METRONIC

METRONIC GLOBAL BERHAD

200301029648 (632068-V)

ANNUAL REPORT 2024

21st Annual General Meeting

Level 9, Tower 11, Avenue 5,
No 8, Jalan Kerinchi, Bangsar
South, 59200 Kuala Lumpur

Friday,
28 March 2025
at 10.00 a.m.

What's Inside

VISION

To be an internationally recognized leading engineering and technology total solution provider.

MISSION

- To apply our unique management style that incorporates our manpower resources, experience, expertise, innovation and creative approach.
- To continously seek new technologies that meet our clients' requirements.
- To create a workplace that motivates our employees.
- To develop strategic relationships with partners who have skill that enhance and complement our own.
- To continually improve the effectiveness of the quality management system.
- To maximize value of our stakeholders.

CORPORATE PROFILE

COMPANY HISTORY AND DEVELOPMENT

Background of Company

Metronic Global Berhad (''the Company" or ''MGB") was incorporated in Malaysia under the Companies Act, 1965 on 22 October 2003. The Company was listed on MESDAQ Market of Bursa Malaysia Securities Berhad (''Bursa Securities") on 24 May 2004 and subsequently transferred to the Main Board (now known as Main Market) of Bursa Securities on 12 July 2007.

The subsidiaries of the Company specializes in system integration of intelligent building management systems (''IBMS") and integrated security management system (''ISMS"), and a project management of mechanical and electrical service contracts. One of the subsidiaries of the Company has parcels of land planned for mix development. The Company and its subsidiaries (collectively referred to as "the Group" or "MGB Group") believes that the fundamental to Group's success is driven by the mission in continuously seeking new technology solutions and offerings, and improve its quality service and deliveries that exceeds customers' increasing expectations.

The Evolution of the MGB Group

The origin of the MGB Group can be traced back to August 1984 when Metronic Engineering Sdn Bhd ("MESB") was incorporated to provide building automation service specializing in the field of IBMS and ISMS. MESB subsequently expanded its business activities to include e-PM of mechanical and electrical service and supply of engineering systems.

During the early years, MESB played a pivotal role in nation building by providing state-of-the-art e-project management and building management system integration services for hospitals, office building, shopping complexes, airports, oil refineries and manufacturing plants. The Group leveraged its expertise to develop unique and innovative IBMS and ISMS products, solution and services, mainly in the areas of "intelligent buildings".

Over the years, the Group has strengthened its position in the value chain towards becoming an Integrated Control and Monitoring System provider. By converging newer technologies with the Java Based Control & Monitoring Software™ platform, the Group is able to provide value-added proposition for its customers by enhancing and expanding its product applications that will significantly enhance application security, manageability, reliability and availability of any application while optimizing the cost of operations for its customers.

As technology progresses, intelligent buildings have evolved from mere stand-alone entities into interconnected hubs within the citywide infrastructure, known as "intelligent cities". With the convergence of technology, stand-alone buildings are slowly forming into smaller, ecosystems comprising a tightly integrated network of buildings that better enable the management and optimization of systems and resources. The driving force of the evolution of intelligent solutions is the ability to reduce cost, optimize manpower utilization and enhance service levels through aggregation, service integration and process automation.

In a move to diversify and complement its existing core business, the Group via Metronic iCares Sdn Bhd, ventured into a Third Party Administration and Managed Care Organization business for healthcare sector via the connectivity applications and infrastructure for the exchange of transactional information through internet in 2008. The Group however disposed it in 2013 due to unfavorable business prospects and the opportunity to realize the investment at an attractive return.

COMPANY HISTORY AND DEVELOPMENT (CONT'D)

The Evolution of the MGB Group (Cont'd)

During the years from 2016 up to 2022, the Group is proud to celebrate significant achievements in the successful completion of key infrastructure projects, notably in the Mass Rapid Transit 1 for Sungai Buloh-Kajang Line (MRT1) and Mass Rapid Transit 2 for Sungai Buloh-Serdang-Putrajaya's (MRT2) building management system, and the iconic PNB118 mix development project since 2022. The MRT projects have revolutionised urban mobility, providing efficient and sustainable transportation solutions to thousands of commuters, while also contributing to the reduction of traffic congestion and environmental impact. Meanwhile, PNB118 stands as a testament to our excellence in Extra Low Voltage (ELV) and AVIT for high-rise construction, marking a new era for the skyline with the tallest building in Southeast Asia. These projects highlight our unwavering commitment to delivering world-class infrastructure that drives economic growth, enhances urban living, and shapes the future of modern cities.

PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

Presently, the Group, through MESB specializes in design, supply, install, testing and commissioning, and service and maintenance of IBMS, Building Management System ("BMS"), Energy Management System ("EMS"), Security System (Card Access, Closed Circuit TV System, Guard Tour and Car Parking System), Information and Communication Technology System ("ICT"), Extra Low Voltage System ("ELV") and Audio-Visual System and Information Technology System ("AVS").

The Group via its wholly owned subsidiary, MGL, has a 7.9 acres of land in Kuala Krai, Kelantan with a development plan to develop 179 units of retail and commercial shops, terrace houses and bungalows with an estimated Gross Development Value ("GDV") of about RM73.9 million.

The Group has previously involved in the research and development of medical related products via its wholly owned subsidiary MM. MM has participated in the research program of Covid-19 Neutralizing Antibody Test Kit ("Test Kit"). The test kit is expected to provide an easy way to assess the patients' immune system against the Covid-19 infection.

In addition, the Group, through its wholly owned subsidiary, Metronic Smart Tech Sdn Bhd ("MST") had also undertaken a research and development of Smart City System Solution whereby proposals given to factories focuses in southern region for the proposed SMART solution related to building automation and security system and products, modules and production of an automated storage and retrieval system based on technologies of Industry 4.0.

The above undertakings however have been stalled due to several constraints in its resources and impending review and finalization of the group's action plan and strategic direction.

The Group, via its 70% joint venture company, Sinaran PPA Sdn Bhd ("SPSB"), is involved in the marketing, design and installation of solar power system. SPSB is a Registered Solar PV Investor (RPVI) with the Sustainable Energy Development Authority ("SEDA"). SPSB, has previously secured two (2) power purchase agreements ("PPA") with a total capacity of 4.121 Megawatt ("MW") however the projects have also been stalled due to impending resolution of several contractual issues with the clients.

At present, in view of the status progress of its other ventures, the Group main focus remains for its engineering services works related to the building management system that encompass design, supply, install, testing and commissioning, and service and maintenance of IBMS, BMS, EMS, Security System (Card Access, Closed Circuit TV CCTV System, Guard Tour and Car Parking System), ICT, ELV and Audio-Visual System and Information Technology System ("AVS").

In the pursuit to achieve its vision to be a leading engineering and technology solution provider, the Group continues to explore new technologies, solutions and pursue available business options in order to improve its offering to clients.

CERTIFICATIONS AND RECOGNITIONS

MESB, is accredited as an ISO 9001: 2015 total solution company for "Design, Engineering, Construction, Project Management, Commissioning, Service and Maintenance of Intelligent Building Management System ("IBMS"), Intelligent Building Security Systems ("IBSS") and Mechanical – Electrical Services"

CORPORATE INFORMATION

Board of Directors

Y.M. TENGKU AB HADI BIN TENGKU MUSTAFA
Independent Non-Executive Chairman

DATUK DR. DORIS WONG SING EE
Executive Director

KOH WAI CHEE
Executive Director

ONG TEE KEIN
Independent Non-Executive Director

MUHAMMAD FALIQ BIN MOHD REDZUAN
Independent Non-Executive Director

Audit and Risk Management Committee

Chairman:
Ong Tee Kein

Members:
Muhammad Faliq bin Mohd Redzuan
Y.M. Tengku Ab Hadi bin Tengku Mustafa

Nomination Committee

Chairman:
Muhammad Faliq bin Mohd Redzuan

Members:
Ong Tee Kein
Y.M. Tengku Ab Hadi bin Tengku Mustafa

Remuneration Committee

Chairman:
Y.M. Tengku Ab Hadi bin Tengku Mustafa

Members:
Ong Tee Kein
Muhammad Faliq bin Mohd Redzuan

Employees Share Option Scheme Committee

Chairman:
Koh Wai Chee

Member:
Datuk Dr. Doris Wong Sing Ee

Principal Place of Business

No. 2, Jalan Astaka U8/83
Seksyen U8
Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

Tel: 03-7847 2111
Fax: 03-7847 5111
Email: info@metronic-group.com
Website: metronic-group.com

Registered Office

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400, Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-2181 0516
Fax: 03-2181 0516
Email: office@gapadvisory.my
Website: : www.gapadvisory.my

Auditors

Chengco PLT
No. 8-2, 10-1 & 10-2, Jalan 2/114
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-2242 3780
Fax: 03-2242 2780

Company Secretary

Chin Wai Yi
(MAICSA No. 7069783 /
SSM PC No. 202008004409)

Share Registrar

GAP Advisory Sdn. Bhd.
Registration No. 202001042098
(1398419-T)
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400, Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-2181 0516
Fax: 03-2181 0516
Email: ir.shareregistry@gapadvisory.my

Principal Bankers

Malayan Banking Berhad
SME Bank Malaysia Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock name : MTRONIC
Stock code : 0043

CORPORATE STRUCTURE

METRONIC GLOBAL BERHAD
200301029648 (632068-V)]

- 100% **MGL DEVELOPMENT SDN BHD** 200601013298 (733049-M)
- 100% **METRONIC ENGINEERING SDN BHD** 198401012848 (125404-M)
  - 50% **MAT JV SDN BHD** 202301007282 (1501203-D)
- 100% **METRONIC INTEGRATED SYSTEM SDN BHD** 199501002838 (332032-D)
- 100% **M TWO COUNTRY DEVELOPMENT** 200201022663 (590326-A)
- 70% **SINARAN PPA SDN BHD** 202101019729 (1420029-T)
- 100% **METRONIC MEDICARE SDN BHD** 202001028932 1385252-X
- 100% **METRONIC SMART TECH SDN BHD** 200601034232 (753991-V)
  - 80% **METRONIC JF SYSTEM PTE LTD** 202040085W
- 100% **METRONIC VIETNAM COMPANY LIMITED**

FIVE-YEAR FINANCIAL HIGHLIGHTS

REVENUE (RM'000)	
2024	36,268
2023	36,125
2022	39,589
2021	29,471
2020	19,045

SHAREHOLDERS' FUNDS (RM'000)	
2024	150,604
2023	180,411
2022	112,944
2021	117,527
2020	82,860

LOSS BEFORE TAX (RM'000)	
2024	(28,927)
2023	(10,164)
2022	(4,165)
2021	(19,926)
2020	(16,146)

LOSS FOR THE YEAR (RM'000)	
2024	(30,012)
2023	(10,595)
2022	(7,640)
2021	(20,515)
2020	(17,866)

NET LOSS PER SHARE (SEN)	
2024	(1.92)
2023	(0.69)
2022	(3.58)#
2021	(1.36)
2020	(1.45)

NET ASSETS PER SHARE (SEN)	
2024	9.84
2023	11.78
2022	52.08#
2021	5.65
2020	7.22

During the financial year, the Company undertook a share consolidation exercise involved the consolidation of every ten (10) existing shares into one (1) share of the Company.

PROFILE OF DIRECTORS

DATUK DR. DORIS WONG SING EE

Executive Director

Aged: 43

Date of Appointment	1 October 2020
Board Committee membership	Members of Employees Share Option Scheme Committee
Qualification	a) Doctorate of Business Admin (DBA) from HELP University b) Master of Corporate Governance from HELP University c) Bachelor of Science in Create Multimedia from Multimedia University
Working Experience and Occupation	Datuk Dr. Doris Wong Sing Ee has more than twenty (20) years of experience in management level across various industries ranging from advertising, property development, F&B and oil & gas. She specializes in business development, strategic consultancy, restructuring and corporate advisory in merger & acquisition, and joint venture across Malaysia, Singapore, China, Japan, Thailand and Indonesia. Starting off as a Business Development Manager in her career path, her enthusiastic attitude has molded her to become Business Development Director within just a year before she was promoted to Managing Director in Niagamatic Sdn Bhd. In 2012, she was appointed as Business Consultant in JLPW Law Firm where she gained exposures in handling international restructuring, merger & acquisition and joint venture deals. She was then appointed by a leading Japanese advertising firm listed in Tokyo Stock Exchange, Asatsu-DK as Malaysia's country General Manager in 2015 in one of its subsidiaries, Dai-Ichi Kikaku Sdn Bhd to turn around the company.
Directorship of public companies and listed issuers	• Trive Property Group Berhad (Non-Independent Non-Executive Director) • BSL Corporation Berhad (Executive Director)
Relationship with other directors/ shareholders/ listed issuer	Nil
Conflict of interest with listed issuer	Nil
Any other convictions (aside from traffic offence)	Nil

Profile of Directors (Cont'd)

KOH WAI CHEE
Executive Director

Aged: 47

Date of Appointment	1 March 2023
Board Committee membership	Chairman of Employees Share Option Scheme Committee
Qualification	a) Bachelor of Business (Banking and Finance) from Monash University - Melbourne, Australia b) Certified Credit Professional of Business Credit from Asian Institute of Chartered Bankers c) Diploma in Business Studies from Edith Cowan University, Australia
Working Experience and Occupation	Mr. Koh Wai Chee has over twenty (20) years of experience in financial services, having worked in Labuan, Indonesia and Singapore. He was the Associate Director for AmInvestment Bank Berhad from 1999 to 2010, where he managed the offshore and onshore investment businesses. In 2010, he joined OSK Investment Bank Ltd in Malaysia as member of the Board and as its Chief Operating Officer. He was a key senior management team member who helped grow OSK Investment Banks regional business via offshore financing throughout ASEAN. Following the disposal of OSK Investment Bank by OSK Holdings Berhad to RHB Capital Berhad in 2012, he joined RHB Investment Bank Bhd as Director of Structured Lending, where he managed the specialty finance and investment banking origination since 2013. He last held the position of Director and a Head of Department in Group Corporate Banking with RHB Bank Berhad until 2017. He has additional experience in managing and leading large enterprises over the preceding seven (7) years. He owned and managed a company listed on the Australian Stock Exchange that was involved in aquaculture. He is also currently involves in property development, trading and engineering businesses. He was also the former Executive Director of Metronic Global Berhad, which he resigned on 31 May 2018. He is also presently a member of the Board of Directors of BSL Corporation Berhad, listed on the Main Market of Bursa Malaysia.
Directorship of public companies and listed issuers	• BSL Corporation Berhad (Independent Non-Executive Director)
Relationship with other directors/ shareholders/ listed issuer	Nil
Conflict of interest with listed issuer	Nil
Any other convictions (aside from traffic offence)	Nil

Y.M. TENGKU AB HADI BIN TENGKU MUSTAFA

Independent Non-Executive Chairman

Aged: 55

Date of Appointment	5 February 2024
Board Committee membership	a) Member of Audit and Risk Management Committee b) Member of Nomination Committee c) Chairman of Remuneration Committee
Qualification	a) Bachelor Degree of Science in Business Management, Huron University USA b) Masters in Business Administration, Huron University USA
Working Experience and Occupation	Y.M. Tengku Ab Hadi bin Tengku Mustafa began his career as an Assistant General Manager in a local IT Company, Medical Online Sdn. Bhd., which deals mainly in IT-health projects from the Government and was promoted to General Manager within a year. In 2002, he was appointed as a Business Development Director in Tiaraview Management Sdn. Bhd. where he was exposed to the vibrant local property and construction scenes. In 2007, he was appointed as Chief Executive Officer at a Korean Company, GS Holdings for their branch in Kuala Lumpur known as Phobees Sdn. Bhd. which handled multi-millions worth of projects in Information Technology and Oil & Gas Industry for the ASEAN region. At present, Y.M. Tengku Ab Hadi bin Tengku Mustafa is the Director of Oakhurst Energy Pt Ltd, a Company based in Singapore focusing on oil and gas assets acquisitions in ASEAN region and also an Executive Director of TSR Capital Berhad.
Directorship of public companies and listed issuers	• TSR Capital Berhad (Executive Director)
Relationship with other directors/ shareholders/ listed issuer	Nil
Conflict of interest with listed issuer	Nil
Any other convictions (aside from traffic offence)	Nil

Profile of Directors
(Cont'd)

MUHAMMAD FALIQ BIN MOHD REDZUAN

Independent Non-Executive Director

Aged: 38

Date of Appointment
6 September 2018

Board Committee membership
a) Member of Audit and Risk Management Committee
b) Chairman of Nomination Committee
c) Member of Remuneration Committee

Qualification
a) Foundation Studies for University of Melbourne at Trinity College Foundation Studies
b) Bachelor of Information Systems from University of Melbourne

Working Experience and Occupation

Encik Muhammad Faliq Bin Mohd Redzuan started his career as an IT support System administrator in South Melbourne, Victoria, Australia. He was responsible for supporting hardware and software related issues within the company to ensure high level of availability of supported business applications.

In 2010, he joined Gagnar Solutions Sdn Bhd, an Information Technology company which holds licenses with Adobe, Autocat and HP to distribute their products. He assisted and managed in implementing a number of projects with various government agencies and local schools and universities throughout the country. He was responsible for developing markets in Malaysia in respect of Process Controls and Safety Instrument Systems.

In 2013, he joined Seahorse Platforms Asia Sdn Bhd as a planning manager in the engineering, procurement and construction sectors of the Proprietary Seahorse Lightweight Platform Technology for the Tembikai Field Development project. Currently he is involved in the construction industry with Gagnar Contracting Sdn Bhd.

He oversaw the supply of raw construction materials to Concrete Batching Plants and the Sungei Besi - Ulu Kelang Elevated Expressway (SUKE) highway project in Kuala Lumpur. He has forged extensive partnerships with various suppliers throughout the country to supply construction related products such as soil, sand and rocks.

