,078	(65,902,227)	129,999,851
Associates	-	-	-	11,356,965	11,356,965	-	11,356,965
	42,503,117	16,051,342	21,909,400	126,795,184	207,259,043	(65,902,227)	141,356,816
Segment liabilities	45,350,011	33,248,478	20,337,118	13,955,020	112,890,627	(69,627,768)	43,262,859
Other information							
Bad debts written off	-	28,953	-	-	28,953	-	28,953
Capital expenditure on:							
- plant and equipment	57,367	38,329	8,046	45,867	149,609	-	149,609
- right of use assets	2,169,183	-	-	-	2,169,183	-	2,169,183
- intangible assets	-	-	-	7,000,000	7,000,000	-	7,000,000
Depreciation on:							
- plant and equipment	3,924,695	122,856	17,099	334,612	4,399,262	-	4,399,262
- right of use assets	584,031	304,525	57,456	886,747	1,832,759	(327,569)	1,505,190
Fair value loss on other financial assets	-	-	-	11,699,057	11,699,057	-	11,699,057
Impairment loss of investment in subsidiaries no longer required	-	-	-	(999,999)	(999,999)	999,999	-
Impairment loss of:							
- investment in subsidiaries	-	-	-	4,650,000	4,650,000	(4,650,000)	-
- plant and equipment	-	-	-	252,849	252,849	-	252,849
- intangible assets	-	-	-	127,908	127,908	-	127,908
Intangible assets written off	-	-	-	93,778	93,778	-	93,778
Inventories written off/written down	-	19,611	-	-	19,611	-	19,611
Plant and equipment written off	11,840	-	-	8,406	20,246	-	20,246
Right of use assets written off	-	1,822	-	-	1,822	-	1,822
Unrealised loss on foreign exchange	-	804	-	-	804	-	804
Gain on lease modification	-	(1,634)	-	(163)	(1,797)	-	(1,797)
Allowance for expected credit losses - net	33,227	(593,575)	(7,185,516)	7,862,201	116,337	5,373,747	5,490,084



NOTES TO THE FINANCIAL STATEMENTS

32. Segmental information (cont'd)

32.1 Business segment

2023	Data centre and cloud services RM	Trading RM	Construction and renovation RM	Others RM	Total RM	Elimination RM	Consolidated RM
Segment Revenue							
Revenue from external customers	8,711,501	17,018,547	24,492,113	-	50,222,161	-	50,222,161
Inter-segment revenue	504,892	231,048	-	324,000	1,059,940	(1,059,940)	-
	9,216,393	17,249,595	24,492,113	324,000	51,282,101	(1,059,940)	50,222,161
Results							
Loss from operations before interest	(3,309,914)	(3,666,475)	(6,706,138)	(7,531,699)	(21,214,226)	1,791,598	(19,422,628)
Interest income	1,561	-	4,383	640,659	646,603	(401,675)	244,928
Loss from operations	(3,308,353)	(3,666,475)	(6,701,755)	(6,891,040)	(20,567,623)	1,389,923	(19,177,700)
Finance costs	(91,125)	(664,364)	(23,343)	(332,180)	(1,111,012)	493,943	(617,069)
Share in loss of associates	-	-	-	(1,247,762)	(1,247,762)	-	(1,247,762)
Loss before tax	(3,399,478)	(4,330,839)	(6,725,098)	(8,470,982)	(22,926,397)	1,883,866	(21,042,531)
Income tax expense	658	-	(172,800)	2,890	(169,252)	-	(169,252)
Net loss for the year	(3,398,820)	(4,330,839)	(6,897,898)	(8,468,092)	(23,095,649)	1,883,866	(21,211,783)
Non controlling interests	-	565,479	-	63,526	629,005	-	629,005
Net loss attributable to equity owners of the Company	(3,398,820)	(3,765,360)	(6,897,898)	(8,404,566)	(22,466,644)	1,883,866	(20,582,778)