Directorship of public companies and listed issuers
Nil

Relationship with other directors/ shareholders/ listed issuer
Nil

Conflict of interest with listed issuer
Nil

Any other convictions (aside from traffic offence)
Nil

Profile of Directors
(Cont'd)

ONG TEE KEIN

Independent Non-Executive Director

Aged: 67

Date of Appointment	17 April 2019
Board Committee membership	a) Chairman of Audit and Risk Management Committee b) Member of Nomination Committee c) Member of Remuneration Committee
Qualification	a) Associate of the Institute of Chartered Accountants from England & Wales b) Associate of the Institute of Chartered Secretaries & Administrators from UK c) Fellow Chartered Institute of Management Accountants d) Chartered Accountant of Malaysian Institute of Accountants e) Master Degree in Business Administration from University of Miami
Working Experience and Occupation	Mr. Ong Tee Kein has several years of experience in industry and consultancy practice. After qualifying as an accountant in the United Kingdom, he joined a management consultancy practice firm based in the United Kingdom, which specializes in provision of consulting services to governments and international funding agencies. He subsequently joined a management corporate advisory division of an international accounting firm and was involved with various corporate restructuring exercises..
Directorship of public companies and listed issuers	• Sanichi Technology Berhad (Independent Non-Executive Director) • DGB Asia Berhad (Independent Non-Executive Director) • Fintec Global Berhad (Independent Non-Executive Director) • Mlabs Systems Berhad (Non-Independent and Non-Executive Director)
Relationship with other directors/ shareholders/ listed issuer	Nil
Conflict of interest with listed issuer	Nil
Any other convictions (aside from traffic offence)	Nil

CHAIRMAN'S STATEMENT

Dear Shareholders,

"On behalf of the Board of Directors of Metronic Global Berhad ("MGB" or "the Company"), it is my pleasure as a new Chairman of the Company appointed on 5 February 2024 to present the Annual Report 2024 covering sixteen months from July 2023 to October 2024 due to change of financial year end from 30 June 2024 to 31 October 2024 (FYP 2024)."

INDUSTRY AND OPERATING OVERVIEW

As we reflect on the FYP 2024, the Group continue to face a very challenging and difficult time to strike for a better performance characterized by increasing in material and operational costs, labour shortages, intense competition and delays in the award and commencement of key and national projects.

Notwithstanding that, I am pleased to report that MGB has continued to be resilient despite the challenges faced by the construction particularly in the engineering services industry.

The construction landscape has been evolving rapidly, with increased demand for sustainable, innovative, and technologically advanced solutions. Our team has embraced these challenges head-on, strengthening our position as a forward-thinking company while maintaining a keen focus on quality, safety, and client satisfaction. Throughout the year, we have demonstrated our capacity to deliver large-scale project on time, within budget, and in full compliance with regulations.

One of the most notable highlights of the year has been the successful completion of key project namely MRT2. The project not only exemplify our technical expertise but also reflect our commitment towards delivering all our contractual obligations.

Additionally, we have continued to invest in technology advancement in order to improve our service delivery and management tools that enhance efficiency and productivity. Our strategic investments in talent and skills development have also been central to our success, enabling us to retain top professionals who drive our projects forward with integrity and excellence.

We remain committed to our environmental, social, and governance (ESG) objectives, striving to make a positive impact on society while reducing our carbon footprint. Sustainability is not just a goal; it is embedded in everything we do, from the materials we use to the way we approach each project.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM36.3 million in the FYP2024 almost stagnant compared to the preceding year. The overall result was impacted by the amortization, impairments and provisions of the intangibles assets and investments totaling to RM31.0 million. Hence, the Group had recorded a net loss of RM30 million for the period. The Group managed to improve the gross profit margin and bring down the operating costs over the past year but the amortization and impairment is inevitable due to the poor prospects and market respond especially on the E-Commerce and property development.

OUTLOOK

We are mindful of the challenges ahead within the engineering and construction industries, which are experiencing intense competition due to reduction of public spending projects under existing fiscal policies, while absorbing price inflation over most engineering materials and equipment.

Notwithstanding that, the Group continues to deliver projects within the stipulated time and successfully completed all its projects. The Group demonstrated resilience in its pursuit of growth under its engineering core business, particularly in the Building Management System and Extra Low Voltage segmentations. Expected replenishment of our order book and an orderly build-up in contractual projects for the next financial year.

COMMITMENT

We will remain vigilant and continue adopting prudent financial management, improve the competitiveness, implementing cost optimization initiatives and enhance the operational efficiencies. We remain positive in near term prospect and continue with our transformation journey.

APPRECIATION AND ACKNOWLEDEGEMENT

On behalf of the Board, I would like to extend my sincere appreciation to Mr Brian Hoo Wai Keong who has been the on the Board for the period from 6 July 2018 until 6 December 2024.

I also would like to express my sincere gratitude to our dedicated employees, trusted partners, and loyal clients for their continued support. Together, we are poised for another year of growth and success, and I look forward to the opportunities 2025 will bring.

On behalf of the Board
Y.M. Tengku Ab Hadi bin Tengku Mustafa
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The financial year period 2024 consists of sixteen months beginning July 2023 to October 2024 due to change in the financial year period from 30 June to 31 October 2024 (FYP 2024). The FYP 2024 has been remained a very challenging and difficult period to strike for a better performance. In this section, we provide an in-depth analysis of our financial performance, business operations, strategic initiatives, and market trends that have shaped our results.

MARKET OVERVIEW

The local construction and engineering services industry has experienced a dynamic environment in the FYP 2024, characterized by increasing in material and operational costs, labor shortages, intense competition within the industries and it has been exacerbated by fiscal constraints by the Government and big companies resulted to the delay in the award and commencement of key projects.

Sustainability and digital transformation have become a central theme in the industry, with increasing pressure from various stakeholders mainly authorities to reduce the environmental impact of construction activities whilst digital transformation is reshaping the way construction companies operate, with advancements in project management software, building information modeling (BIM), and automation technologies enabling greater precision, efficiency, and cost savings.

FINANCIAL PERFORMANCE

	FYP 24 RM '000	FYE 23 RM '000
	(16 months)	(12 months)
Revenue	**36,268**	36,125
Gross profit	**10,604**	5,558
Loss before taxation	**(28,927)**	(10,164)
Net loss after tax	**(30,012)**	(10,595)
Total assets	**185,697**	211,103
Total liabilities	**35,092**	30,692
Total borrowings	**11,634**	9,586
Shareholders' equity attributable to owners	**151,325**	180,521
Net asset per share (sen)	**0.10**	0.12

The Group's financial year period ended 31 Oct 2024 consist of 16 months from July 2023 to Oct 2024 due to the change of financial year end from 30 June to 31 Oct.

For the FYP 2024, the Group recorded a revenue of RM36.3 million, maintained from the FYE 2023. About 79% of the Group's revenue derived from the project works from the three Menara KL118 contracts namely Hotel, Mall and Tower that accounted for 56%, 17% and 6% respectively of the total revenue for the year.

FINANCIAL PERFORMANCE (CONT'D)

For the period of sixteen months, the Group reported a Loss Before Tax ("LBT") of RM28.9 million as compared to a LBT of RM10.2 million reported last year. The Group's performance during the financial year was affected by an impairment of intangible assets of RM11.2 million, expected credit losses of investment of RM6.4 million, amortization of intangible assets RM4.6 million, impairment loss and provision for other receivables of RM3.1 million, loss on fair value change of investment in quoted shares of RM2.0 million and impairment loss on development cost RM1.9 million.

As at 31 October 2024, the Group's total assets stood at RM185.7 million, signifying a reduction of RM25.4 million or 12.0% compared to RM211.1 million as at 30 June 2023. The huge reduction mainly attributed to amortization and impairments of the intangible assets, and withdrawal of fixed deposits utilised for business and operational requirements.

Meanwhile, the Group reported a total liability of RM35.1 million, representing an increase of RM4.4 million, compared to 30 June 2024 of RM30.7 million mainly due to increase in trade payables.

Total outstanding borrowings as at 31 October 2024 recorded RM11.6 million, representing a slight increase compared to the previous financial year of RM9.6 million.

As at 30 June 2023, the Group's total equity stood at RM150.6 million, reduced compared to RM180.4 million as at 30 June 2023 mainly resulted by a loss after tax recorded during the current financial period of RM30.0 million.

OVERVIEW OF THE GROUP'S OPERATIONS

Metronic Global Berhad ("MGB" or "the Group") through its wholly owned subsidiary, Metronic Engineering Sdn Bhd ("MESB"), is involved in the engineering services works. MESB has been in the industry since 1984 and considered to be one of the local pioneers in the engineering services industry. MESB specializes in design, supply, install, testing and commissioning, and service and maintenance of Integrated Building Management System ("IBMS"), Building Management System ("BMS"), Energy Management System ("EMS"), Security System (Card Access, CCTV System, Guard Tour and Car Parking System), Information and Communication Technology System (ICT), Extra Low Voltage System (ELV) and Integrated Security Management System (''ISMS"). The business operations are primarily located in peninsular Malaysia with office in Shah Alam, Selangor.

During the financial year, the main contributor to the Group's revenue derived from the engineering services segment. The property development in Kuala Krai, Kelantan and its ventures into Smart City, medical products and solar business have experienced various constraints and faced lot of challenges and yet to bear fruits.

BUSINESS TRANSFORMATION PROGRAM

The Group continues with its transformation journey in the financial period to enhance all the current workflows, procedures, policies and practices used by various divisions for efficiency, effectiveness and most importantly, strengthening the corporate governance and policies.

During the financial year, the management continued to review the performance of the Group's business and operations, and formulated action plans required to meet corporate objectives. The management placed greater emphasize towards rationalization and optimization of its projects and operational costs in order to improve profit margin.

The Group's previous ventures into property development, smart system technology, Solar PV business and E-Commerce have been facing various challenges resulted to the drastic actions towards deploying further resources for the undertakings.

Management Discussion and Analysis (Cont'd)

BUSINESS TRANSFORMATION PROGRAM (CONT'D)

Sustainability and ESG Initiatives

Sustainability continues to be a core pillar of our operations. The Group has formed a dedicated team to ensure business comply with the regulations and continue to operate sustainably.

Technology and Innovation

In 2024, the Group continues to deploy resources towards improving business process efficiency and enhance customer experiences. The service and maintenance application and project management tools such as Building Information Modeling (BIM) enables to streamlining design, construction, and operational processes. The applications are also enable the team to deliver projects on time, within budget, and with greater precision. The development of E-Commerce platform provides customers alternative in their dealings with the company.

These technological advancements are not only improving the efficiency of our operations but expected to position us as a leader in adopting cutting-edge solution in the BMS service and maintenance industry.

Operational achievements

During the years from 2016 up to 2022, the Group is proud to celebrate significant achievements in the successful completion of key infrastructure projects, notably in the Mass Rapid Transit 1 for Sungai Buloh-Kajang Line (MRT1) and Mass Rapid Transit 2 for Sungai Buloh-Serdang-Putrajaya's (MRT2) building management system, and the iconic PNB118 mix development project since 2022.

The MRT projects have revolutionised urban mobility, providing efficient and sustainable transportation solutions to thousands of commuters, while also contributing to the reduction of traffic congestion and environmental impact. Meanwhile, PNB118 stands as a testament to our excellence in Extra Low Voltage (ELV) and AVIT for high-rise construction, marking a new era for the skyline with the tallest building in Southeast Asia.

These projects highlight our unwavering commitment to delivering world-class infrastructure that drives economic growth, enhances urban living, and shapes the future of modern cities.

During the current financial period, the Group, via its wholly owned subsidiary – Metronic Engineering Sdn Bhd received a sub-contract work of RM9.6 million.

The Group, during the financial year, has also deployed resources and allocated substantial investment towards completing the development of its on-line platform that will enable to integrate the Group's various systems includes Services Web & Mobile Apps, e-Commerce Platform and Customer Platform. The systems and platforms have been an enabler to improve the business process efficiency and effectiveness, and customer experience.

Operational challenges and Improvement initiatives

In the pursuit to propel and remain ahead in the competitive industry, the Group is mindful of the challenges and risks, and has continued to take necessary measures to ensure its ability to achieve its operational and financial objectives.

The Group acknowledged the importance of all relevant stakeholders and has given high attention particularly the customers and suppliers.

The Group's financial performance is very much dependent on work orders and margin. During the financial year, the construction industry specifically related to building management system became more competitive with limited opportunity as a result of the delay in the projects award, entrance of new players and an increase in contract costs. The cost of equipment kept increasing whilst suppliers and sub-contractors tightened their contract terms. It was also a challenge to the Group in receiving timely payments from Clients. Despite these challenges, the Group has taken appropriate measures to address these challenges with the view of improving profit margin and optimizing cost in mind.

Being involved in the skilled intensive industry, the retention of skilled and experienced personnel and engineers remains a key challenge. Efforts have been put to upgrade the employees' technical skill and maintain a competent team to stay competitive.

Notwithstanding the above, the Group continues to leverage its long-term strategic relationship with the existing and potential business associates and partners that would improve the business process efficiency and cost effectiveness. The Group continues to pursue progress of its joint venture arrangements in order to meet the objectives.

As part of the Group's Business Transformation Program, the Group amongst other, had identified key action plans required to improve its capability and competency, which includes the improvement of the governance structure, business policies and work processes, performance management system and other work processes enablers.

Despite all the challenges and difficulties faced by the Group, we are committed in ensuring the Group's long-term growth by continuously exploring and pursuing available opportunities that are prospective to increase shareholders' value.

ANTICIPATED OR KNOWN RISKS

Following are risks identified which may affect the Group's ability to achieve its operational and financial objectives:

1) Reducing construction and infrastructure projects due to economic condition;
2) Unsuccessful tenders due to highly competitive pricing and entrance of new players;
3) Project costs overrun due to prolongation of contracts period and increase in equipment price; and
4) Loss of talented and skilled employee.

Plans to mitigate risks, among others:

1) Collaborate with key players in the complement works such as ICT, Mechanical & Electrical and SCADA contractors will create synergy in the pursuit to bid and participate in more sizable contract works;
2) Collaborate with the key equipment suppliers to enhance product features and the required certifications to improve bidding price competitiveness;
3) Establish a Research and Development unit to create better BMS solution and reduce product cost. The center will also play a pivotal role in creating more functions and interfacing with more devices, technology and internet of things (IOT);
4) Form dedicated teams to explore other similar or complement business related opportunities;
5) To place greater focus on staff development programs;
6) Attract talented staff by changing working environment to a more conducive and corporate image, and adopting latest technology to improve efficiency and productivity of staff.

FORWARD-LOOKING STATEMENT

The Group is mindful of the challenges ahead for the engineering segment due to the intense competition, supply chain disruption, prices increase and the uncertainty in economic situation. The Group however remains optimistic of the prospect in the engineering business segment as it will continue to grow due to the expected commencement of high profiled construction projects.

The Group to-date has submitted tenders totaling more than RM200 million and identified few potential works in the pipelines. Based on the various initiatives undertaken to mitigate the risks and the combined expertise and experience, financial resources and technical strength, we are optimistic to secure more contracts, and regain our market share and leadership position in the engineering services and building management system technology solutions provider industry.

The Group continues to strengthen the team and business strategies particularly in its system integration and project management work in order to build a strong order book. The Group also continues taking various measures to enhance operational efficiency and effective cost management in order to improve the financial performance of the Group.

CONCLUSION

In conclusion, the FYP 2024 has been remained a very challenging period. As we look to 2025, we remain confident in our ability to continue delivering value to our stakeholders and to remain a trusted partner in the engineering and construction industry.

We would like to take this opportunity to thank our employees, clients, partners, and shareholders for their continued support and commitment.

SUSTAINABILITY
STATEMENT

2024

METRONIC GLOBAL BERHAD

METRONIC GLOBAL BERHAD

SUSTAINABILITY REPORT

200301029648 (632068-V)

SUSTAINABILITY STATEMENT

We remain committed to ensuring our business activities are performed to sustainable development. With this disclosure, our stakeholders can be informed of the various sustainability strategies and initiatives that we have applied in the development and delivery of our products and services while taking into account the evolving stakeholders' expectations of sustainable practices.

Our commitment extends to the day-to-day operations with high work ethics and values to achieve our goals.

Our focus on Sustained Growth is to partner with our stakeholders to apply our expertise to create a new wave of pivotal infrastructure that is sustainable, resilient, and beneficial to the environment, customers, society and future generations.

Value Chain

Presently, the Group specializes in IBMS and ISMS which encompass hardware and software required for the control and management of an intelligent building with components including heating, ventilation and air conditioning, lighting, fire and security equipment.

The key drivers that are guiding the building/construction industry to adopt this technology are:

- The onset of the network convergence of the CCTV, computers, alarm system and access control with the advance technology of biometrics.
- Prevalent use of internet and IP networking; and
- The efficiency of the system as it saves time and travel cost

The integration of the building/industrial automation system security system has become one of the most popular methods used by many corporations in converging their existing system into an all-encompassing system. Two (2) of the main components of the IBMS and ISMS are the hardware and the software solution. The hardware portion includes security devices such as CCTV, video recording (either digital or analogue), access control and the intrusion devices. The software solution is an important feature which ensures that this equipment communicates and works coherently in a common personal computer-based environment.

The Group is presently a key player in the IBMS and ISMS industry in Malaysia and with its expertise in system integration and knowledge of advanced technology.

The Group is under the construction, and security services and correctional facilities sectors (as determined according to the GRI Sector Program).

The Group's clients consist mainly of contractors and building/premises owners while suppliers consist mainly of sub-contractors in the Information Technology, Audiovisual, and other industries, producers of equipment and cables, as well as manpower support providers. In 2024, 98% the Group's purchases are from local suppliers (2023 - 99%).

Aside from its vendors/suppliers and joint venture, the Group has no other significant business relations, industry associations, membership associations, or national or international advocacy organizations.

Sustainability Statement
(Cont'd)

Scope and Boundary

The Group is committed to integrate sustainable practices and prepared this report in reference with the requirements of the Global Reporting Initiative's ("GRI") Standards 2021, an internationally recognised reporting framework covering a comprehensive range of sustainability disclosures. Further, this Statement is prepared pursuant to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide.

This Group's Sustainability Report, prepared and reviewed annually, contains the Economic, Environmental and Social ("EES") activities implemented from 1 July 2023 to 31 October 2024 ("FY2024") and 1 July 2022 to 30 June 2023 ("FY2023"). The scope and boundaries include all of our entities and operations in Malaysia which comply with MMLR. Our sustainability progress is contextualised by the inclusion of historical data from previous years to illustrate trends and provide a basis for comparison.

Moreover, FY2020 serves as the baseline year for measuring our Group's sustainability performance in this report. All data applies to the entire Group, unless otherwise specified.

This sustainability report was published on 27 February 2024.

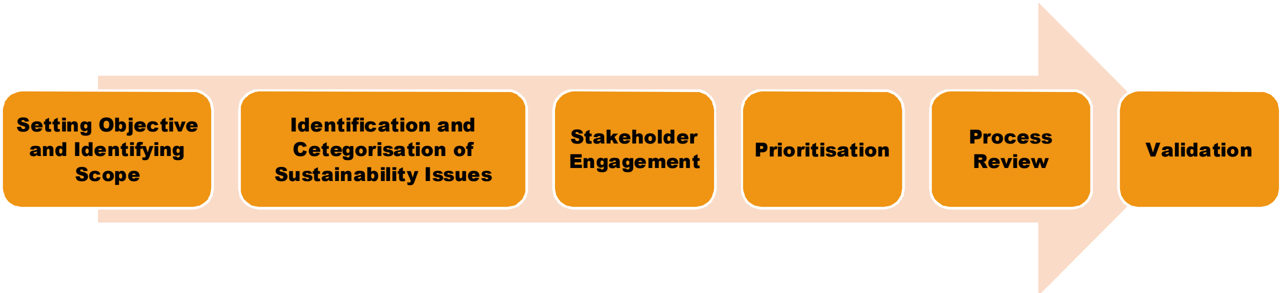
Contact Information

The Group values feedback to assist us in improving our sustainability process, please contact us through email at admin@metronic-group.com.

MATERIALITY MATTERS

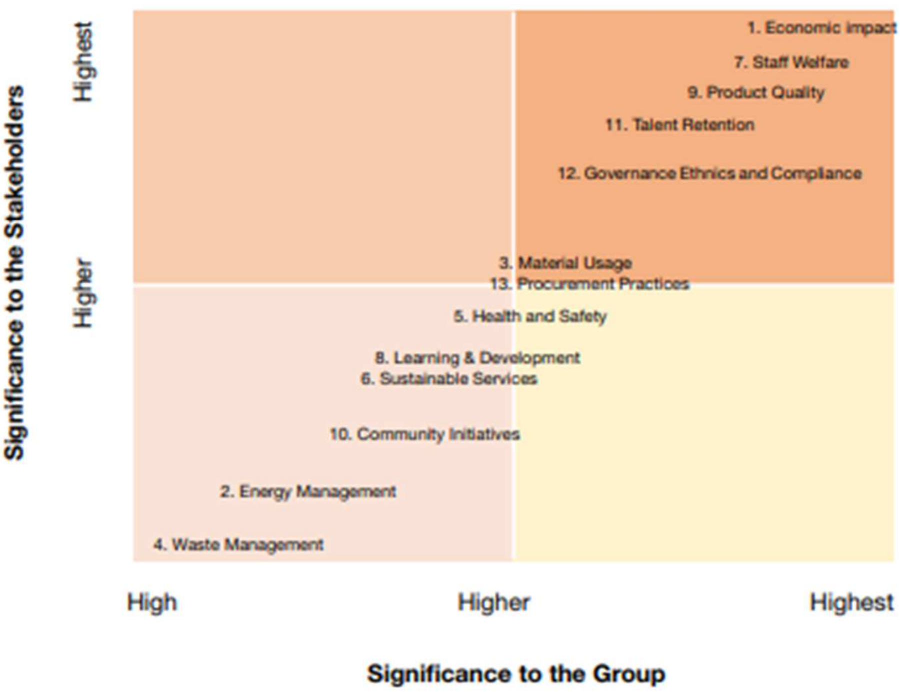
Materiality analysis identifies the important EES themes where our actions can make an impact on sustainable development according to the assessment of our Group and our stakeholders.

We determined the material issues by collecting survey responses from our stakeholders and by conducting meetings with key management and Head of Departments ("HODs"). The materiality assessment revealed the EES issues that presented risks and opportunities. The collated data also allowed us to address the concerns of our stakeholders.



Materiality Matrix

Our materiality matrix is shown in the diagram below. The horizontal axis denotes the significance of the EES issues to our Group, and the vertical-axis reflects their significance to our stakeholders. Therefore, the EES issues that are deemed most important by both our Group and our stakeholders are those graphed on the top right-hand quadrant.



MATERIAL MATTERS	
ECONOMY	
1.	Economic impact
ENVIRONMENT	
2.	Energy Management
3.	Material Usage
4.	Waste Management
SOCIAL	
5.	Health and Safety
6.	Sustainable Services
7.	Staff Welfare
8.	Learning & Development
9.	Product Quality
10.	Community Initiatives
11.	Talent Retention
12.	Governance Ethnics and Compliance
13.	Procurement Practices

Sustainability Statement
(Cont'd)

The identified material topics were grouped into the following categories:

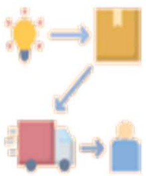
Material Matters	Definition	GRI Indicators	United Nations Sustainable Development Goals[1]
Governance			
Economic Impact	The impact of the Group's infrastructure investments and services on stakeholders and the economy.	201 202 203	8 - Decent Work and Economic Growth 9 - Industry, Innovation and Infrastructure 11 - Sustainable Cities and Communities
Governance Ethics and Compliance	The Group's dedication to lawful, equitable and just practices ensuring the protection of its stakeholders.	2-9 to 2-21 2-23 2-24 207 to 207 408 to 411	16 - Peace, Justice and Strong Institutions
Procurement Practices	The Group's strategy of supporting local suppliers to help ensure supply, support a stable local economy, and maintain community relations.	2-6 204 308 414 415	8 - Decent Work and Economic Growth 11 - Sustainable Cities and Communities 12 - Responsible Consumption and Production
Environment			
Energy Management	The Group's energy conservation and emission reduction initiatives to reduce negative environmental impacts.	302 305	7 - Affordable and Clean Energy 13 - Climate Action 15 - Life on Land
Material Usage	The Group's policies on ensuring responsible sourcing of inputs.	301	12 - Responsible Consumption and Production
Waste Management	The Group's policies on effective waste management to reduce the impact on the environment and communities.	306	7 - Affordable and Clean Energy 13 - Climate Action 14 - Life on Below Water 15 - Life on Land
Sustainable Services Product Quality	The Group's considerations of sustainability choices in designing its product and service offerings throughout its life cycle.	301 416 417 418	12 - Responsible Consumption and Production 13 - Climate Action
Social			
Health and Safety	The Group's actions to protect the health and safety of its customers.	416	3 - Good Health and Well-Being 12 - Responsible Consumption and Production
Staff Welfare	The Group's measures to protect the health, safety, and well-being of employees in the workplace.	403	3 - Good Health and Well-Being 5 - Gender equality
Learning and Development	The Group's initiatives to strengthen and enhance the skills and competencies of its workforce.	404	4 - Quality Education 8 - Decent Work and Economic Growth
Community Initiatives	The Group's programmes which aim to aid in the development of the local communities within which it operates.	413	8 - Decent Work and Economic Growth 9 - Industry, Innovation and Infrastructure 11 - Sustainable Cities and Communities
Talent Retention	The Group's management of its workforce's remuneration, benefits, human rights, and other programmes aimed at engaging employees to safeguard, retain, and enhance the workforce.	401 to 407	5 - Gender Equality 8 - Decent Work and Economic Growth 11 - Reduced Inequalities

[1] In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), also known as the Global Goals, which aim to end poverty, protect the planet, and promote peace and prosperity for all people by 2030 (https://sdgs.un.org/goals)

Stakeholder Engagement

We recognise that our business operations are intertwined with various stakeholders, whose interests and concerns significantly impact the Group's decision-making process. Thus, we endeavour to build the trust of our stakeholders by maintaining open communication through a robust stakeholder engagement approach. Our process involves systematic identification, analysis, planning and implementation of actions that meet the stakeholders' needs and expectations.

The table below demonstrates how we engage with our stakeholders and address their most significant issues.

KEY STAKEHOLDERS	STAKEHOLDER INTEREST	ENGAGEMENT OBJECTIVES	ENGAGEMENT METHODS
Customers 	Efficient and satisfactory services and deliveries	Deliver value-added and quality services and solutions that meet our customers' needs	• Customer satisfaction surveys • Personalised services Strategic alliance • Regular meetings • ISO 9001 Certification
Employees 	Employee welfare Training and development Employee engagement	Create a safe workplace with good employee welfare, open communications and career advancement	• Safety briefing & toolbox meetings Workshops, seminars & training • Quarterly staff meetings Posters/ memos
Supply Chain 	Strategic partnership Sustainable practices	Drive sustainability across our supply chain	• Constant Communication • Periodical Evaluation • Supplier selection via pre-qualifications and tendering process
Government & Regulatory Bodies 	Regulatory compliance Annual reporting Sustainability reporting	Comply with applicable laws and regulations across our entire operations	• Good relationships with government officials • Continuous update for any new regulations
Investors 	Timely and transparent disclosure	Assist inventors in making informed investment decisions by providing timely and regular updates on financial performance, business strategy and other issues	• Quarterly financial result announcements Immediate announcement of material events Annual General Meeting • Corporate website
Local Communities 	Community development initiatives	Support the economic, environmental and social development of local communities	• Local sourcing Donations and corporate contributions

Sustainability Statement
(Cont'd)

As part of the Group's sustainability practice, we regularly review our policy to improve to mitigate negative impacts. The Policy applies to the Company and its Group of companies and covers all employees (whether permanent, contract, part-time or casual), Directors, Shareholders, Consultants, Vendors, Contractors, external agencies or any parties with a business relationship with the Company or its Group. All stakeholders are encouraged to report genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health, safety and environment and to cover up of any of these in the workplace through our online whistleblower policy form available in our company website. Informal complaints are discussed during management meetings and management, where further actions are taken to resolve any issues.

SUSTAINABILITY GOVERNANCE

Sustainability Structure

Our corporate governance structure ensures that a consistent sustainability direction is assimilated into all decision-making processes across the organisation.

The **Board** is the highest governing body that oversees the integration and promotion of sustainability in all our business activities. Their duties include the following:

- Promulgates the Group's strategic direction
- Approves corporate sustainability targets
- Monitors sustainability performance
- Assesses whether existing strategies are aligned with current best practices

The **Senior Management** is accountable for the success of our sustainability programmes. Their responsibilities include:

- Approves and assigns sustainability initiatives
- Proposes sustainability targets
- Updates the Board on the Group's sustainability progress

The **HODs** support the senior management in implementing sustainability actions. Their tasks include:

- Implement sustainability plans
- Monitor targets and compliance
- Recommend programmes to be initiated
- Update the senior management on the status of the programmes and targets

Role of the Board

The Board of Directors ("the Board") is responsible and accountable for governing, guiding and monitoring the direction of the Company with the objective of enhancing long-term sustainable value creation aligned to our aim of realizing potential for our shareholders and other stakeholders. Towards this end, the Board strives to ensure that the Group practices the highest standards of corporate governance as promulgated in the Malaysian Code on Corporate Governance.

Together with management, the Board takes responsibility for governing sustainability in the company, including setting the company's sustainability strategies, priorities, and targets. The Board accounts for sustainability considerations when exercising its duties, including, among others, the development and implementation of company strategies, business plans, major plans of action, and risk management. Strategic management of material sustainability matters should be driven by senior management.

The Group's sustainability strategies, priorities and targets as well as performance are developed and monitored after a careful review of outcomes from the materiality assessment exercise and engagements with key internal and external stakeholders.

Currently, the Board reviews the Group's sustainability performance as a whole and holds relevant management personnel accountable for addressing sustainability risks and opportunities through the Group's monitoring and reporting process. The Board ensures that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

The individual profiles of the Directors are available in the Corporate Information section of the Group's website at www.metronic-group.com.

Nomination Committee

The primary objective of the Nomination Committee ("NC") is to establish a documented, formal and transparent procedure to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring the Board are comprised individuals with an optimal mix of qualifications, skills and experience. The committee is also responsible for identifying and recommending suitable candidates to the Board for election or appointment to the Board or to fill board vacancies as and when they arise.

Based on the terms of reference laid out by the Board, the NC shall carry out and ensure proper documentation of all assessments and evaluations on the effectiveness of the Board and the Board Committees annually. The NC shall also undertake an annual review of the Board's succession plans and training programs attended and facilitate orientations for new members of the Board. The full charter, including membership, roles, and responsibilities, of the Nomination Committee is publicly available on the Group's website at www.metronic-group.com.

Directors' Assessment

A separate performance assessment for each individual director, taking into consideration their competencies, qualification, character, commitment, integrity, experience, contribution, performance and time expended in meeting the needs of the Group, shall be undertaken annually by the NC.

The assessments and evaluations carried out by the NC shall be properly documented, summarised and reported to the Board.

Remuneration Committee

The primary objective of the Remuneration Committee ("RC") is to establish a documented, formal and transparent procedure for assessing and reviewing the remuneration packages of Executive Directors, and Non-Executive Director and Senior Management that link rewards to corporate and individual performance.

The annual remuneration review takes place annually. The remuneration of the Group will be reviewed by the Chief Executive Officer with the relevant internal and external inputs before presenting it to the RC for recommendation. The RC reviews the remuneration of Non-Executive Director, Executive Director and top Senior Management annually whereby the RC will consider various factors including the performance of the Group, individual performance, duties, responsibilities and commitments of the Directors and top Senior Management. The RC will also consider the available market remuneration data or benchmarks to determine whether and to what extent the changes of the remuneration are required. Upon review by the RC, the appropriate recommendations will be made to the Board for approval. The Board will consider, if deemed appropriate, approve the recommended remuneration for the Executive Director and top Senior Management. As for the remuneration of the Non-Executive Director, upon the endorsement of the recommendation by the RC, the Board will propose the remuneration for approval by the shareholders at the annual general meeting.

The full details of the Board Charter can be found on the Group's website at www.metronic-group.com, while the details of the remuneration of all Directors are available on the Group's Corporate Governance Report for FYE 2024 and FYE 2023.

Compliance and Ethics

Compliance with Laws and Regulations

The Group is committed to conducting its operations responsibly and in compliance with applicable laws and regulations covering our business operations.

To uphold this commitment, the group has established a legal compliance structure. The Executive Director is responsible for overseeing legal and regulatory developments. All legal issues are discussed during management meetings to discuss further actions.

The Group recognizes the importance of proactive compliance. To this end, regular awareness and training sessions are conducted to promote a culture of compliance not only to laws and regulations, but also to Group policies and procedures. This is disseminated among staff as part of induction for new employees, regular awareness training about Group standard operating procedures and policies, periodical and internal memorandum.

The Group has no significant instances of non-compliance with laws and regulations during the reporting period.

Tax Compliance

The Group prioritizes tax compliance to uphold its responsibilities to local and national governments. The management and the Board of Directors are on top of overseeing adherence to tax regulations. Regular tax filings are conducted, with a focus on assessing and mitigating any complexities or risks. As part of its commitment to sustainability, the Group diligently follows applicable tax laws. To further enhance its tax management, the Group collaborates with third-party consultants and undergoes external audits to guarantee compliance with financial reporting and disclosure standards.

Ethics and Transparency

All directors and employees of the Group and other concerned parties must abide by the Code of Conduct and the Anti-Corruption Policy, established to serve as guidance and inculcate a standard of ethical behaviour. These policies clarify important items, such as Conflicts of Interest, Related Party Transactions and Bribery, Corruption, Business Courtesies, and facilitation payments. In addition, the Group does not support any political parties or contribute funds to groups whose activities are deemed to promote party interests or the election of a specific candidate.

Anti- Discrimination, Anti- Child Labour, and Anti- Forced Labour

MGB acknowledges that building a diverse workplace can come with challenges like discrimination. Thus, the group actively promotes diversity and racial harmony, while strictly enforcing our diversity policy. The group is fully committed to having an inclusive workplace that embraces and promotes diversity.

MGB is committed in upholding human rights not only of its own employees, but also the people affected by our operations. In the past three financial years, there has been no reported instances of child,forced labor, and discrimination within our organization and our value chain.

Anti-Bribery, Anti-Corruption, and Whistleblowing Policy

The Group is committed to conducting its business activities properly and lawfully, particularly against corruption, fraud, terrorism, and money laundering. Subsequent to the implementation of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into force on 1 June 2020 to introduce corporate liability for corruption offences involving commercial organisations, the Group had adopted the Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”).

The ABAC Policy is publicly available on the Group's website at www.metronic-group.com.

The Group has established a Whistleblowing Policy which is intended to directly support the Company's Core Values, Code of Ethics and Governance requirement. The Company places a high value on the level of trust and integrity expected of its employees within the Group. The Group is committed to ensure that employees and other stakeholders can raise genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health, safety and environment at the earliest opportunity without being subject to victimization, harassment or discriminatory treatment, and to have such concerns properly investigated. The Group's employees are highly encouraged to file a report on any violation of the Group's Code of Conduct and Ethics via whistleblower@metronic-group.com.

The Whistleblowing policy is publicly available on the Group's website at www.metronic-group.com.

The Code is reviewed periodically by the Board in accordance with the needs of the Group, and any changes are communicated to all employees.

As of FYE 2024 and FYE 2023, the Group communicated its policies against bribery and corruption to all its employees, Key Senior Management, board of directors, and business associates. The Group's business associates are required to accomplish an "Anti-Bribery and Anti-Corruption Declaration" form which communicates the Group's anti-bribery and anti-corruption policies and procedures, and other commitments towards sustainability.

All employees, Key Senior Management, and the Board were also trained in anti-corruption through the Group's annual awareness trainings.

In FYE 2024 and FYE 2023, the Group assessed its entire operations for corruption risks and has not noted any incidents of corruption. Furthermore, no public legal cases were brought against the Group or its employees within the reporting year.

Conflicts of Interest

The Board should avoid involving themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company and its subsidiaries. Directors must not use their positions or knowledge gained directly or indirectly, in the course of carrying out their duties or employment, for private or personal advantage (directly or indirectly).