NOTES TO THE FINANCIAL STATEMENTS

32. Segmental information (cont'd)

32.1 Business segment (cont'd)

2023	Data centre and cloud services		Construction and renovation		Others	Total	Elimination	Consolidated
	RM	RM	RM	RM				
Segment assets	45,688,980	21,093,900	20,775,341	124,135,175	211,693,396	(73,156,505)	138,536,891	
Associates	-	-	-	9,962,699	9,962,699	-	9,962,699	
	45,688,980	21,093,900	20,775,341	134,097,874	221,656,095	(73,156,505)	148,499,590	
Segment liabilities	26,533,726	56,123,096	38,983,160	4,840,039	126,480,021	(87,743,083)	38,736,938	
Other information								
Capital expenditure on:								
- plant and equipment	521,601	369	24,679	111,992	658,641	-	658,641	
- right of use assets	-	3,471	-	-	3,471	-	3,471	
- intangible assets	-	-	-	50,408	50,408	-	50,408	
Depreciation on:								
- plant and equipment	3,692,633	459,739	23,115	779,774	4,955,261	-	4,955,261	
- right of use assets	585,347	594,706	57,457	885,993	2,123,503	(327,564)	1,795,939	
Bad debts written off	-	12,510	-	-	12,510	-	12,510	
Deposits written off	-	-	-	87,444	87,444	-	87,444	
Fair value loss on other financial assets	-	-	-	2,173,688	2,173,688	-	2,173,688	
Impairment of:								
- plant and equipment	-	241,103	-	-	241,103	-	241,103	
- right of use assets	-	262,004	-	-	262,004	-	262,004	
Intangible assets written off	-	-	-	52,000	52,000	-	52,000	
Inventories written off/written down	-	1,501,035	-	-	1,501,035	-	1,501,035	
Plant and equipment written off	-	79,438	-	3,879	83,317	-	83,317	
Right of use assets written off	-	67,281	-	-	67,281	-	67,281	
Unrealised gain on foreign exchange	-	(2,549)	-	-	(2,549)	-	(2,549)	
Gain on lease modification	-	(15,695)	-	-	(15,695)	-	(15,695)	
Allowance for expected credit losses - net	(50,199)	(204,738)	8,033,774	1,861,006	9,639,843	(1,861,006)	7,778,837	



NOTES TO THE FINANCIAL STATEMENTS

32. Segmental information (cont'd)

32.2 Customers segment information

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	Segment	2024 RM	2023 RM
Customer A	Construction and renovation	7,970,650	-
Customer B	Trading	-	12,263,003
Customer C	Construction and renovation	-	6,963,929
Customer D	Construction and renovation	3,888,362	-

33. Financial instruments and financial risks management

33.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
Fair value through profit or loss				
- other financial assets	25,082,405	23,101,910	24,882,531	22,907,086
Amortised cost				
- trade and other receivables	18,347,176	20,725,527	59,406,640	66,421,008
- fixed deposits with licensed banks	4,944,450	2,748,475	2,764,267	2,696,953
- cash and bank balances	5,223,754	19,111,611	1,701,847	13,447,438
	53,597,785	65,687,523	88,755,285	105,472,485
Financial liabilities				
Amortised cost				
- trade and other payables				
- non interest bearing	24,755,540	19,209,342	8,085,944	1,096,083
- interest bearing (fixed rate)	728,192	728,192	-	-
- lease liabilities (fixed rate)	5,537,499	5,255,454	3,095,118	3,878,228
- bank overdrafts	2,990,732	1,993,101	-	-
	34,011,963	27,186,089	11,181,062	4,974,311

33.2 Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables and cash and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount due from one subsidiary (2023: two)	-	-	39,288,478	56,072,396
Bank balances with a financial institution	-	13,687,003	-	-

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

i) Trade receivables and contract assets

For trade receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. Where appropriate, the Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these debtors is presented based on their past due status in terms of the provision matrix as disclosed in Note 21. In determining the ECL of other trade receivables and contract asset items, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

ii) Other receivables

Other receivables (other than those identified below) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.



NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Credit risk management (cont'd)

ii) Other receivables (cont'd)

The following other receivables are not considered to have low credit risk as there has been significant increase in the risk of default on the receivables since initial recognition:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount due from subsidiaries	-	-	7,653,991	44,870,908

The loss allowance of the above receivables is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Cash and bank balances (including fixed deposits)

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

None of the receivables that have been written off is subject to enforcement activities.