In addition, a Director shall avoid any situation in which the Director has an interest in any entity or matter that may influence the Director's judgment in discharging of responsibilities. The Directors shall fully disclose any actual or potential conflicts of interest to the Board of Directors and/or the Management, at the earliest opportunity, of any existing or potential conflict of interest situation.

In FYE 2024 and FYE 2023, there were no conflicts of interests identified.

Grievance Mechanism

The Whistleblowing Policy was enacted to reinforce our Core Values and Code of Ethics. It provides a platform through which our stakeholders can raise legitimate concerns and report in good faith any suspected misconduct, discrimination or other unethical issues regarding any aspect of our operations.
The Whistleblowing Policy applies to all employees, directors, shareholders, consultants, vendors, contractors, external agencies or any parties with a business relationship with the Group. In FYE 2024 and FYE 2023, there were no identified critical concerns, and none were communicated to the Board.

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement in the Annual Report and available on the Company's website at www.metronicgroup.com ("Metronic's Website").

Sustainability Risk Management

Sustainability risk management is the system by which we align our profit growth with sustainability policies. We accomplish this by identifying our impacts and devising ways of minimising them. Risk management enables us to discover emerging issues in the areas of Human Resources, Contract Management, Sales and Marketing, Purchasing, Quality, Health and safety, Corruption, and Environmental Protection.

We carry out risk assessment by performing the following activities:

- Identification of risk areas with the process area;
- Assessment of existing controls in place;
- Identification of control weaknesses, if any;
- Identification of related risks left uncontrolled; and
- Highlighting the need for improvements

ECONOMIC PERFORMANCE

Economic Value Generated and Distributed

MGB defines value added as the extra worth created by a business and its employees working together.

MGB's focus on sustainable practices throughout FY2024 with the group maintaining the performance in its direct economic contribution.

RM 36.2M FY24 Revenue	↑0.1% compared to FY23 | RM 36.1M
RM 1.1M FY24 Net Income	↑110.9% compared to FY23 | RM 10.1M Net Loss

Economic value distributed during the year amounted to RM 35.1M (FY24 - RM 46.2M).

RM 39.9M FY24 Local Expenditures	Reduced 14% compared to FY23 | RM 45.7M
RM 298K FY24 Foreign Expenditures	Reduced 20% compared to FY23 | RM 370K

MGB prioritizes local sourcing to strengthen our supply chains and boost regional economies. In FY2024, we invested 99% of our procurement budget with local suppliers (within the same country as our facilities), almost consistent with the previous years. We are committed to building strong partnerships with local suppliers wherever possible, driving sustainable economic development.

For a comprehensive breakdown of the Group's generated and distributed direct economic value (EVG&D), please refer to the Group's Annual Report and Audited Consolidated Financial Statements.

Indirect Economic Impact

Our commitment to business excellence is focused on strong corporate governance and prudent financial management, given the challenging market environment. We strive to achieve the following financial goals:

- Maintain and grow the turnover and operating cash flow
- Improve operation efficiency
- Broaden income-generating sources
- Enhance and strengthen our core businesses.

Further, the Group contributes the following positive impact to the community:

- **Job Creation:** The Group provides employment opportunities for individuals within the local community, contributing to economic stability and reducing unemployment rates.
- **Economic Growth:** By generating revenue and contributing to the local tax base, the Group supports economic growth in the community.
- **Supply Chain Support:** Our operations support local suppliers and businesses, creating a ripple effect of economic activity throughout the central region.
- **Skill Development:** Through training and skill-building programs, the Group enhances the capabilities of the local workforce, leading to increased employability and higher wages.

To demonstrate our commitment to contributing to local development, the Group hired 104 staff directly from local communities where we operate and partnered with 50 local suppliers.

ENVIRONMENT

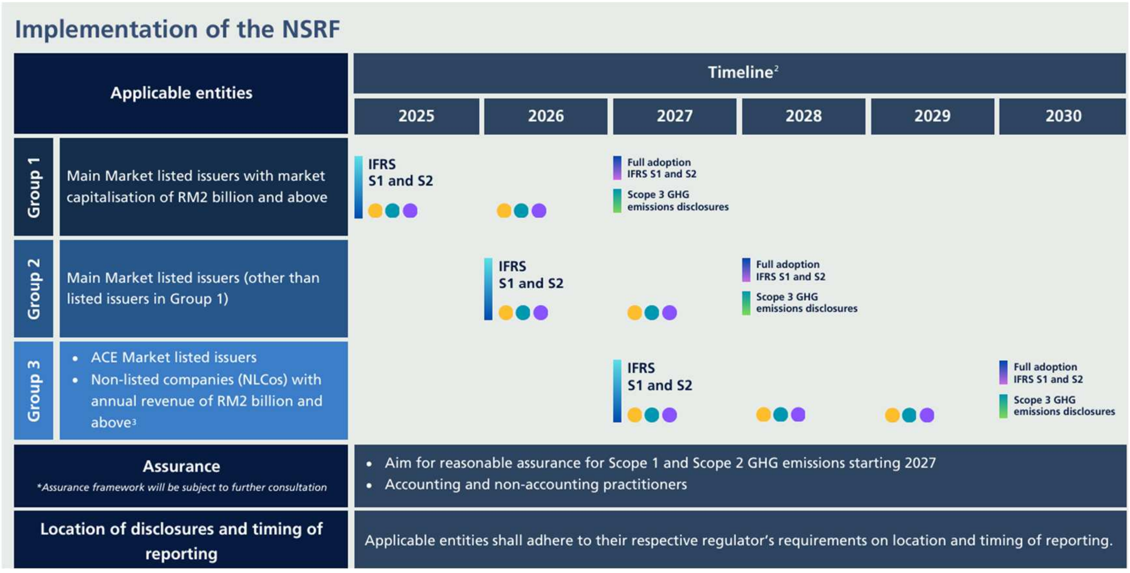
Environmental protection is embedded in all our business activities. We abide by our corporate duty to ecological stewardship in accordance with the pertinent rules and regulations and the national environmental agenda.

Climate Change Risks and Opportunities

While we identify that our activities do not have significant impact to climate change, the Group recognises the potential impact of climate change to our operations, supply chain, and the communities where we operate. We acknowledge the urgency of addressing climate change and we are committed to further our understanding of the role of our organization in contributing to this concern and how we can mitigate its impact in our operations and value chain.

In pursuant to the National Sustainability Reporting Framework (NSRF) of Malaysia published in 2024, MGB will develop a roadmap to disclose climate-related disclosures in accordance with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB).

The NSRF introduced a phased and developmental approach in implementation of the said framework as follows[4]:



Given the information above, the Group will outline its roadmap for adopting the IFRS S1 and S2 standards in the upcoming reporting period[5,6].

- **FY2026** — IFRS S2 Climate-Related Disclosures
- **FY2027** — IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- **FY2028** — Scope 3 Emissions — Reasonable Assurance for Emissions data

Sustainable Products and Services

Our environmental contribution is to reduce the ecological impact of our customers and improve the life cycle of their products and operations.

Green Building Facilitation

One of our services is a Green Building Index ("GBI") facilitation. We aid our customers in achieving their environmental targets in resource use – energy, water, and materials.

[4] National Sustainability Reporting Framework Implementation (https://www.sc.com.my/api/documentms/download.ashx?id=20efbd8f-b5a0-4122-994f-edbccd53c2b2)
[5] Subject to the additional transition relief and proportionality mechanism as issued by the International Sustainability Standards Board to support organizations with varying level of maturity
[6] Framework for external assurance might be subject to change based on further consultations

Smart Buildings

We offer smart building management solutions, such as the Integrated Building Management System ("IBMS"), Building Management System ("BMS"), and Energy Management System ("EMS"), which can help optimize electricity consumption during the buildings' life cycle. We have also ventured into Smart City System development by focusing on the research, development and marketing of building automation and security system products, modules and any type of intelligent products. We believe that smart cities can reduce the ecological burden because of their utilisation of Internet of things ("IOT") and innovative technologies

Energy and Emissions

Scope 1 Emissions

The Group's energy consumption mostly comes from usage of electricity and company-owned vehicles. Energy consumption data were obtained from invoices and utility bills and does not include energy consumed outside our operational control. As of FY2024, the Group has consumed 67,075.17 litres of diesel and petrol which is 4% lower than last year's consumption (FYE 2023: 69,895.91 litres), which generated 140.62 tCO2e GHG emissions (FY2023: 147.92 tCO2e). Emissions data were calculated using the UK Government GHG Conversion Factors for Company Reporting published by the Department for Environment Food & Rural Affairs. The Group will continue to monitor and improve our emissions tracking methodology.

	Fuel Consumption					
	Annual Consumption (Liters)			Annual GHG Emissions (tCO2e)		
Location	2024	2023	2022	2024	2023	2022
Petrol	65,177.55	66,725.87	75,842.19	135.85	139.96	163.96
Diesel	1,898.25	3,170.04	2,698.34	4.77	7.96	6.90
Total	**67,075.80**	**69,895.91**	**78,540.53**	**140.62**	**147.92**	**170.86**
Intensity Ratio*	1,852.92	1,934.83	1,983.92	3.88	4.09	4.32
Baseline Year Consumption (FY2020)			77,084.34			168.89
Baseline Intensity ratio* (FY2020)			4,046.42			8.87
Change in consumption intensity*	↓54.00%	↓52.00%	↓51.00%	↓56.00%	↓54.00%	↓ 51.00%

*Per million RM of revenue

Scope 2 Emissions

The Group's electricity consumption for FY2024 is 142,298 kilowatt hours (kWh) which is 0.4% higher than last year's consumption (FY2023: 141,725 kWh). This is equivalent to 110.14 tCO2e of GHG emissions. The Group used the grid emission factors provided by the Energy Commission of Malaysia which is available in the Malaysia Energy Information Hub.

	Electricity Consumption					
	Annual Consumption (kWh)			Annual GHG Emissions (tCO2e)		
Location	2024	2023	2022	2024	2023	2022
Malaysia	142,298.00	141,725.00	149,699.00	110.14	109.70	115.87
Intensity Ratio*	3,930.88	3,923.17	3,781.37	3.04	3.04	2.93
Baseline Year Consumption (FY2020)			153,583.00			126.09
Baseline Intensity ratio* (FY2020)			8,062.10			6.62
Change in energy consumption intensity*	↓51.00%	↓51.00%	↓53.00%	↓54.00%	↓54.00%	↓56.00%

*Per million RM of revenue

Renewable Energy

The Group via its 70% owned subsidiary ventured into Solar PV business. The solar business segment would provide opportunity to diversify the Group's business revenue but also contributing towards reducing carbon emission.

Water

Location	Annual Water Discharge (in m³) from (indicate source)					
	Fresh Water			Other Water		
	2024	2023	2022	2024	2023	2022
Malaysia	1,816.00	2,244.42	1,416.80	-	-	-
Intensity Ratio*	50.17	62.12	35.79	-	-	-
Baseline Year Consumption (FY2022)			670.08			-
Baseline Intensity ratio* (FY2022)			35.26			-
Change in water consumption intensity*	42.00%	76.00%	1.00%	-	-	-

*Per million RM of revenue

Waste and Material Management

Material goes hand in hand with waste generation. Good material management will reduce wastage which translates to savings in the utilisation of natural resources.

At MGB, we minimise waste by efficiently focusing on the first of the 3Rs, "Reduce", followed by "Reuse", and then "recycle". We abide by the Department of Environment's laws, regulations and ordinances in the handling and disposal of our waste. To sufficiently manage our materials consumption and waste generation and disposal, we will improve our waste and material data disclosure in the coming years.

SOCIAL

Our People

Mission:
'To create a workplace that motivates our employees'

Consistent with our mission, the material matters that are deemed important by both the Group and our stakeholders are:
- Health and Safety
- Talent Retention
- Staff Welfare
- Learning & Development

The above-mentioned themes are directly related to our Employees. Thus, we have established various policies with corresponding measures to promote their protection, well-being, productivity and growth.

EMPLOYEE PROTECTION POLICIES	
Employee Code of Conduct Policy	Sexual Harassment Policy
Employee Remote Work Policy	Security And Safety Policy
Equal Opportunity Employer Policy	Training & Development Policy
No Retaliation in Workplace Policy	Health And Safety Policy
Harassment Policy	

The Group provides notice for significant operational changes but have not set a formal notice period. Further, the Group is not involved in any Collective Bargaining Agreement.

In FY2024, the Group has a total of 131 employees (FY2023: 131), 23.7% are females (FY2023: 31), and 76.3% are males (FY2023: 100). All employees situated in Malaysia. While there is no net increase of our total workforce from FY2023, the Group has onboarded 30 new hires (FY2023: 26) and 31 employees who left the company (FY2023: 31). Further information on our workforce will be discussed in the next section which only includes the Group's own employees as the Group does not have non-employee workers.

Diversity And Inclusivity

We aim to cultivate a responsible workplace that respects human rights and promotes inclusion to ensure the just development of diversified talent. We intend to nurture a working environment where all employees, regardless of their background or demographics, can contribute, thrive, perform, and grow. The Group has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board of Directors and employees of the Group. This includes requirements for the Board of Directors to establish measurable objectives for achieving diversity on the Board of Directors and employees.

The Diversity policy is publicly available on the Group's website www.metronic-group.com.

Total Employees	2024			2023			2022		
	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed
Number of employees									
Malaysia									
Permanent	67	28	n/a	68	32	n/a	78	28	n/a
Temporary	33	3	n/a	25	6	n/a	25	11	n/a
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Full-time	-	-	-	-	-	-	-	-	-
Part-time	-	-	-	-	-	-	-	-	-
Subtotal	100	31	n/a	93	38	n/a	103	39	n/a
Total	131			131			142		

Employees by Position and Gender	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Top Management	8	2	3	1	2	1
Management	25	12	9	6	15	6
Senior Executive	17	7	29	9	29	10
Executive	27	8	31	11	32	12
General Executive	23	2	2	1	1	-
Sub Total	100 (76%)	31 (24%)	74 (73%)	28 (27%)	79 (73%)	29 (27%)
Total	131		102		108	

Employees by Position and Age	2024			2023			2022		
	20-30	31-45	46-60	20-30	31-45	46-60	20-30	31-45	46-60
Top Management	-	6	3	-	5	3	-	5	4
Management	6	18	13	4	22	11	2	14	10
Senior Executive	5	17	1	9	21	2	10	20	2
Executive	20	10	4	37	10	3	35	11	3
General Executive	17	16	-	10	2	-	-	-	-
Sub Total	48 (39%)	67 (54%)	21 (7%)	60 (43%)	60 (43%)	19 (14%)	47 (45%)	50 (37%)	19 (18%)

Employees by Position and Ethnicity	2024			2023			2022		
	Malays	Other Ethnic Minorities	Non-Malay	Malays	Other Ethnic Minorities	Non-Malay	Malays	Other Ethnic Minorities	Non-Malay
Top Management	3	n/a	7	2	n/a	6	4	n/a	8
Management	28	n/a	8	22	n/a	12	24	n/a	15
Senior Executive	20	n/a	4	26	n/a	5	27	n/a	6
Executive	30	n/a	4	36	n/a	9	40	n/a	10
General Executive	28	n/a	1	10	n/a	-	8	n/a	0
Sub Total	107	n/a	24	96	n/a	32	103	n/a	39

Sustainability Statement
(Cont'd)

Hiring and Retention

MGB's team grew significantly in FY2024, welcoming 30 new full-time employees (FTEs), compared to 24 and 28 for FY2023 and 2022 respectively. We built a diverse team, with 53.3% of new hires under 30 years old, 30% who are 31-45 years old, and 16.7% within 46-60 age range.

New Hires	2024			2023			2022		
	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed
Malaysia									
20-30	13	3	n/a	12	4	n/a	13	7	n/a
31-45	7	2	n/a	3	3	n/a	6	-	n/a
46-60	3	2	n/a	-	2	n/a	-	2	n/a

Employee turnover on the other hand for FY2024 was 23.7%. In total, 31 full-time employees (FTEs) left the company, with a relatively balanced departure of women 29.0% and men 71.0%. Compared with 31 and 29 employees for FY2023 and 2022 respectively. Further, we saw 45.2% of departing employees under 20-30 age range, and we're committed to addressing the reasons behind turnover in this group.

Turnover	2024			2023			2022		
	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed	Male	Female	Others/ Not disclosed
Malaysia									
20-30	9	5	n/a	8	7	n/a	9	5	n/a
31-45	12	-	n/a	6	5	n/a	9	3	n/a
46-60	1	4	n/a	2	3	n/a	3	-	n/a

Human Rights

We uphold the human rights which are intrinsic to each individual. These rights are based on shared universal values, such as dignity, fairness, equality, respect and independence. It is our social responsibility to empower and support our stakeholders and their rights. As such, we have enacted policies to ensure that the community where we operate and our employees can assert if their rights are violated or hampered.

Our policies, which we deem our anchor to social justice, ensure that the health, safety and human rights of our employees and the community where we operate are respected and considered. These policies also seek to prevent all forms of violence against workers and women. We have enacted a Sexual Harassment Policy and an Anti-Harassment Policy to delineate what sort of actions are considered forms of harassment.

Learning and Development

We aspire to foster an inclusive organisation that is conducive to the development of our employees. We have realised this goal by instituting training and development policies. All employees can take advantage of these learning opportunities tailored to their specific business areas and locations.

Our career ladder include; internal posting, secondment and promotion. A performance development appraisal is conducted at each level, followed by a performance improvement plan.

In this year under review, we have conducted 93 hours (hrs) (FYE 2023: 128 hours) of training for 62 employees (FYE 2023: 206 employees).

Average Hours of Training per Gender	2024		2023		2022	
	Female	Male	Female	Male	Female	Male
Top Management	1	1	-	1	-	-
Manager	11	18	20	25	9	15
Non-Manager	10	11	30	45	15	25
Overall Average	5	5	40	46	10	11
Training Hours	93 hrs		128 hrs		118 hrs	
No. Of employees	62		206		76	

MGB supports learning and development of our employees. Several training programs are available for each employee who are encouraged to upgrade their skills. Staff training and development is also part of the metric for our regular performance review.