The Company provides secured financial guarantees to licensed banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. The maximum exposure to credit risk amounts to RM1,991,072 (2023: RM1,993,101) representing the outstanding credit facilities of the subsidiary as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group and the Company finances its operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	Carrying amount	Total	Contractual cash flows (including interest payments)			
			On demand or within 1 year	Within 1 to 2 years	Within 2 to 5 years	More than 5 years
2024	RM	RM	RM	RM	RM	RM
Non interest bearing debts	24,755,540	24,755,540	24,755,540	-	-	-
Interest bearing debts	9,256,423	10,724,514	5,725,795	1,722,049	2,823,658	453,012
	34,011,963	35,480,054	30,481,335	1,722,049	2,823,658	453,012
2023						
Non interest bearing debts	19,209,342	19,209,342	19,209,342	-	-	-
Interest bearing debts	7,976,747	8,769,652	4,946,728	1,296,525	2,526,399	-
	27,186,089	27,978,994	24,156,070	1,296,525	2,526,399	-



NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Liquidity risk management (cont'd)

Company 2024	Carrying amount RM	Contractual cash flows (including interest payments)				
		Total RM	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	Within 5 years RM
Non interest bearing debts	8,085,944	8,085,944	8,085,944	-	-	-
Interest bearing debts	3,095,118	3,517,954	1,055,554	1,042,276	1,420,124	1,420,124
	11,181,062	11,603,898	9,141,498	1,042,276	1,420,124	1,420,124
Corporate guarantee	-	1,991,072	2,059,504	-	-	-
2023						
Non interest bearing debts	1,096,083	1,096,083	1,096,083	-	-	-
Interest bearing debts	3,878,228	4,573,507	1,055,554	1,055,554	2,462,399	2,462,399
	4,974,311	5,669,590	2,151,637	1,055,554	2,462,399	2,462,399
Corporate guarantee	-	1,993,101	2,053,293	-	-	-

The fair value of the corporate guarantees provided to the subsidiary are not expected to be material as the total borrowings of the subsidiary are collateralised against certain fixed deposits of the Group. Further, the probability of the subsidiary defaulting on the credit facilities is remote. Accordingly, the corporate guarantee has not been recognised.

As at the reporting date, the counterparties to the corporate guarantee do not have the right to demand payment as there is no default on borrowings obtained by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Interest rate risk management

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

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below have been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A change of 50 basis points in interest rate with all other variables being held constant would have decrease or increase the Group's profitability before tax by RM15,000 (2023: RM10,000).

Foreign exchange risk management

The Group transacts business in various currencies, and therefore is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The net financial assets and financial liabilities of the Group's components that are not denominated in the functional currency are as follows:

Functional currency of the Group's components	Net Financial Liabilities Held in Non-Functional Currencies		
	Chinese Renminbi RM	Euro RM	United States Dollar RM
2024			
Ringgit Malaysia	(10,759)	(15,575)	(94,193)
2023			
Ringgit Malaysia	(17,871)	(3,245)	(1,373)



NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments and financial risks management (cont'd)

33.2 Financial risk management objectives and policies (cont'd)

Foreign exchange risk management (cont'd)

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the respective functional currency of the Group's components. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the functional currency of the Group's components, profitability before tax will decrease by:

	Group	
	2024 RM	2023 RM
Chinese Renminbi	(1,000)	(2,000)
Euro	(2,000)	-
United States Dollar	(9,000)	-

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

The Company is not exposed to any foreign exchange risk.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in equity instruments. For quoted equity instruments, these instruments are listed on the Bursa Malaysia Securities Berhad.

Management of the Group monitors the equity instruments on a portfolio basis. Material instruments within the portfolio are managed on an individual basis and all buy and sell decisions are made by the executive directors.

The effect of a 10% strengthening in the specified stock prices at the end of the reporting period with all other variables held constant would increase the profitability before tax of the Group and the Company as follows:

	Group and Company	
	2024 RM	2023 RM
Equity investments listed on:		
Bursa Malaysia Securities Berhad	2,481,000	2,240,000

A 10% weakening in specified stock would have equal but opposite effect on the profitability of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

34. Capital structure and capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while providing an adequate return to its shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt [as shown in the statements of financial position (excluding other lease liabilities)] less cash and cash equivalents. Adjusted capital comprises all components of equity and reserves that are managed as capital. There were no changes in the Group's approach to capital management during the reporting period.

The debt-to-adjusted capital ratios are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total debts	3,080,144	2,177,123	89,412	137,747
Less: Cash and bank balances and fixed deposits	(10,168,204)	(21,860,086)	(4,466,114)	(16,144,391)
Net cash	(7,088,060)	(19,682,963)	(4,376,702)	(16,006,644)
Total equity	98,093,957	109,762,652	102,498,169	129,492,609
Debt-to-adjusted capital ratio (times)	N/A	N/A	N/A	N/A

35. Fair value of assets and liabilities

35.1 Financial instruments not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of the Group's lease liabilities approximate their carrying amounts as these instruments were entered/initially recognised with interest rates which are reasonable approximation of the market interest rates on or near reporting date.



NOTES TO THE FINANCIAL STATEMENTS

35. Fair value of assets and liabilities (cont'd)

35.2 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

35.3 Financial instruments and non financial assets carried at fair value

The following table provides an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Fair value measurement at the end of the reporting period using			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2024				
Recurring fair value measurement				
Financial assets:				
<u>Other financial assets</u>				
Unquoted equity investments	-	-	63,864	63,864
Quoted equity investments	24,811,547	-	-	24,811,547
Unquoted mutual funds	-	-	206,994	206,994
Non financial assets:				
<u>Investment properties</u>				
Freehold buildings	-	18,200,000	-	18,200,000
2023				
Recurring fair value measurement				
Financial assets:				
<u>Other financial assets</u>				
Unquoted equity investments	-	-	502,029	502,029
Quoted equity investments	22,398,154	-	-	22,398,154
Unquoted mutual funds	-	-	201,727	201,727
Non financial assets:				
<u>Investment properties</u>				
Freehold buildings	-	18,200,000	-	18,200,000

NOTES TO THE FINANCIAL STATEMENTS

35. Fair value of assets and liabilities (cont'd)

35.3 Financial instruments and non financial assets carried at fair value (cont'd)

	Company			
	Fair value measurement at the end of the reporting period using			
	Level 1	Level 2	Level 3	Total
2024	RM	RM	RM	RM
Non recurring fair value measurement				
Financial assets:				
<u>Investment in subsidiaries</u>				
Impaired subsidiary carried at fair value less cost of disposal	-	-	750,000	750,000
Recurring fair value measurement				
Financial assets:				
<u>Other financial assets</u>				
Unquoted equity investments	-	-	63,864	63,864
Quoted equity investments	24,811,547	-	-	24,811,547
Unquoted mutual funds	-	-	7,120	7,120
Non financial assets:				
<u>Investment properties</u>				
Freehold building	-	9,000,000	-	9,000,000
<hr/>				
2023				
Recurring fair value measurement				
Financial assets:				
<u>Other financial assets</u>				
Unquoted equity investments	-	-	502,029	502,029
Quoted equity investments	22,398,154	-	-	22,398,154
Unquoted mutual funds	-	-	6,903	6,903
Non financial assets:				
<u>Investment properties</u>				
Freehold building	-	9,000,000	-	9,000,000

There were no transfers between these levels of fair value in the current and previous reporting periods.

Valuation techniques used to derive Level 2 fair values

Investment properties

The fair value of investment properties of the Company and of a subsidiary under Level 2 was stated by the directors based on professional valuations carried out by Mr Nagalingam T., a registered valuer with Azmi & Co (Shah Alam) Sdn Bhd, in May 2022 using the comparison approach of valuation.

An update of the valuations was carried out by the same valuer in April 2024. The fair value of the investment properties remained unchanged.



NOTES TO THE FINANCIAL STATEMENTS

35. Fair value of assets and liabilities (cont'd)

35.3 Financial instruments and non financial assets carried at fair value (cont'd)

Valuation techniques used to derive Level 2 fair values (cont'd)

Investment properties (cont'd)

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size, improvements and amenities) of the property transactions used for comparison.