Compensation and Benefits

At the Group's key operational locations, entry-level wages for male and female employees are compared to the local minimum wage as follows:

Operational Location	Minimum Wage (RM)	Male Entry-Level Wage (RM)	Male Ratio	Female Entry-Level Wage (RM)	Female Ratio
Selangor / Kuala Lumpur	1,500	1,800	1.2	2,000	1.3
Johor	1,500	2,000	1.3	2,000	1.3
Penang / Kedah	1,500	2,000	1.3	2,000	1.3

This data indicates that the Group's entry-level wages are higher than the set minimum wage, with slight variations between genders. If there are differences in minimum wage rates across the Group's operational locations, the highest applicable rate is taken as the primary reference.

The Group defines "key operational locations" as those that meet one or more of the following criteria:

- Having more than 90 permanent employees.
- Contributing at least 30% of the company's total revenue.
- Serving as a primary center for business operations, such as headquarters or production facilities.

As part of our mission, MBG promotes employee wellbeing and aims to retain and attract a high-quality and competent workforce. To do so, we provide competitive financial and non-financial compensation to all of our employees. As an ethical and fair employer, we adhere to the minimum wage in in regions where we operate. Below outlines the ratio of basic salary provided to our employees in contrast with regional minimum wage:

Malaysia	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Ratio of average entry level wage	8.18	4.54	2.87	1.72	11.63	1.56
Ratio of basic salary and remuneration of women to men						
General Staff	1.34	4.20	1.12	1.30	1.77	0.18
Middle Management	6.24	0.01	1.03	0.20	9.60	1.02
Senior Management	1.80	1.01	2.18	0.67	0.80	1.08

In addition to fair compensation, the Group also provides additional benefits in addition to statutory benefits. All permanent and contractual employees are covered by the Group Medical insurance which includes coverage for death, disability, and other healthcare services. The Group also has work-from-home policy in place to support flexibility and work-life balance.

The Group provides our permanent and contract staff insurance coverage under the Group's Term Life insurance policy.

Parental Leave

Offering equal maternity and paternity leave, alongside flexible leave options, boosts employee satisfaction and productivity. It also strengthens recruitment and retention of top talent. By actively promoting paternal leave, organizations demonstrate their commitment to a supportive work environment where fathers feel empowered to take time off for their families.

	2024			FY2023			FY2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees that were entitled to parental leave	28	94	122	34	108	142	36	106	142
Number of employees that took parental leave	3	2	5	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*
Number of employees that returned to work after parental leave ended	3	2	5	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	1	2	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*
Return to work rate of employees that took parental leave	100%	100%	100%	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*
Retention rates of employees that took parental leave	33%	50%	40%	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*

Note (a): Prior year data not available.

Health and Safety

Having up-to-date health and safety standards remains a key priority. We take the health and well-being of our employees very seriously. Our team conducts rigorous due diligence to ensure that health and safety precautions are practiced across our organisation at all times.

SAFETY POLICY

Metronic Engineering Sdn. Bhd. is dedicated to the promotion of Safety and Health principles at the workplace to this and comply with the Occupational Safety and Health Act, 1994 and its Regulations will be the mutual objective of the company and its employees.

It is the responsibility of the company, so far as is practicable to:

Provide and maintain a safe and healthy working environment for our employees and the public.

Ensure that employees are given adequate introduction/training to enable a "Safe Work Culture" at the workplace.

To review and update the above policy when necessary.

Although the Company must protect employees against hazards, our employees are also responsible in fully complying with this policy by:

- Exercising self-regulation and taking reasonable care of themselves and others;
- Using personal protective equipment or the provided clothing, and to avoid negligence and abuse;
- Reporting accidents or dangerous occurrences that have led to injury; and
- Adhering to company rules and procedures about health and safety at the workplace.

All accidents or injuries experienced by our employees and stakeholders must be promptly reported to the HODs or the HR Department, who will then accomplish a written incident report. Any employee or external stakeholders who have witnessed an accident or injury must notify those in charge as reporting a minor accident could help to avoid future occurrences.

OSH Manual & Project Safety Plan

The Group's Safety & Health Management Plan is crucial for ensuring that employees' occupational safety and health are of primary importance to the continued well-being of the business. This plan focuses on achieving and continuously improving effective safety and health management throughout a project. A safe work environment built on prevention is essential for all stakeholders. The Safety & Health Management Plan helps provide a safe and healthy working environment, preventing incidents, injuries, illnesses, and fatalities at the worksite while also ensuring full compliance with OSHA 2022 and other applicable legal requirements for all project participants.

Metronic utilizes Job Safety Analysis (JSA) to identify work-related hazards and assess risks on a routine and non-routine basis. Risk controls are identified and implemented, where practicable, using the hierarchy of safety and health hazard controls: Elimination, Substitution, Engineering control, Administrative Control and PPE. The organisation ensures the quality of this process by reviewing the JSA at every change of work activity and conducting safety and health inspections. The JSA is reviewed by a competent safety and health officer (Registered with DOSH).

More specifically, the following activities are covered by the Group's OSH Plan:

- Installing the trunking, conduit and cable involve working at height by mobile scaffolding or ladder; and
- Testing and commissioning after complete installation involve electrical safety in order to comply SOP and guideline

A Safety and Health Committee has been formed at Metronic, comprises the Management (Chairman or GM), an employer and an employee representative. It provides a platform for reporting identified hazards to their representative. These issues are then discussed during the safety and health committee meeting, while new potential hazards may be addressed in daily toolbox briefings.

In addition to this, the committee is responsible for the following:

- Assist in development of safety and health rules and safe systems of work
- Review the effectiveness of safety and health programs
- Carry out studies on trend of accident, near-miss accident, dangerous, occurrence, occupational poisoning or diseases.
- Report unsafe conditions and practices, and make recommendations for improvement
- Review and recommend improvements of the safety and health policy.
- Workplace inspection & Accident Investigation.
- Investigation on safety and health related complains.
- Assist the committee with activities related to the promotion of occupational safety and health.

The Safety and Health Committee meets quarterly or in case any emergency matter to be discussed such as accident/incident.

Our commitment to providing a safe and healthy working environment is formalized In Metronic's Safety and Health Policy. Internal safety and health inspections are conducted to identify any possible hazards and implement corrective actions for continuous improvement.

Work-related incidents are investigated by considering potential contributing factors related to Man (human behavior or unsafe acts), Machinery (installation, layout, and design of equipment), Material (substances such as chemicals and gases used in the workplace), Method (how people perform their work), and Media (workplace conditions, e.g. air quality, ventilation, lighting, noise, vibration). Hazard identification methods include reviewing documents and publications (e.g. work method statements, incident alerts), workplace inspections and observations, atmospheric measurements, environmental monitoring, medical surveillance, hazard analysis, and established accident/incident reporting procedures.

Safety and Health related trainings are provided to the employees on requirement needs. Besides that, safety and health notice boards and alerts are organised to share relevant information to employees. In addition, MGB established safe working instruction, briefed and display the work instruction at the respective workstation. In FY2024, employees received safety and health related trainings including the following:

- Ergonomic Safety Office at HQ Metronic
- PPE Awareness Training at Project site
- Electrical Safety Awareness Training at Project Site
- On Job Training Scaffolding at project site
- Power Tools safety at project site
- Fire Drill and Fire extinguisher demo at Metronic HQ

83% out of the Group's 30 suppliers and 40% out of 10 sub-contractors are covered by our OSH Policy and Plans.

In addition to promoting safety in the workplace, the Group also supports the holistic well-being of its employees. Non-statutory health insurance is available for all permanent and contract employees.

For FYE 2024, 2023, and 2022 no cases of major injuries, fatalities, or work-related illness were reported during the period.

The Group places great emphasis on the safety and health of its employees while maintaining a comfortable and conducive work environment through the following initiatives:

- Full time employment of a Safety Officer
- Conducting quarterly safety and health audit
- Ensuring a safe workplace with 24-hour security guard
- Constant updating and promoting awareness of safety precautions and health issues
- Yearly talk on fire safety and prevention and fire drill exercise
- Fogging / fumigation of work sites to prevent the spreading of diseases by mosquitoes and rodents; and
- Maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions.

Customers

We consider it essential to meet or even exceed our customers' expectations regarding the quality of our products and how we integrate sustainability across our entire value chain. We analyse our customers' needs and demands and translate them into action.

Mission:
'To continually improve the effectiveness of the quality management system.'

Quality Management System

We have established, implemented, maintained and continually improved our quality system according to international industry standards.

Our ISO 9001:2015 certification signifies that our quality meets our customers' and other stakeholders' needs within the statutory and regulatory requirements relating to our products and services. We are also a Construction Industry Development Board ("CIDB") certified contractor for Mechanical and Electrical Standard G-7, a Construction Industry Standard ("CIS") on the base quality requirement for the industry.

Quality Policy

Metronic Engineering Sdn Bhd Quality Policy:

a. To promote value-added of our service and product to the satisfaction of our client.
b. To enhance our performance and capability in order to obtain the best result and customer expectation.
c. To motivate our staff being more productive, effective and more efficient.
d. To continuously improve and innovate in our work.
e. To develop a good and strategic relationship with our partner, supplier and subcontractor.
f. To maximize the value of our stakeholders.

We established our quality policy to ensure that our customers receive only the best products. This policy involves making strategic growth targets, building a framework, setting objectives that satisfy applicable requirements, and continuously improving the quality management system.

Advanced Products and Services

Mission:
'To continuously seek new technologies that meet our clients' requirements'

Innovation and technology are valuable assets that companies of all sizes must learn to embrace. Nowadays, customers are becoming increasingly interested in implementing advanced technology solution into their organisation especially after the recent pandemic has brought attention to workplace safety and accessibility in order to improve the critical outcomes.

Most notably, the rising adoption of IoT-enabled technology is a driver of this trend, producing new building management systems, increasing awareness of space utilization, adhering to industry standards and regulations and responding to demand for energy-efficient systems.

The group, has also deployed resources and allocated investment towards completing the development of its on-line platform that will enable to integrate the Group's various systems includes Services Web and Mobile Apps, e-Commerce Platform and Customer Platform which provided additional revenue as well as improving the efficiency and effectiveness of its business processes.

Marketing and Labeling

In FYE 2024 and FYE 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, marketing communications, including advertising, promotion, and sponsorship.

Customer Privacy

Building trust is critical for long-term customer relationships. We recognize that customers entrust us with their personal and confidential information. Protecting this data is both a legal requirement and a top priority to ensure customer privacy and build trust.

Our employees are equipped with the necessary skills to manage customer data effectively. This includes secure collection, storage, access control, and disposal practices that comply with relevant regulations. We take all reasonable measures to safeguard customer data from unauthorized access or loss.

We are pleased to report that no data breaches or customer privacy incidents were reported to regulatory bodies in FY2024, FY2023 and FY2022. Internally, we have no identified leaks or loss of customer data during the mentioned periods.

Customer Engagement

Customer engagement is our strategy of cultivating an ongoing relationship between the Company and the consumers that goes beyond the transaction. We approach our engagements by providing consistent value at every customer interaction.

METRONIC

Metronic Global Berhad
200301029648 (632068-V)

Customer Survey Form

Dear Valued Customer,

We are conducting a survey on our sales and marketing support, project site operation, and maintenance service. We would really appreciate it if you could take a few minutes to complete the following survey in order to help us improve our effectiveness in our future undertakings with your esteemed company. Last but not least THANK YOU for your time.

Your sincerely,
Metronic Group

Aside from in-person meetings, we also conduct online surveys to reach out to our customers. By gathering feedback via customer satisfaction surveys, we can determine how to take care of our customers best and monitor changes in customer sentiment. We use the survey responses to understand the customer's satisfaction levels with products, services, and experiences.

Suppliers

Procurement Practices

Mission:
'To develop strategic relationships with partners who have skills that enhance and complement our own.'

Our strategy is aligned with our mission to develop partnerships that enhance and complement our products, services and values. Our procurement practices follow a stringent process.

The Gift Policy underpins the standard of conduct that is expected of employees regarding the receiving of gifts, whereas the Anti-Corruption Policy focuses more on the offering or giving of gifts. The Gift Policy is in place to avoid situations which may influence the employee's judgment in a decision-making process or put them in a position of conflict or perceived obligation to provide a business advantage.

Any gaps in our procurement practices are documented in our risk register to be used as a risk management tool.

As of FYE 2024, the Group has not yet formally assessed its suppliers on their environmental and social impact, but the Group aims to establish assessment procedures in the coming years. In the Group's opinion, our supply chain will not be seriously affected by negative environmental impacts.

Community

The Group, through our Staff Recreational and Welfare club, periodically visits orphanage home and organized donation campaign for staff and families who were involve in unfortunate events like flood and accidents.

GRI CONTENT INDEX

Statement of Use	Metronic Global Berhad and its subsidiaries reported the information cited in this GRI content index for the period from 1 July 2023 to 31 October 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
2 - General Disclosures		
2-1	Organizational details	Refer to Annual Report 2024 under Corporate Profile Section
2-2	Entities included in the organization's sustainability reporting	Refer to Annual Report 2024 under Corporate Structure Section
2-3	Reporting period, frequency and contact point	Scope and Boundary
2-4	Restatements of information	*The following data were updated for FY2023 and FY2022 to align with recent data gathered: - Scope 1 - Scope 2 - Employee statistics - Turnover - Training
2-5	External assurance	*The report was not externally assured.
2-6	Activities, value chain and other business relationships	Refer to Annual Report 2024 under Corporate Profile Section Value Chain
2-7	Employees	Our People
2-8	Workers who are not employees	The Group has no workers that are not employees Our People
2-9	Governance structure and composition	Sustainability Structure Refer to Annual Report 2024 under Profile of the Directors and Corporate Governance Overview Statement
2-10	Nomination and selection of the highest governance body	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement
2-11	Chair of the highest governance body	Sustainability Structure
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to the Board Charter document found in the Company Website
2-13	Delegation of responsibility for managing impacts	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to the Board Charter document found in the Company Website
2-14	Role of the highest governance body in sustainability reporting	Sustainability Structure
2-15	Conflicts of interest	Conflicts of Interest
2-16	Communication of critical concerns	Grievance Mechanism
2-17	Collective knowledge of the highest governance body	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to the Board Charter document found in the Company Website
2-18	Evaluation of the performance of the highest governance body	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to the Board Charter document found in the Company Website
2-19	Remuneration policies	Sustainability Structure

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
		Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to the Directors and Senior Management's Remuneration Policy found in the Company Website
2-20	Process to determine remuneration	Sustainability Structure Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to Corporate Governance Report 2024 found in the Company Website Refer to the Directors and Senior Management's Remuneration Policy found in the Company Website
2-21	Annual total compensation ratio	*The compensation details of the Group's Directors are available in the Group's Corporate Governance Report.
2-22	Statement on sustainable development strategy	SUSTAINABILITY STATEMENT
2-23	Policy commitments	Compliance and Ethics Human Rights Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to Corporate Governance Report 2024 found in the Company Website
2-24	Embedding policy commitments	Compliance and Ethics Human Rights Refer to Annual Report 2024 under Corporate Governance Overview Statement Refer to Corporate Governance Report 2024 found in the Company Website
2-25	Processes to remediate negative impacts	Stakeholder Engagement
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
2-27	Compliance with laws and regulations	Compliance with Laws and Regulations
2-28	Membership associations	*The Group has no membership in industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	The Group has no existing collective bargaining agreements.
3 - Material Topics		
3-1	Process to determine material topics	MATERIALITY MATTERS
3-2	List of material topics	MATERIALITY MATTERS
201 - Economic performance		
3-3	Management of material topics	MATERIALITY MATTERS
201-1	Direct economic value generated and distributed	Economic Value Generated and Distributed
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risks and Opportunities
201-3	Defined benefit plan obligations and other retirement plans	*The Group has no existing benefit plan obligation or other retirement plans. Compensation and Benefits
201-4	Financial assistance received from government	*The Group did not receive any financial assistance from the government in FYE 2024 and FYE 2023.
202 - Market Presence		
3-3	Management of material topics	MATERIALITY MATTERS
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Compensation and Benefits
202-2	Proportion of senior management hired from the local community	Diversity And Inclusivity
203 - Indirect Economic Impacts		

Sustainability Statement
(Cont'd)

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
3-3	Management of material topics	MATERIALITY MATTERS
203-1	Infrastructure investments and services supported	Indirect Economic Impact
203-2	Significant indirect economic impacts	Indirect Economic Impact
204 - Procurement Practices		
3-3	Management of material topics	MATERIALITY MATTERS
204-1	Proportion of spending on local suppliers	Economic Value Generated and Distributed
205 - Anti-corruption		
3-3	Management of material topics	MATERIALITY MATTERS
205-1	Operations assessed for risks related to corruption	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy Refer to the Anti-Bribery and Anti-Corruption Policy and Procedures found in the Company Website
205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy Refer to the Anti-Bribery and Anti-Corruption Policy and Procedures found in the Company Website
205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy Refer to the Anti-Bribery and Anti-Corruption Policy and Procedures found in the Company Website
206 - Anti-competitive behavior		
3-3	Management of material topics	MATERIALITY MATTERS
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	*The Group has not been involved nor had legal cases relating to anti-competitive behavior and violations of anti-trust and monopoly legislation.
207 - Tax		
3-3	Management of material topics	MATERIALITY MATTERS
207-1	Approach to tax	Tax Compliance Refer to Annual Report 2024 under Notes to the Financial Statement
207-2	Tax governance, control, and risk management	Tax Compliance Refer to Annual Report 2024 under Notes to the Financial Statement
207-3	Stakeholder engagement and management of concerns related to tax	Tax Compliance Refer to Annual Report 2024 under Notes to the Financial Statement
207-4	Country-by-country reporting	Economic Value Generated and Distributed
301 - Materials		
3-3	Management of material topics	MATERIALITY MATTERS
301-1	Materials used by weight or volume	Waste and Material Management
301-2	Recycled input materials used	Waste and Material Management
301-3	Reclaimed products and their packaging materials	Waste and Material Management
302 - Energy		
3-3	Management of material topics	MATERIALITY MATTERS
302-1	Energy consumption within the organization	Energy and Emissions
302-2	Energy consumption outside of the organization	Energy and Emissions
302-3	Energy intensity	Energy and Emissions
302-4	Reduction of energy consumption	Not applicable to MGB products and services
302-5	Reductions in energy requirements of products and services	Not applicable to MGB products and services
303 - Water and Effluents		
3-3	Management of material topics	MATERIALITY MATTERS
303-1	Interactions with water as a shared resource	Water Management and Consumption

Sustainability Statement (Cont'd)

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
303-2	Management of water discharge-related impacts	Water Management and Consumption
303-3	Water withdrawal	Water Management and Consumption
303-4	Water discharge	Water Management and Consumption
303-5	Water consumption	Water Management and Consumption
304 - Biodiversity		
3-3	Management of material topics	MATERIALITY MATTERS
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	*The Group's operating locations are not in any protected areas or areas of high biodiversity.
304-2	Significant impacts of activities, products and services on biodiversity	*The Group's operating locations are not in any protected areas or areas of high biodiversity.
304-3	Habitats protected or restored	*The Group's operating locations are not in any protected areas or areas of high biodiversity.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	*The Group's operating locations are not in any protected areas or areas of high biodiversity.
305 - Emissions		
3-3	Management of material topics	MATERIALITY MATTERS
305-1	Direct (Scope 1) GHG emissions	Scope 1 Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Scope 2 Emissions
305-3	Other indirect (Scope 3) GHG emissions	The Group has not measured scope 3 emissions
305-4	GHG emissions intensity	Energy and Emissions
305-5	Reduction of GHG emissions	Energy and Emissions
306 - Waste		
3-3	Management of material topics	MATERIALITY MATTERS Waste and Material Management
306-1	Waste generation and significant waste-related impacts	Waste and Material Management
306-2	Management of significant waste-related impacts	Waste and Material Management
306-3	Waste generated	Waste and Material Management
306-4	Waste diverted from disposal	Waste and Material Management
306-5	Waste directed to disposal	Waste and Material Management
308 - Supplier environmental assessment		
3-3	Management of material topics	MATERIALITY MATTERS
308-1	New suppliers that were screened using environmental criteria	Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	Suppliers
401 - Employment		
3-3	Management of material topics	MATERIALITY MATTERS
401-1	New employee hires and employee turnover	Our People
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits Refer to Annual Report 2024 under Notes to Financial Statements.
401-3	Parental leave	Parental Leave
402 - Labor/management relations		
3-3	Management of material topics	MATERIALITY MATTERS
402-1	Minimum notice periods regarding operational changes	Our People
403 - Occupational health and safety		
3-3	Management of material topics	MATERIALITY MATTERS
403-1	Occupational health and safety management system	Health and Safety

Sustainability Statement
(Cont'd)

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable to organization's activities
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety
404 - Training and Education		
3-3	Management of material topics	MATERIALITY MATTERS
404-1	Average hours of training per year per employee	Learning and Development
404-2	Programs for upgrading employee skills and transition assistance programs	The Group has not conducted such programs.
404-3	Percentage of employees receiving regular performance and career development reviews	Learning and Development
405 - Diversity and Equal Opportunity		
3-3	Management of material topics	MATERIALITY MATTERS
405-1	Diversity of governance bodies and employees	Our People
405-2	Ratio of basic salary and remuneration of women to men	Compensation and Benefits
406 - Non-discrimination		
3-3	Management of material topics	MATERIALITY MATTERS
406-1	Incidents of discrimination and corrective actions taken	Anti- Discrimination, Anti- Child Labour, and Anti- Forced Labour
408 - Child labor		
3-3	Management of material topics	MATERIALITY MATTERS
408-1	Operations and suppliers at significant risk for incidents of child labor	Anti- Discrimination, Anti- Child Labour, and Anti- Forced Labour
409 - Forced or compulsory labor		
3-3	Management of material topics	MATERIALITY MATTERS
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Anti- Discrimination, Anti- Child Labour, and Anti- Forced Labour
411 - Rights of Indigenous peoples		
3-3	Management of material topics	MATERIALITY MATTERS
411-1	Incidents of violations involving rights of indigenous peoples	*The Group is not involved in any instances or cases regarding violation of rights of indigenous people.
413 - Local Communities		
3-3	Management of material topics	MATERIALITY MATTERS
413-1	Operations with local community engagement, impact assessments, and development programs	Community
413-2	Operations with significant actual and potential negative impacts on local communities	*The Group's operations do not have a significant actual and potential negative impact on its local communities.
414 - Supplier social assessment		
3-3	Management of material topics	MATERIALITY MATTERS
414-1	New suppliers that were screened using social criteria	Suppliers
414-2	Negative social impacts in the supply chain and actions taken	Suppliers
415 - Public policy		

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
3-3	Management of material topics	MATERIALITY MATTERS
415-1	Political contributions	*The Group did not make any political contributions.
417 - Marketing and Labeling		
3-3	Management of material topics	MATERIALITY MATTERS
417-1	Requirements for product and service information and labeling	Not applicable to company's products and services
417-2	Incidents of non-compliance concerning product and service information and labeling	Marketing and Labeling
417-3	Incidents of non-compliance concerning marketing communications	Marketing and Labeling
418 - Customer privacy		
3-3	Management of material topics	MATERIALITY MATTERS
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00 *
Executive	Percentage	0.00 *
Non-executive/Technical Staff	Percentage	0.00 *
General Workers	Percentage	0.00 *
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00 *
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	26.00
Management Above 50	Percentage	2.20
Executive Under 30	Percentage	19.10
Executive Between 30-50	Percentage	20.60
Executive Above 50	Percentage	5.80
Non-executive/Technical Staff Under 30	Percentage	12.98
Non-executive/Technical Staff Between 30-50	Percentage	12.01
Non-executive/Technical Staff Above 50	Percentage	0.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	25.20
Management Female	Percentage	10.70
Executive Male	Percentage	33.60
Executive Female	Percentage	11.45
Non-executive/Technical Staff Male	Percentage	17.56
Non-executive/Technical Staff Female	Percentage	1.50
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	6.10
Female	Percentage	6.10
Under 30	Percentage	0.00
Between 30-50	Percentage	8.30
Above 50	Percentage	6.10

Internal assurance External assurance No assurance (*)Restated

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	18.23
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	3
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	58
Executive	Hours	85
Non-executive/Technical Staff	Hours	98
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	15
Non-executive/Technical Staff	Number	14
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	909.000000

Internal assurance External assurance No assurance (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") recognises the importance of corporate governance and is committed to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") and Corporate Governance Guide are observed and practised throughout the Group so that the affairs of the Group are conducted with integrity and professionalism, in compliance with the law, regulatory requirements and rules, and ethically with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value as well as sustainable development.

This statement outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the MCCG:

1) Board Leadership and Effectiveness
2) Effective Audit and Risk Management
3) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement is prepared in compliance with Main Market of Listing Requirements of Bursa Malaysia Securities Berhad and it is meant to be read together with the Corporate Governance Report. The Corporate Governance Report provides details on how the Group has applied each practice as set out in the MCCG, a copy of which is available on the Group's website at www.metronic-group.com as well as via an announcement on Bursa Securities website.

The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors

Metronic Global Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

(a) reviewing and adopting a strategic plan for the Company and the Group, and subsequently monitoring the implementation of the strategic plan by the Management to ensure sustainable growth of and optimization of returns for the Company and Group;

(b) overseeing and evaluating the conduct and performance of the Company and the Group's business;

(c) evaluating principal risks of the Company and the Group and ensuring the implementation of appropriate risk management and internal control systems to manage these risks;

(d) reviewing the adequacy and the integrity of the Company and the Group's risk management and internal control systems;

(e) overseeing management performance and ensure a sound succession plan for key positions within the Company;

(f) providing input and overseeing the development and implementation of the investor relations and shareholder communications policy and programme for the Company and the Group; and

(g) reviewing the adequacy and the integrity of the management information of the Company and the Group.

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

I. Board Responsibilities (Cont'd)

1. Board of Directors (Cont'd)

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

(i) Nomination Committee ("**NC**")
(ii) Remuneration Committee ("**RC**")
(iii) Audit and Risk Management Committee ("**ARMC**")
(iv) Employees' Share Option Scheme ("**ESOS**") Committee

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Executive Directors

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Executive Directors of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Y.M. Tengku Ab Hadi bin Tengku Mustafa, an Independent Non-Executive Chairman leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chairman's key responsibility, amongst others, includes the following:

(a) lead the Board and ensure its effectiveness in discharging its responsibilities;

(b) ensure the efficient conduct of the Board's function and meetings;

(c) facilitate the effective contribution of all Directors at Board meetings;

(d) promote constructive and respectful relations between Directors, and between the Board and Management;

(e) ensure the proper and timely flow of information to the Board;

(f) ensure effective communication between the Board and the Management with shareholders, stakeholders and the public generally.

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

I. Board Responsibilities (Cont'd)

2. Separation of position of the Chairman and Executive Directors (Cont'd)

The Executive Directors, Datuk Dr. Doris Wong Sing Ee and Koh Wai Chee oversee the day-to-day operations to ensure the smooth and effective running of the Group. They also implement the policies, strategics, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange internal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilization of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least five (5) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

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

4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

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

I. Board Responsibilities (Cont'd)

4. Commitment of the Board (Cont'd)

The Board met six (6) times during the financial period from 1 July 2023 to 31 October 2024 ("**FP2024**"). The attendance of each Director at the Board Meeting held during the FP2024 is as follow:

Directors	Number of meetings attended	%
Datuk Dr. Doris Wong Sing Ee	6/6	100%
Muhammad Faliq bin Mohd Redzuan	6/6	100%
Ong Tee Kein	6/6	100%
Koh Wai Chee	6/6	100%
Hoo Wai Keong[1]	6/6	100%
Y.M. Tengku Ab Hadi bin Tengku Mustafa[2]	3/3	100%

Notes:

[1] Resigned as the Executive Director cum Chief Executive Officer of the Company with effect from 6 December 2024.

[2] Appointed as the Independent Non-Executive Chairman of the Company with effect from 5 February 2024.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") allow a Director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the MMLR where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

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

I. Board Responsibilities (Cont'd)

5. Continuous Development of the Board (Cont'd)

Details of training programmes attended by the Directors during the financial year under review are as follows:

No.	Name of Director	Type of Training	Date
1.	Y.M. Tengku Ab Hadi bin Tengku Mustafa	• Management of Cyber Risk	• 3 October 2023
2.	Datuk Dr. Doris Wong Sing Ee	• AOB Conversation with AC_Sustainability Reporting • E-invoicing with Baker Tilly on 6 Feb 2024 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Bursa Malaysia- Building Sustainable Credibility - Assurance, Greenwashing and The Rise of Green-Hushing	• 27 Nov 2023 • 6 February 2024 • 13 & 14 May 2024 • 24 September 2024
3.	Koh Wai Chee	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	• 6th & 7th August 2024
4.	Muhammad Faliq bin Mohd Redzuan	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	• 12 & 13 August 2024
5.	Ong Tee Kein	• MIA Blended Learning Series: MPERS: Preparation of MPERS Financial Statement • MIA Webinar Series: MPERS Masterclass Series – Group Financial Reporting	• 8 Dec 2023 • 19 to 22 Dec 2023

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

ARMC

The ARMC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The ARMC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

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

Director	Designation
Ong Tee Kein	Chairman
Muhammad Faliq bin Mohd Redzuan	Member
Koh Wai Chee[1]	Member
Y.M. Tengku Ab Hadi bin Tengku Mustafa[2]	Member

Notes:

[1] Resigned as a member of the ARMC of the Company with effect from 16 December 2024.

[2] Appointed as a member of the ARMC of the Company with effect from 16 December 2024.

A copy of the ARMC's Terms of Reference can be found in the Company's website at www.metronic-group.com.

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

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

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

Director	Designation
Muhammad Faliq bin Mohd Redzuan	Chairman
Ong Tee Kein	Member
Koh Wai Chee[1]	Member
Y.M. Tengku Ab Hadi bin Tengku Mustafa[2]	Member

Notes:
[1] Resigned as a member of the NC of the Company with effect from 16 December 2024.
[2] Appointed as a member of the NC of the Company with effect from 16 December 2024.

During the FP2024, the NC held one (1) meeting. Below is a summary of the key activities undertaken by the NC in discharge of its duty:

(a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy.
(b) Determined the Directors who stand for re-election and re-appointment by rotation.
(c) Assessed the effectiveness and performance of the Board and its committees. This is carried out through a self-assessment document that is completed by each Director. The assessment criteria include the following:
- Board composition
- Board process
- Performance of Board Committees
- Information provided to the Board
- Role of the Board in strategy and planning
- Risk management framework
- Accountability and standard of conduct of Directors

(d) Reviewed the term of office and performance of the ARMC and each of its members to ascertain that the ARMC and its member have carried out their duties in accordance with the ARMC's Terms of Reference
(e) Assessed and reviewed the independence and continuing independence of the Independent Directors.
(f) Reviewed and recommend the appointment of Independent Non-Executive Director.

A copy of the NC's Terms of Reference can be found in the Company's website at www.metronic-group.com.

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

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

RC

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

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

Director	Designation
Y.M. Tengku Ab Hadi bin Tengku Mustafa[1]	Chairman
Ong Tee Kein	Member
Koh Wai Chee[2]	Member
Muhammad Faliq bin Mohd Redzuan[3]	Member

Notes:
[1] Appointed as Chairman of the RC of the Company with effect from 16 December 2024.
[2] Resigned as a member of the RC of the Company with effect from 16 December 2024.
[3] Redesignated as a member of the RC of the Company with effect from 16 December 2024.

During the FP2024, the RC held one (1) meeting and all members registered full attendance. Below is a summary of the key activities undertaken by the RC in discharge of its duty:

(a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management.
(b) Reviewed the remuneration package of Non-Executive Directors and their Meeting Allowances.

A copy of the RC's Terms of Reference can be found in the Company's website at www.metronic-group.com.

ESOS Committee

The ESOS Committee was established on 1 April 2021. The ESOS Committee is primarily responsible for administering the Company's ESOS Option in accordance with the approved ESOS By-Laws and regulations. The present members of the ESOS Committee are as follows:

Director	Designation
Koh Wai Chee	Chairman
Datuk Dr. Doris Wong Sing Ee	Member

The ESOS Committee meets as and when required. No meeting was held during the financial year. Approval on matter requiring the sanction of the ESOS Committee was sought by way of written resolution.

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

I. Board Responsibilities (Cont'd)

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

a) corporate exercise;
b) change in group corporate structure and major business investment proposal, including investment of new business, divestment of existing business and joint ventures;
c) establishment of policies and procedures;
d) corporate strategic plan and annual budget;
e) acceptance of credit facilities and provision of the corporate guarantee;
f) quarterly financial results and annual audited account of the Company;
g) implementation of the voluntary separation scheme and/or retrenchment plan, if any;
h) amendments to the terms of reference of the Board Committees;
i) appointment and/or removal of Company Secretary;
j) appointment and/or removal of the Internal Auditors and their remuneration; and
k) related party transaction, recurrent related party transaction and matters involving any conflict of interest relating to substantial shareholder or director.

The Board Charter is reviewed periodically by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.metronic-group.com.

8. Code of Conduct and Ethics

The Company has established a Code of Conduct and Ethics which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct is based on principles in relation to instil the underlying values and commitment to lay standards of trust, ethics, integrity, responsibility, excellence, commitment, dedication, diligence and professionalism contributing towards enhancing social values and sustaining environmental growth of the surroundings in which the Company operates.

All directors and employees of the Group and other concerned parties must abide by the Code of Conduct and Ethics and the Anti-Corruption Policy, established to serve as guidance and inculcate a standard of ethical behavior. These policies clarify important items, such as Conflicts of Interest, Related Party Transactions and Bribery, Corruption, Business Courtesies and facilitation payments. In addition, the Group does not support any political parties or contribute funds to groups whose activities are deemed to promote party interests or the election of a specific candidate.

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

Details of the Code of Conduct and Code of Ethics can be found in the Company's website at www.metronic-group.com.

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

I. Board Responsibilities (Cont'd)

9. Whistleblower Policy and Procedure

The Company has adopted a Whistleblower Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation.

10. Company Secretary

The Board is assisted by qualified and competent Company Secretary who play a vital role in advising the Board in relation to the Group's Constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretary for the purpose of the conduct of the Board's affairs and the business.

The Company Secretary constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practicing company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

In addition, the Company Secretary is also accountable to the Board and is responsible for the following:

(a) advising and updating the Board and Management on governance issues, latest statutory and regulations requirement and the resultant implications;
(b) ensuring compliance with listing and related statutory obligations;
(c) attending Board, Committees and general meetings, and ensure the proper recording of minutes;
(d) ensuring proper upkeep of statutory registers and records;
(e) assisting the Chairman in the preparation for and conduct of meetings;
(f) assisting the Chairman in determining the annual Board plan and the administration of other strategic issues; and
(g) assisting in the induction of new directors, and continuously update the Board on changes to listing rules, other related legislations and regulations.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the cope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

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

II. Board Composition (Cont'd)

1. Composition and Diversity (Cont'd)

As at the date of this Statement, the Board consists of three (3) Independent Non-Executive Directors and two (2) Executive Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

The Board has limited the tenure of the Independent Directors to twelve (12) years and they may continue to serve on the Board subject to their re-designation as Non-Independent Directors.

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

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("**AGM**").

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

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

II. Board Composition (Cont'd)

5. Identifying Suitable Candidates

The Board has scrutinised the Company's requirement in relation to the Board's appointment of Independent Directors in order to identify directors which has the right mix of skills and experience and able to contribute positively to the Board. In order to achieve such outcome, the Board had sourced suitable candidates through various means such as recommendation from the existing Board, Senior Management, directors' registry and the use of independent search firms. The NC would be guided by the Directors' Fit and Proper Policy for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

6. Chairman of the NC

The NC is led by Muhammad Faliq bin Mohd Redzuan, the Independent Non-Executive Director, who directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/ her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

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

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and senior management in order for the Company to attract and retain Board and senior management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and senior management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind-and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for FP2024 are set out in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

Presently, the ARMC consists of three (3) Independent Non-Executive Directors and all of them are financial literate and have sufficient understanding of the Group's business. All the members of the ARMC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact.