Valuation techniques used to derive Level 3 fair values

a) Unquoted equity investments

The fair value of the unquoted equity investments is determined by reference to the audited net assets of the investees.

b) Unquoted mutual funds

The fair value of the unquoted mutual funds is determined by reference to the net assets per unit of the funds.

c) Investment in subsidiaries

The investment in a subsidiary was derived based on the adjusted net assets as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

36. Prior years adjustments

In 2015, a subsidiary in the other segment was struck off and the Group had erroneously continued with the consolidation of the financial position and financial results of this subsidiary. This fundamental error has now been adjusted retrospectively. The effects of these adjustments (with no tax effects) are as follows:

	As previously reported RM	Prior year adjustments RM	As restated RM
Group			
Statement of financial position as at 31 March 2023			
Current liabilities			
Other payables and accruals	4,304,601	(1,522,915)	2,781,686
<hr/>			
Group			
Statement of financial position as at 1 April 2022			
Current liabilities			
Other payables and accruals	5,498,932	(1,522,915)	3,976,017
<hr/>			
Group			
Statement of changes in equity			
Accumulated losses as at			
- 31 March 2023	(100,977,466)	1,311,493	(99,665,973)
- 1 April 2022	(80,394,688)	1,311,493	(79,083,195)
<hr/>			
Non-controlling interests			
- 31 March 2023	(3,820,852)	211,422	(3,609,430)
- 1 April 2022	(3,191,847)	211,422	(2,980,425)
<hr/>			

The consequential adjustments to the prior reporting period's information in the notes have also been reflected appropriately for consistency of presentation.



LIST OF PROPERTIES

Location	Description/ Existing Use	Area	Tenure	Approximate Age of Property (years)	Fair Value as at 31.03.2024 (RM)	Year of Acquisition (A) and date of Valuation (V)
Parcel No. CS/3A/7, Storey No. Level 7, Building No. 3A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur	Office	8,060 sq. ft.	Freehold	20	9,000,000	2004 (A) 17.4.2024 (V)
Unit No. B19 Level: G (Ground Floor), Level: L1 (First Floor), Level: L2 (Second Floor), Level: L3 (Third Floor), Level: L4 (Forth Floor), Block B19 situated in Aurora Place @ Bukit Jalil, Kuala Lumpur	Office / Shoplots	6,055 sq. ft.	Freehold	5	4,600,000	2014 (A) 18.4.2024 (V)
Unit No. B20 Level: G (Ground Floor), Level: L1 (First Floor), Level: L2 (Second Floor), Level: L3 (Third Floor), Level: L4 (Forth Floor), Block B20 situated in Aurora Place @ Bukit Jalil, Kuala Lumpur	Office / Shoplots	6,055 sq. ft.	Freehold	5	4,600,000	2014 (A) 18.4.2024 (V)

ANALYSIS OF SHAREHOLDINGS AS AT 2 JULY 2024

Issued and Paid Up Share Capital	3,678,221,440
Class of Shares	Ordinary shares
Voting Rights	One (1) vote per ordinary share
Numbers of Shareholders	13,779

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	480	3.48	22,166	0.00
100 – 1,000	1,091	7.92	500,052	0.01
1,001 – 10,000	2,529	18.36	15,299,532	0.42
10,001 – 100,000	5,978	43.38	295,168,694	8.02
100,001 to less than 5% of issued shares	3,700	26.85	3,167,230,996	86.11
5% and above of issued shares	1	0.01	200,000,000	5.44
Total	13,779	100.00	3,678,221,440	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 2 JULY 2024 (as per the Register of Substantial Shareholders)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Roy Ho Yew Kee	225,900,000	6.14	-	-

DIRECTORS' SHAREHOLDINGS AS AT 2 JULY 2024 (as per the Register of Directors' Shareholding)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Roy Ho Yew Kee	225,900,000	6.14	-	-
Sandraruben A/L Neelamagham	10,000,000	0.27	-	-
Lee Kien Fatt	-	-	-	-
Yee Yit Yang	-	-	-	-
Dr Azizah Binti Sulaiman	-	-	-	-



ANALYSIS OF SHAREHOLDINGS AS AT 2 JULY 2024

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 2 JULY 2024)