The ARMC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the ARMC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the ARMC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The ARMC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

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

I. ARMC (Cont'd)

The Board places great emphasis on the objectivity and independence of the external auditors. Through the ARMC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

The ARMC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For FP2024, fees paid to the external auditors, Messrs Chengco PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Total Audit fees	**206,623**	**91,790**
Non-Audit:		
Review of the Statement on Risk Management and Internal Control	5,300	5,300
Total Non-audit fees	**211,923**	**97,090**

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the ARMC may be found in the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks (where possible) to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the ARMC. This covers all material controls including financial, operational, compliance and risk management systems. The ARMC further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FP2024, which reported directly to the ARMC as specified in the Terms of Reference of the ARMC. The Internal Auditor carries out is function in accordance with the approved annual Internal Audit Plan approved by the ARMC.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

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

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the discourse requirements as stipulated in the MMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having "question and answer" session during the AGM during which the Directors (inclusive of the Chairman of the ARMC, NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the MMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

a) On 15 October 2019, the Group announced that it offered a total of 156,826,100 new shares under the private placement which represent 10% of the total number of issued shares of the company (excluding treasury shares) at RM0.06 per shares. The private placement has been completed with a total share subscribed of 113,250,000 at the offered price of RM0.0451 per share during the exercise. Following is the status utilisation of the RM5.11 million proceeds received from the private placement:

Utilisation of proceeds	Timeframe for utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Development of smart city solutions in Malaysia	Within 72 months (included 24 months extended period)	4,948	3,232	1,716
Expenses in relation to the private placement	Immediate	160	160	–
Total		**5,108**	**3,392**	**1,716**

b) On 11 May 2021, Bursa Malaysia Securities Berhad ("**Bursa Securities**") approved the Group's proposal of a total of 500,428,000 new shares offered under the private placement which represents 30% of the existing total number of issued shares, to independent third-party investor(s). The private placement exercise was fully completed on 13 September 2021 with a total of RM22.71 million received. Following is the status utilisation of the proceeds from the private placement:

Utilisation of proceeds	Timeframe for utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Funding for business acquisition	Within 48 months (included 24 months extended period)	21,789	–	21,854[1]
Expenses in relation to the private placement	Immediate	920	855	0
Total		**22,709**	**855**	**21,854**

[1] The surplus funds following the payment of expenses in relation to the Private Placement amounting to approximately RM65,000.00 has been adjusted into the amount allocated for the Group's funding for business acquisition as specified in Section 3 of the Company's circular to shareholders dated 27 May 2021.

c) On 13 July 2022, the Group announced that the Rights Issue of Shares with Warrants proposed on 19 November 2021 has been completed following the listing and quotation for 1,299,562,731 Rights Share and 433,187,525 Warrants B on the Main Market of Bursa Securities. The Group has received a total of RM77.97 million from the exercise. Following is the breakdown utilisation of the right issue proceeds:

Utilisation of proceeds	Timeframe for utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance to be utilised (RM'000)
Funding for solar projects	Within 48 months (included 24 months extended period)	56,000	2,264	53,736
Funding for engineering projects	Within 48 months (included 24 months extended period)	20,000	3,605	16,395
Working Capital	Within 48 months (included 24 months extended period)	1,224	847	377
Expenses in relation to right issues	Immediate	750	750	–
Total		**77,974**	**7,466**	**70,508**

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial period ended 31 October 2024.

3. CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during the financial period ended 31 October 2024 involving Directors and major shareholders.

4. RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during the financial period ended 31 October 2024 are disclosed in the audited financial statements.

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

The ESOS of the Company is governed by the ESOS By-Laws and was approved by shareholders on 31 March 2021. The ESOS options granted may be exercised any time upon the satisfaction of vesting conditions of each offer. The ESOS is in force for a period of five (5) years effective from 1 April 2021 and may be extended for a further period of up to five (5) years at the discretion of the Board upon recommendation from the ESOS Committee, provided always that the ESOS shall not in aggregate exceed a duration of ten (10) years.

A brief detail on the number of ESOS Options granted, exercised, forfeited and outstanding since commencement to 31 October 2024 are set out in the table below:

	Number of Options	
Description	**Grand Total**	**Directors and Chief Executives**
Granted	–	–
Exercised	–	–
Forfeited	–	–
Outstanding	–	–

The percentages of options applicable to Directors and Senior Management under the ESOS during the financial year and since its commencement up to 31 October 2024 are set out below:

	Percentage	
Directors and Senior Management	**During the financial year**	**Since commencement up to 31 October 2024**
Aggregate maximum allocation	–	–
Actual options granted	–	–

The details of the options offered to and exercised by the Non-Executive Directors of the Company pursuant to the ESOS in respect of the financial year are as follows:

	Number of Options	
Name	**Number of Options Granted**	**Number of Options Exercised**
Muhammad Faliq bin Mohd Redzuan	–	–
Koh Wai Chee	–	–
Ong Tee Kein	–	–

AUDIT AND RISK MANAGEMENT COMMITTEE'S REPORT

OBJECTIVE

The purpose of establishing the Audit and Risk Management Committee ("**ARMC**" or "**the Committee**") is to assist the Board of Directors in discharging its responsibilities to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal control with the overall objective of ensuring the Management creates and maintain an effective control environment in the Group. The Committee also provides a communication channel between the Board of Directors, Management, External Auditors and Internal Auditors.

COMPOSITION AND MEETING ATTENDANCE

The present ARMC members comprise of three (3) members, all of whom are Independent Non-Executive Directors.

During the financial year period from 1 July 2023 to 31 October 2024 ("**FP2024**"), the AC held six (6) meetings and the records of the attendance of AC members are as follow:

Directors	Designation	Number of meetings attended	%
Ong Tee Kein[1]	Chairman	6/6	100%
Muhammad Faliq bin Mohd Redzuan	Member	6/6	100%
Koh Wai Chee[2]	Member	6/6	100%
Y.M. Tengku Ab Hadi bin Tengku Mustafa[3]	Member	N/A	N/A

Note:
[1] Member of the Malaysian Institute of Accountants
[2] Resigned as the Member of the ARMC with effect from 16 December 2024
[3] Appointed as the Member of the ARMC with effect from 16 December 2024

TERMS OF REFERENCE

The scope of duties and responsibilities of the ARMC stated in the Terms of Reference ("**TOR**") is made available on the Company's website at www.metronic-group.com. The Board has reviewed and assessed the performance of the ARMC and is satisfied that the ARMC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY OF ACTIVITIES OF THE ARMC

A brief summary and an overview of the activities of the ARMC in discharging their duties and responsibilities during FP2024 are as follows:

a) Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad ("**Bursa Securities**");

b) Reviewed with the External Auditors on their Audit Planning Memorandum for the financial period from 1 July 2023 to 31 October 2024;

c) Reviewed the Audited Financial Statements of the Company and its subsidiaries ("**the Group**") for the financial year ended 30 June 2023 before recommending to the Board for approval and release of the results to Bursa Securities;

d) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

SUMMARY OF ACTIVITIES OF THE ARMC (CONT'D)

e) Evaluated the performance of the External Auditors for the financial year ended 30 June 2023 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;

f) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;

g) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

h) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;

i) Reviewed and approved on the Internal Audit Planning Memorandum for FP2024 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;

j) Reviewed the effectiveness of the Group's system of internal control;

k) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;

l) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;

m) Reviewed the Company's compliance with the Main Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;

n) Report to the Board on its activities and significant findings and results.

o) Reviewed and verify the allocation of the Employee Share Option Scheme options in accordance with the Main Market Listing Requirements.

p) Reviewed the AC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

q) Reviewed the valuation report of the investment property.

INTERNAL AUDIT FUNCTION

The internal audit function is designed based on a risk-based approach to evaluate and enhance the Group's risk management, controls and governance processes to assist the Senior Management in achieving its corporate goals.

During FP2024, the internal audit function of the Group is outsourced to an independent internal audit professional firm, Kloo Point Risk Management Services Sdn. Bhd. ("**Kloo**"), which reports directly to the ARMC and assists the Board in monitoring and managing risks and internal controls. The ARMC is satisfied that Kloo's independence have been maintained as adequate measures are in place. The ARMC is contented that Kloo has sufficient resources and is able to access information to undertake its duties effectively.

The internal audit reviews were carried out in accordance with the approved internal audit plan which covered the adequacy and effectiveness of the operational controls in mitigating risks, compliance with established policies and procedures, authority limits and applicable laws. The results of the reviews were formally reported to the ARMC and in this regard, Senior Management has taken note of the findings and duly acted upon the recommendations made by Kloo. The internal audit reviews did not reveal any significant weaknesses and consequential provides reasonable assurance on the effectiveness of the Group's systems of internal control and the adequacy of these systems to mitigate business risks and to safeguard the Group's assets and resources.

The total cost incurred for the internal audit function for the financial year under review was approximately RM31,997. Further details of the internal audit function are set out in the Risk Management and Internal Control Statement of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the Statement on Risk Management and Internal Control ("**Statement**"), which outlines the nature and scope of risk management and internal control of the Company and its subsidiaries ("**the Group**") during the financial year period 31 October 2024 ("**FYP2024**").

This Statement is made by the Board pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and after taking into consideration of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**") and taking into consideration the recommendations of the Malaysian Code on Corporate Governance.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility towards maintaining a sound system of risk management and internal control, and reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Management is designed to identify, evaluate, manage and monitor risks rather than eliminate risks that may impede the Group's achievement of the corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group's corporate objectives. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This is to ensure that all potential risks are adequately addressed at various levels within the Group including but not limited to the effects of natural disasters, rioting by workers, fire, acts of sabotage and other debilitating incidents.

The Board believes that the sound system of risk management and internal control is built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:

- risk management is embedded in the Group's management and operational framework and the employees are exposed and subjected to trainings on the Group's policies and procedures;
- risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats; and
- regular reporting and monitoring activities emphasise accountability and responsibility for managing risks.

The Board appointed Kloo Point Risk Management Services Sdn. Bhd. ("**Kloo**"), an independent firm to assist the management in improving the current Risk Management Framework.

INTERNAL AUDIT FUNCTION

The Group has appointed an outsourced internal audit service provider, namely Kloo, to carry out the internal audit function. Kloo discharges its independent assessment of the effectiveness and adequacy of the Group's system of internal control. This provides the Audit and Risk Management Committee ("**ARMC**") and Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function and internal control.

The assessment of the adequacy and effectiveness of the internal controls established by the management in mitigating risks is conducted regularly through interviews and discussions with key management staff, review of the relevant established policies and procedures, and authority limits and observing and testing of the internal controls on a sample basis. The results of the internal audit reviews including action plans to be taken by the management to address the identified weaknesses and recommendation of enhancement opportunities are then reported to the ARMC, which in turn reports these matters to the Board.

INTERNAL AUDIT FUNCTION (CONT'D)

During the FYP2024, internal audit works were carried out in accordance with the risk based on internal audit plan which has been reviewed and approved by the ARMC. The results of the audit reviews were discussed with the management and subsequently, the audit findings, including the recommendations for improvement were reported to the ARMC at the quarterly meetings.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report. The total costs incurred for the internal audit function for FYP2024 was RM31,997.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Group's internal control systems are:

a) Quarterly review of the financial performance of the Group by the ARMC and the Board.
b) Clearly defined and structured lines of reporting and responsibility.
c) Operations review meetings are held to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.
d) Documented internal policies as set out in a series of memorandums to various departments within the Group.
e) Whistle Blower Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secured and confidential manner.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the FYP2024.

Their review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on external auditor review, nothing has come to their attention that cause them to believe that this statement is not prepared, in all respects, in accordance with the disclosures required by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board has received assurance from the Executive Directors that, to the best of their knowledge, the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders' investment and the Group's assets are consistently safeguarded.

This Statement is made in accordance with the resolution of the Board dated [•].

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

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs, the results and cash flows of the Group and of the Company at the end of the financial year.

In preparing those financial statements, the Directors of the Company have:

- oversee the company's business conduct and that of the group;
- adopted suitable accounting policies and then applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards. The Directors are also responsible for the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial period from 1 July 2023 to 31 October 2024, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 October 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as set out in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL YEAR

The Group and the Company has changed its financial year end from 30 June to 31 October.

FINANCIAL RESULTS

	Group RM	Company RM
Loss attributable to:		
Owners of the Company	(29,402,735)	(5,610,859)
Non-controlling interests	(609,364)	-
	(30,012,099)	(5,610,859)

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

DIVIDEND

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period except as disclosed in the financial statements.

ISSUANCE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted to the Company's Employee Share Option Scheme.

WARRANT

Warrant 2022/2025 ("Warrant B")

On 13 July 2022, the Company listed and quoted 498,733,212 Warrants B pursuant to the Rights Issue of Shares with Warrants Exercise on the basis of 2 Warrants B for every 1 existing share. Warrant B are constituted by the Deed Poll dated 25 May 2022.

Salient features of the above warrants are as follows:

i. Each of the warrant entitles the holder t the right of exercise of one ordinary share in the Company. The number of warrants is subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.

ii. The close of business on the warrants is three (3) years from the date of issuance of the warrants: thereafter the outstanding warrants will cease to be valid for any purpose.

iii. The new ordinary shares allotted and issued upon exercise of the warrants shall be fully paid and rank pari passu with the then existing ordinary shares of the Company. The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised into new ordinary shares and registered prior to the date of general meeting of the Company.

iv. The warrant is quoted on the main market of Bursa Malaysia on 13 July 2022. Each warrant entitles its holder the right to subscribe for one ordinary share each in the Company at any time up to the expiry date of 5 July 2025 at an exercise price of RM0.06 payable in cash.

The movement in the Warrant B are as follow:

	Entitlement for ordinary shares			
	At 1.7.2023	**Issued**	**Exercised**	**At 31.10.2024**
Warrant B	418,511,492	-	-	418,511,492

DIRECTORS

The directors who served since the date of the last report and at the date of this report are as follow:

Datuk Dr. Doris Wong Sing Ee
Koh Wai Chee
Muhammad Faliq Bin Mohd Redzuan
Ong Tee Kein
Tengku AB Hadi Bin Tengku Mustafa (Appointed on 5 February 2024)
Hoo Wai Keong (Resigned on 6 December 2024)

Other than as stated above, the directors of the subsidiaries of the Company in office during the financial period and during the period from end of the financial period to the date of report are:

Chew Keng Yaw
Chiam Soon Hong
Chang Yew Cheong
Ho Jen Wai (Resigned 4 October 2024)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial period in the shares in the Company during the financial period are as follows:

	Number of ordinary shares			
	At 1.7.2023	**Acquired**	**Disposed**	**At 31.10.2024**
Directors's interest				
Koh Wai Chee	33,333	-	-	33,333

By virtue of his interests in the shares of the Company, the directors are deemed to have interests in the shares of all the subsidiary companies during the financial period to the extent that the Company has an interest.

None of the other directors holding office at the end of financial period held any interest in the ordinary shares of the Company and its related corporations.

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 emoluments received or due and receivable by directors as shown under Directors' remuneration below, 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, except for any deemed benefit which may have arisen by virtue of those transactions as disclosed in Note 35 to the financial statements.

DIRECTORS' BENEFITS (CONT'D)

Neither during nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid to or receivable by the directors during the financial period are as follows:

	Group RM	Company RM
Salaries and allowance	1,201,547	852,821
Fees	245,000	245,000
Defined contribution plan	54,066	15,840
Other benefits	3,515	3,515
	1,504,128	1,117,176

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and

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

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

(a) which would render the amounts written off as bad debts or the amounts of the allowance for doubtful debts in the financial statements inadequate to any substantial extent of the Group and of the Company; or

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

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps: (cont'd)

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

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

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

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

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or insurance effected for any director, officer or auditors of the Group and of the Company during the financial period.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM223,264 and RM88,000 respectively during the financial period.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

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

DATUK DR. DORIS WONG SING EE
Director

KOH WAI CHEE
Director

Kuala Lumpur,

Date: 24 February 2025

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, DATUK DORIS WONG SING EE and KOH WAI CHEE, being two of the directors of METRONIC GLOBAL BERHAD, do hereby state on behalf of the directors that in the opinion of the directors, the financial statements of the Group and of the Company set out on pages 86 to 179 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2024 and of the results of the financial performance and cash flows of the Group and of the Company for the financial period then ended on that date.

Signed on behalf of the board of directors in accordance with a resolution of the directors.

………………………………………	………………………………………
DATUK DR. DORIS WONG SING EE	**KOH WAI CHEE**
Director	Director

Kuala Lumpur,
Date: 24 February 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, DATUK DR. DORIS WONG SING EE, being the director primarily responsible for the financial management of METRONIC GLOBAL BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 86 to 179 , 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)
Doris Wong Sing Ee at Kuala)
Lumpur on this 24 February 2025)
)

Before me,

………………………………………
DATUK DR. DORIS WONG SING EE
Director

CHARANJIT KAUR
No. PJS: W606
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF METRONIC GLOBAL BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of METRONIC GLOBAL BERHAD, which comprise the statements of financial position as at 31 October 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 86 to 179.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 October 2024 and of their financial performance and their cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. 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.