Names	No. of Shares	% of Shares
1. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt for Lazarus Securities Pty Ltd	200,000,000	5.44
2. Khairul Anuar Bin Danial	122,220,000	3.32
3. Choong Kean Leang	111,500,000	3.03
4. Woon Jing Wei	88,116,400	2.40
5. Mercsec Nominees (Asing) Sdn. Bhd. General Reserve of Digital Assets Limited	87,536,800	2.38
6. Raja Mazyah Binti Raja Aminuddin	77,780,000	2.11
7. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kho Chong Yao	42,520,000	1.16
8. Tan Kong Han	37,920,000	1.03
9. Tan Yoke Theng	37,400,000	1.02
10. M & A Nominee (Tempatan) Sdn Bhd Exempt an for Sanston Financial Group Limited (Account Client)	35,300,000	0.96
11. Tee Chee Seng	27,250,000	0.74
12. TA Securities Holdings Berhad Quah Choon Wah	25,175,200	0.69
13. Lim Boon Liat	25,000,000	0.68
14. TA Securities Holdings Bhd Goh Lee Chie	24,762,700	0.67
15. Gan Choon Hock	24,000,000	0.65
16. Sim Mui Khee	24,000,000	0.65
17. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Soon Chai	22,500,000	0.61
18. HSBC Nominees (Asing) Sdn Bhd Exempt an for Morgan Stanley & Co. Interntional Plc (IPB Client Acct)	20,100,000	0.55
19. Ng Choon Kiat	20,000,000	0.54
20. Lim Poh Fong	15,252,450	0.42
21. M & A Nominee (Tempatan) Sdn Bhd Sanston Financial Group Limited for Digital Paper Sdn Bhd	15,043,713	0.41
22. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Michael Heng Chun Hong	14,748,600	0.40
23. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bekramjit Singh A/L Jaginder Singh	13,000,000	0.35
24. Boh Chit Pang	12,849,100	0.35
25. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Haffiz Bin Hussin	12,303,800	0.34
26. Maybank Nominees (Tempatan) Sdn Bhd Woo Swee Hoe	12,280,500	0.33
27. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Chuan	12,000,000	0.33
28. Chung Kin Chuan	11,500,000	0.31
29. Cheng Shyue Sheng	11,050,000	0.30
30. Ng Yoke Lan	10,300,000	0.28
TOTAL	1,193,409,263	32.45

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting of Key Alliance Group Berhad (“KAG” or “the Company”) will be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at <https://rebrand.ly/KAG-AGM> on Friday, 30 August 2024 at 10.30 a.m., or any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Directors’ and Auditors’ Reports thereon. | Please refer to Explanatory Note 1 |
| 2. | To approve the payment of Directors’ fees and other benefits payable of up to RM500,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from 30 August 2024 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 1 |
| 3. | To re-elect Mr Lee Kien Fatt who retires pursuant to Clause 90 of the Company’s Constitution. | Ordinary Resolution 2 |
| 4. | To re-elect Mr Sandraruben A/L Neelamagham who retires pursuant to Clause 98 of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs Russell Bedford LC PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

SPECIAL BUSINESSES :

To consider and, if thought fit, to pass the following Resolution:

- | | | |
|----|---|-----------------------|
| 6. | Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 5 |
|----|---|-----------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 9 of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares.”



NOTICE OF ANNUAL GENERAL MEETING

- To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)

THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)

Company Secretaries

Kuala Lumpur

31 July 2024

Notes:-

- Only depositors whose names appear in the Record of Depositors as at 22 August 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the 2nd AGM.*
- A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.*
- 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.*
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*
- Any alterations in the Proxy Form must be initialed by the member.*
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.*
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of 2nd AGM to vote by poll.*
- The 2nd AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Year Ended 31 March 2024

Agenda No. 1 is meant for discussion only as Section 340(1) (a) of the Companies Act 2016 provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES (CONT'D)

2. Ordinary Resolution 1: To Approve the Payment of Directors' Fees and Other Benefits Payable

The Directors' fees and other benefits payable are calculated based on the number of scheduled Board and Committee Meetings to be held for the period commencing from 30 August 2024 until the conclusion of the next Annual General Meeting of the Company and assuming that all the Directors will hold office until the end of the subject financial year.

This resolution is to facilitate payment of Directors' fees and allowances on a monthly basis and/or as and when required. In the event the Directors' fees and allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. Ordinary Resolutions 2 and 3: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the following clauses of the Company's Constitution at the 21st Annual General Meeting of the Company and are being eligible have offered themselves for re-election in accordance with the Company's Constitution:

- (a) Mr Lee Kien Fatt (Clause 90); and
- (b) Mr Sandraruben A/L Neelamagham (Clause 98)

(collectively referred to as "Retiring Directors")

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 21st AGM, the Board through its Nomination Committee ("NC") had assessed the Retiring Directors, and considered the following:

- (a) The Directors' performance and contribution;
- (b) The Directors' skills, experience and strength in qualities; and
- (c) The Directors' ability to act in the best interest of the Company in decision-making.

The Board and the NC had deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board and the NC (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NC has considered and affirmed, and the Board had endorsed that Mr Lee Kien Fatt, who is seeking re-election at the forthcoming 21st Annual General Meeting of the Company comply with the independence criteria as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising his judgment and in carrying out his duties as Independent Non-Executive Director of the Company.

4. Ordinary Resolution 4: Re-appointment of External Auditors

The Board, through the Audit and Risk Management Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs Russell Bedford LC PLT in respect of the financial year ended 31 March 2024. The Board was satisfied with the performance of Messrs Russell Bedford LC PLT and recommended the re-appointment of Messrs Russell Bedford LC PLT as External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act 2016.



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES (CONT'D)

5. Ordinary Resolution 5: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, if passed, is the renewal of the general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("General Mandate"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

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

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company:

Section 85(1) of the Companies Act 2016 states:

Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 9 of the Company's Constitution provides as follows:

Subject to any direction to the contrary that may be given by the Company in a general meeting, all new Shares or other Convertible Securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered in the manner provided under this Constitution.

In order for the Board to issue any new shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 5, if passed, will exclude your pre-emptive rights over all new shares in the Company to be issued under the general mandate.

As at the date of this Notice, the Company has not issued any new shares pursuant to the General Mandate granted to the Directors at the Twentieth (20th) Annual General Meeting held on 13 September 2023 and which the said General Mandate will lapse at the conclusion of the 21st Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the 21st Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad) (cont'd)

The Company will seek shareholders' approval on the general mandate for the issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of the 21st Annual General Meeting of the Company for the details.



TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
Friday, 30 August 2024	10.30 a.m.	Lot 4.1, 4 th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor

Virtual Meeting

- The Twenty-First (21st) Annual General Meeting (“**AGM**”) will be conducted by way of a virtual meeting and via online remote voting using the Remote Participation and Voting Facilities (“**RPV Facilities**”) from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.
- Shareholders are **strongly encouraged** to take advantage of the RPV Facilities to participate and vote remotely at the AGM. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors (“**Board**”) and/or management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

Registration

- The AGM will be held virtually. The registration is mandatory for the event. Please click the following link to register: <https://rebrand.ly/KAG-AGM>.
- All the Shareholders are required to register in order to participate to the AGM. The registration will be open from 10.30 a.m. on 31 July 2024 and close at 10.30 a.m. on 29 August 2024.

Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.
- After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after 22 August 2024.
- Should your registration be rejected, you can contact the Company’s Share Registrar or the Company for clarifications.
- The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on <https://rebrand.ly/KAG-AGM>.

General Meeting Records of Depositors

- For the purpose of determining members’ eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at 22 August 2024 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Individual Members

- Individual members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV Facilities for information.
- If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING ADMINISTRATIVE GUIDE

Corporate Members

11. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 29 August 2024 at 10.30 a.m.:
 - (i) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
 - (ii) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
 - (iii) Corporate Representative's or proxy's email address and mobile phone number.
12. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Nominee Company Members

13. The beneficiaries of the shares under a Nominee Company's CDS account ("**Nominee Company member(s)**") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 29 August 2024 at 10.30 a.m.:
 - (i) Form of Proxy under the seal of the Nominee Company;
 - (ii) Copy of the proxy's MyKad (front and back)/Passport; and
 - (iii) Proxy's email address and mobile phone number.
14. If a Nominee Company member is unable to attend the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Proxy

15. If a member is unable to attend the AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
16. If an individual member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 20 below, to revoke the appointment of his/her proxy no later than 29 August 2024 at 10.30 a.m.

Poll Voting


17. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn. Bhd. as the Scrutineers to verify the poll results. Upon completion of the voting session for the respective AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.



TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING ADMINISTRATIVE GUIDE

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

Procedures	Action
Before AGM	
<p>1. Register as participant in virtual AGM</p> 	<ul style="list-style-type: none"> • Using your computer, access the website at https://rebrand.ly/KAG-AGM. Click on the Register button to register for the AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
<p>2. Submit your online registration</p>	<ul style="list-style-type: none"> • Shareholders who wish to participate and vote remotely at the AGM via RPV facilities are required to register prior to the meeting. The registration will open from 10.30 a.m. on 31 July 2024 and close at 10.30 a.m. on 29 August 2024. • Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the Register link for the online registration form. • Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for Proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. <p><u>Email Notification to Shareholders</u></p> <ul style="list-style-type: none"> • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 22 August 2024, the system will send you an email to notify you if your registration is approved or rejected after 22 August 2024. • If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.

TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING ADMINISTRATIVE GUIDE

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM: (cont'd)

Procedures	Action
On the day of AGM	
3. Attending virtual AGM	<ul style="list-style-type: none"> Two reminder emails will be sent to your inbox. First is one day before the AGM, while the second will be sent 1 hour before the AGM session. Click Join Event in the reminder email to participate the RPV.
4. Participate with live video	<ul style="list-style-type: none"> You will be given a short brief about the system. Your microphone is muted throughout the whole session. If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions received throughout the session which are not answered during the AGM will be replied later to your registered email. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5. Online Remote Voting	<ul style="list-style-type: none"> The Chairman will announce the commencement of the voting session and the duration allowed at the AGM. The list of resolutions for voting will appear at the right-hand side of your computer screen under the Slido panel. You are required to indicate your votes for the resolutions that are tabled for voting within the given time frame. Click on the Submit button when you have completed. Votes cannot be changed once it is submitted.
6. End of RPV Facility	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

No Recording or Photography

19. Strictly **NO recording or photography** of the proceedings of the AGM is allowed.

Enquiry

20. If you have any enquiry prior to the meeting, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m. (Monday to Friday):

**For Registration, logging in and system related:
InsHub Sdn. Bhd.**

Name : Ms Eris/Mr Calvin
Telephone No.: +603-7688 1013
Email: vgm@mlabs.com

**For Form of Proxy:
ShareWorks Sdn. Bhd.**

Name : Mr Kou/Mr Wai Kien
Telephone No.: +603-6201 1120
Email: ir@shareworks.com.my



KEY ALLIANCE GROUP BERHAD
 Company Registration No.: 200301007533 (609953-K)
 (Incorporated in Malaysia)

PROXY FORM

CDS Account No.:

No. of Shares held:

I, We,
 [Full name in block and NRIC No. / Registration No.]

Tel. No of

.....
 [Address]

being a member/members of Key Alliance Group Berhad, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:	Contact No:		
	Email Address:		

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:	Contact No:		
	Email Address:		

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Twenty-First (21st) Annual General Meeting of the Company to be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at <https://rebrand.ly/KAG-AGM> on Friday, 30 August 2024 at 10.30 a.m., or any adjournment thereof, and to vote as indicated below:

No.	Agenda	Resolution	For	Against
1.	To approve the payment of Directors' fees and other benefits payable to the Directors.	Ordinary Resolution 1		
2.	To re-elect Mr Lee Kien Fatt as Director.	Ordinary Resolution 2		
3.	To re-elect Mr Sandraruben A/L Neelamagham as Director.	Ordinary Resolution 3		
4.	To re-appoint Messrs Russell Bedford LC PLT as External Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
5.	To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 5		

(Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this.....

.....

Signature*
Member

(* if shareholder is a corporation, this form should be executed under seal)



Notes:

1. Only depositors whose names appear in the Record of Depositors as at 22 August 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the 21st AGM.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. Any alterations in the Proxy Form must be initialed by the member.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of 21st AGM to vote by poll.
8. The 21st AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

Please fold here

Affix Stamp

**THE SHARE REGISTRAR OF
KEY ALLIANCE GROUP BERHAD
COMPANY REGISTRATION NO. 200301007533 (609953-K)**

SHAREWORKS SDN. BHD.
No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas
50480 Kuala Lumpur, Malaysia

Please fold here

www.kag.com.my

KEY ALLIANCE GROUP BERHAD

Registration No. 200301007533 (609953-K)

Lot 18.2, 18th, Menara Lien Hoe, No. 8 Persiaran Tropicana,
47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel: (+603) 7880 7725 Fax: (+603) 7805 7795 E-mail: kgroup@kag.com.my