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<u>**Group**</u> **Impairment of Trade Receivables** The Group's trade receivables amounting to RM5.64 million, representing approximately 3.41% of the Group's total current assets as at 31 October 2024. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.	Our audit procedures included, among others: - - We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures; - We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial period and subsequent to period end collections; and - We have reviewed the appropriateness of the disclosures made in the financial statements.
Revenue recognition Metronic Group's main sources of income are construction projects RM30.71 million and service maintenance RM5.12 million representing approximately 85% and 14% of the Group's total revenue respectively. For construction projects, the Group uses percentage of completion of the projects for recognition of revenue. Percentage of completion is measured based on the actual cost incurred as compared to estimated cost for the construction projects.	Our audit procedures included, among others: - - Performed walkthrough of the revenue controls process and tested the design and implementation of key controls identified to ascertain that key controls are operating effectively; - Tested selected revenue transactions relating to the construction contract and services by assessing and evaluating the MFRS 15 five-step model; - Tested the budget of certain project; and - Verification of cost incurred on individual projects.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

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

CHENGCO PLT
201806002622 (LLP0017004-LCA) & AF0886
Chartered Accountants

NG KEE SIANG
03643/03/2026 J
Chartered Accountant

Kuala Lumpur,
Date: 24 February 2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2024

	Note	Group 31.10.2024 RM	Group 30.6.2023 RM	Company 31.10.2024 RM	Company 30.6.2023 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	8,253,936	10,671,099	-	-
Right-of-use assets	6	69,051	165,066	22,135	35,113
Investment properties	7	3,513,868	3,425,468	-	-
Intangible assets	8	3,468,600	19,265,904	-	-
Investment in subsidiary companies	9	-	-	67,889,049	61,783,439
Other investment	10	5,144,711	6,750,579	5,144,711	6,750,579
		20,450,166	40,278,116	73,055,895	68,569,131
CURRENT ASSETS					
Property development costs	11	9,908,261	11,768,565	-	-
Inventories	12	341,202	779,121	-	-
Amount due from contract customers	13	7,195,617	7,548,509	-	-
Trade receivables	14	5,638,979	11,346,822	-	-
Other receivable and deposits	15	15,016,554	1,759,171	595,574	649,485
Amount due from subsidiary companies	16	-	-	11,764,155	17,270,029
Current tax assets		-	226,874	-	185,182
Fixed deposits	17	126,459,714	136,926,481	120,598,465	123,719,428
Cash and bank balances	18	686,290	469,000	203,798	90,832
		165,246,617	170,824,543	133,161,992	141,914,956
TOTAL ASSETS		185,696,783	211,102,659	206,217,887	210,484,087

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

Statement of Financial Position
(Cont'd)

		Group		Company	
		31.10.2024	30.6.2023	31.10.2024	30.6.2023
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	263,942,757	263,942,757	263,942,757	263,942,757
Other reserves	20	11,924,099	11,718,190	5,762,461	5,762,461
Accumulated losses		(124,541,828)	(95,139,093)	(68,716,585)	(63,105,726)
Total equity attributable to owners of the Company		151,325,028	180,521,854	200,988,633	206,599,492
Non-controlling interests		(720,636)	(111,272)	-	-
TOTAL EQUITY		150,604,392	180,410,582	200,988,633	206,599,492
LIABILITIES					
NON-CURRENT LIABILITY					
Finance lease liabilities	21	122,082	160,766	-	-
CURRENT LIABILITIES					
Trade payables	22	11,525,137	9,055,778	-	-
Other payables and accruals	23	11,055,307	11,070,610	2,911,079	2,604,232
Amount due to a director	24	22,429	979,130	-	956,702
Current tax liabilities		855,391	-	922,724	-
Finance lease liabilities	21	56,255	77,421	22,439	37,059
Short-term borrowings	25	11,455,790	9,348,372	1,373,012	286,602
		34,970,309	30,531,311	5,229,254	3,884,595
TOTAL LIABILITIES		35,092,391	30,692,077	5,229,254	3,884,595
TOTAL EQUITY AND LIABILITIES		185,696,783	211,102,659	206,217,887	210,484,087

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

	Note	Group 1.7.2023 to 31.10.2024 RM	Group 1.7.2022 to 30.6.2023 RM	Company 1.7.2023 to 31.10.2024 RM	Company 1.7.2022 to 30.6.2023 RM
Revenue	26	36,267,715	36,125,153	-	-
Cost of sales	27	(25,663,638)	(30,567,401)	-	-
Gross profit		10,604,077	5,557,752	-	-
Other operating income	28	6,696,600	4,810,135	5,953,216	2,961,705
General and administration expenses		(45,266,804)	(20,133,847)	(10,381,778)	(3,765,235)
Loss from operations		(27,966,127)	(9,765,960)	(4,428,562)	(803,530)
Finance costs	29	(961,000)	(398,258)	(106,493)	(56,571)
Loss before tax	30	(28,927,127)	(10,164,218)	(4,535,055)	(860,101)
Tax expense	31	(1,084,972)	(431,187)	(1,075,804)	(385,400)
Loss after tax for the financial period/year		(30,012,099)	(10,595,405)	(5,610,859)	(1,245,501)
Other comprehensive income: - foreign currency translation		205,909	59,298	-	-
Total comprehensive loss for the financial period/year		(29,806,190)	(10,536,107)	(5,610,859)	(1,245,501)
Profit for the financial period/ year from discontinued operations		-	47,945	-	-

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

Statement of Comprehensive Income
(Cont'd)

		Group		Company	
		1.7.2023 to 31.10.2024	1.7.2022 to 30.6.2023	1.7.2023 to 31.10.2024	1.7.2022 to 30.6.2023
	Note	RM	RM	RM	RM
Loss attributable to:					
Owners of the Company					
- continuing operations		(29,402,735)	(10,379,428)	(5,610,859)	(1,245,501)
- discontinued operations		-	47,945		
		(29,402,735)	(10,331,483)	(5,610,859)	(1,245,501)
Non-controlling interests					
- continuing operations		(609,364)	(263,922)	-	-
- discontinued operations		-	-	-	-
		(609,364)	(263,922)	-	-
		(30,012,099)	(10,595,405)	(5,610,859)	(1,245,501)
Total comprehensive loss attributable to:					
Owners of the Company					
- continuing operations		(29,196,826)	(10,320,130)	(5,610,859)	(1,245,501)
- discontinued operations		-	47,945		
		(29,196,826)	(10,272,185)	(5,610,859)	(1,245,501)
Non-controlling interests					
- continuing operations		(609,364)	(263,922)	-	-
- discontinued operations		-	-	-	-
		(609,364)	(263,922)	-	-
		(29,806,190)	(10,536,107)	(5,610,859)	(1,245,501)
Loss per share (sen)					
- Basic loss per share	33	(1.92)	(0.69)		

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

Group	Share capital RM	Revaluation reserve RM	Fair value reserve RM	Warrant reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
At 1 July 2022	191,099,433	5,669,118	(248,540)	-	227,313	(84,855,555)	111,891,769	152,650	112,044,419
Issuance of share:									
- right issues	71,751,973	-	-	6,221,790	-	-	77,973,763	-	77,973,763
- warrant exercised	1,091,351	-	-	(210,789)	-	-	880,562	-	880,562
Total comprehensive loss for the financial year:									
Continuing operations									
Loss after tax	-	-	-	-	-	(10,331,483)	(10,331,483)	(263,922)	(10,595,405)
Other comprehensive income:									
- foreign currency translation differences	-	-	-	-	59,298	-	59,298	-	59,298
	-	-	-	-	59,298	(10,331,483)	(10,272,185)	(263,922)	(10,536,107)
Discountinued operations									
Profit after tax	-	-	-	-	-	47,945	47,945	-	47,945
	-	-	-	-	-	47,945	47,945	-	47,945
At 30 June 2023 and 1 July 2023	263,942,757	5,669,118	(248,540)	6,011,001	286,611	(95,139,093)	180,521,854	(111,272)	180,410,582
Total comprehensive loss for the financial period:									
Loss after tax	-	-	-	-	-	(29,402,735)	(29,402,735)	(609,364)	(30,012,099)
Other comprehensive income:									
- foreign currency translation differences	-	-	-	-	205,909	-	205,909	-	205,909
	-	-	-	-	205,909	(29,402,735)	(29,196,826)	(609,364)	(29,806,190)
At 31 October 2024	263,942,757	5,669,118	(248,540)	6,011,001	492,520	(124,541,828)	151,325,028	(720,636)	150,604,392

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

Company	Share capital RM	Fair value reserve RM	Warrant reserve RM	Accumulated losses RM	Total RM
At 1 July 2022	191,099,433	(248,540)	-	(61,860,225)	128,990,668
Issuance of shares:					
- right issue	71,751,973	-	6,221,790	-	77,973,763
- warrant exercised	1,091,351	-	(210,789)	-	880,562
Loss for the financial year	-	-	-	(1,245,501)	(1,245,501)
At 30 June 2023 and 1 July 2023	263,942,757	(248,540)	6,011,001	(63,105,726)	206,599,492
Loss for the financial period	-	-	-	(5,610,859)	(5,610,859)
At 31 October 2024	263,942,757	(248,540)	6,011,001	(68,716,585)	200,988,633

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2024

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Cash flows from operating activities				
Loss before tax	(28,927,127)	(10,164,218)	(4,535,055)	(860,101)
Adjustments for:				
Amortisation of intangible assets	4,621,600	1,009,600	-	-
Amortisation of right-of-use assets	167,080	123,221	57,248	42,135
Bad debts written off	16,165	1,073,295	-	-
Depreciation of property, plant and equipments	519,086	423,460	-	-
Gain on disposal of property, plant and equipment	-	14,000	-	-
Gain on revaluation of investment properties	(79,560)	-	-	-
Impairment losses:				
- amount due from contract customers	374,750	-	-	-
- fixed deposits with a cooperative	6,347,288	-	6,347,288	-
- intangible assets	11,197,904	2,963,170	-	-
- other receivables	1,381,522	283,102	-	-
- property development cost	1,860,304	-	-	-
- property, plant and equipment	1,915,163	-	-	-
- trade receivables	1,454,138	-	-	-
Interest expense	961,000	398,258	106,493	56,571
Interest income	(5,303,914)	(3,266,003)	(5,131,086)	(2,828,259)
Loss on changes in fair value of quoted investment	1,956,202	1,200,630	1,956,202	1,200,630
Loss on discontinued operations	-	47,945	-	-
Loss on disposal of quoted shares	25,248	974,968	25,248	942,473
Loss on disposal of other investment	-	529,622	-	-
Loss on lease modification	-	47	-	-
Property, plant and equipmnt written off	-	7,375	-	-
Provision for contract loss	281,213	-	-	-
Reversal of impairment loss:				
- trade receivables	(448,298)	(1,395,720)	-	-
- amount due from subsidiary	-	-	(20,152)	-
Operating loss before changes in working capital	(1,680,236)	(5,777,248)	(1,193,814)	(1,446,551)

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

Statement of Cash Flows
(Cont'd)

	Group		Company	
	1.7.2023 to 31.10.2024	**1.7.2022 to 30.6.2023**	**1.7.2023 to 31.10.2024**	**1.7.2022 to 30.6.2023**
	RM	**RM**	**RM**	**RM**
Cash flows from operating activities (cont'd)				
Operating loss before changes in working capital	(1,680,236)	(5,777,248)	(1,193,814)	(1,446,551)
Changes in:				
Amount due from contract customers	(21,858)	(2,790,491)	-	-
Inventories	437,919	114,129	-	-
Trade receivables	4,702,003	(278,371)	-	-
Other receivable and deposits	(14,655,070)	(666,014)	53,911	(367,695)
Trade payables	2,469,359	(1,713,028)	-	-
Other payables and accruals	(264,414)	(73,936,636)	338,949	(76,832,015)
Cash used in operations	(9,012,297)	(85,047,659)	(800,954)	(78,646,261)
Tax paid	(43,649)	(510,705)	-	(385,770)
Net cash used in operating activities	(9,055,946)	(85,558,364)	(800,954)	(79,032,031)
Cash flows from investing activities				
Acquisition of intangible assets	(22,200)	(120,274)	-	-
Acquisition of property, plant and equipment	(20,913)	(1,762,841)	-	-
Acquisition of quoted shares	(900,005)	(9,063,680)	(900,005)	(9,063,680)
Capital contribution in a subsidiary company	-	-	(6,105,610)	-
Interest received	5,303,914	3,266,003	5,131,086	2,828,259
Withdrawal/(Placement) of fixed deposits	4,119,479	4,549,626	(3,226,325)	3,124,520
Proceeds from disposal of property, plant and equipment	-	28,000	-	-
Proceeds from disposal of quoted shares	524,423	3,689,402	524,423	3,655,856
Net cash from/(used in) investing activities	9,004,698	586,236	(4,576,431)	544,955

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

Statement of Cash Flows
(Cont'd)

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Cash flows from financing activities				
Repayment from/(Advances to) subsidiary companies	-	-	5,526,026	(6,416,427)
Net proceeds from bankers' acceptance	1,144,752	2,047,316	-	-
Interest on lease liabilities	(13,141)	(14,088)	(1,909)	(3,309)
Interest on bank borrowings	(947,859)	(384,170)	(104,584)	(53,262)
Proceeds from issuance of share capital	-	78,854,325	-	78,854,325
(Repayment to)/Advances from a director	(956,701)	638,070	(956,702)	638,070
Changes in margin financing	1,086,410	(349,614)	1,086,410	(349,614)
Repayment of lease liabilities	(130,915)	(92,303)	(58,890)	(42,291)
Net cash from financing activities	182,546	80,699,536	5,490,351	72,627,492
Net increase/(decrease) in cash and cash equivalents	131,298	(4,272,592)	112,966	(5,859,584)
Effect of exchange rate differences	209,736	(2,684)	-	-
Cash and cash equivalents at the beginning of the financial period/year	(3,223,433)	1,051,843	90,832	5,950,416
Cash and cash equivalents at end of financial period/year (Note 18)	(2,882,399)	(3,223,433)	203,798	90,832

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

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as set out in Note 9. There were no significant changes in the nature of these activities during the financial period.

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

The address of the registered office of the Company is E-10-4, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur.

Malaysia The address of the principal place of business of the Company is No. 2, Jalan Astaka U8/83, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year.

2.2 Material new accounting policy information

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

Although the amendments did no result in any changes to the Group's and Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the standards that have been issued but not yet effective. The directors expect that the adoption of these standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

2. BASIS OF PREPARATION (CONT'D)

2.4 Basis of measurement

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

2.5 Use of estimates and judgements

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

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

2.6 Use of estimates and judgements

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and Company's functional currency. All information is presented in RM, unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

All material accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint ventures used in the preparation of consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structure entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquiree.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group losses control of the acquirees.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(a) Subsidiaries and business combination (cont'd)

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

(i) the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

(ii) the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus

(iii) if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less

(iv) the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred equity to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combinations occur, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets and liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(a) Subsidiaries and business combination (cont'd)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiaries from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains an interest in the former subsidiaries, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in loss of control accounted for as equity transactions. The different between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.
Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.
When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(c) Associates (cont'd)

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

(d) Translations eliminated on consolidation

Inter-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.
Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statement

In the Company's statement of financial position, investment in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.14(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transaction and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions. All exchange differences are taken to profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transaction and operations (cont'd)

(a) Translation of foreign currency transactions (cont'd)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

Cost of assets, includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent costs

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

(c) Depreciation

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful life.

Freehold land is determined to have an indefinite useful life. Hence, it is not subject to depreciation.

	Method	Useful life (year)
Freehold buildings	Straight-line	50
Motor vehicles	Straight-line	5
Fittings and equipment	Straight-line	3 to 5
Renovation	Straight-line	25

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(d) Derecognition

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

3.5 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.22.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.6 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Intangible assets

(a) Research and development costs

Research costs are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

(b) Amortisation

The amortisation methods used and the estimated useful life are as follows:

	Method	Useful life (year)
Database system	Straight-line	5
Website and mobile application	Straight-line	2

The residual values, useful life and amortisation methods are reviewed at the end of each reporting period.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing the inventories to their present location and condition are accounted for as follow:

- Trading goods: purchase costs on a first-in first-out basis.

- Cost of building automation equipment and parts: costs of direct costs are assigned on a weighted average cost basis.

Net realisable value is the estimate of the selling price less the estimated cost of selling expenses. Write down is made where necessary for damage, obsolete and slow-moving inventories.

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed the customers.

3.10 Cash and cash equivalent

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Property development cost

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognized in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Property development cost (cont'd)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognized only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognized as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defect's liability period, is recognized as an expense immediately.

Property development costs not recognized as an expense are recognized as an asset, which is measured at the lower of cost and net realizable value.

The excess or revenue recognized in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognized in profit or loss is classified as progress billings within trade payables.

3.12 Amount due from/to contract customers

Construction contracts are stated at cost plus attributable profits less applicable progress billings and allowances for foreseeable losses, if any.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activities at the reporting date. The stage of completion is determined by the actual costs incurred for work performed to-date in relation to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to contract customers.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company becomes a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component of for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risk of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirely as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categories the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurements, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains or losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains or losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics for the financial assets.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

(i) Financial assets (cont'd)

The Group and the Company reclassifies financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. These are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognized, modified or impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.14(a).

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycle to profit or loss. The policy for the recognition and measurement of impairment is in accordance with Note 3.14(a).

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Debt instruments (cont'd)

- **Fair value through profit or loss (FVPL)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group and the Company subsequently measures all equity investments at fair value. Upon initial recognition, the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

(ii) Financial liabilities

The Group and the Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

  Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company has not designated any financial liability as at fair value through profit or loss.

- **Financial liabilities at amortised cost**

  Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments (cont'd)

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group and the Company has transferred its rights to receive cash flows from the asset or have assumed on obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to extent of their continuing involvement. In that case, the Group and the Company also recognises an associate liability. The transferred asset and the associate liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Financial instruments (cont'd)

(d) Offsetting of financial instruments (cont'd)

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.14 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), lease receivables or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measures loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group and the Company applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of assets (cont'd)

(a) Impairment of financial assets (cont'd)

The Group and the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or

- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default of past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of assets (cont'd)

(a) Impairment of financial assets (cont'd)

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events: (cont'd)

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.14 Impairment of assets (cont'd)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and of the Company makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.16 Share-based payment

Share-based payments are measured at grant date fair value. For share options granted to employees, in many cases market prices are not available and therefore the fair value of the options granted shall be estimated by applying an option pricing model. Option pricing models need input data such as expected volatility of the share price, expected dividends or the risk-free interest rate for the life of the option. The overall objective is to approximate the expectations that would be reflected in a current market or negotiated exchange price for the option. Such assumptions are subject to judgements and may turn out to be significantly different than expected.

Fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of equity instruments that will eventually vest. The estimate of the number of equity instruments expected to vest is revised by the Group and the Company at the end of each reporting period through settlement. Revisions of the original estimates, if any, is recognised in profit or loss so that the cumulative expense includes the revised estimate, with the corresponding adjustment to the reserve for employee equity-settled benefits.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.17 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.18 Related parties

A party is related to an entity if: -

(a) directly, or indirectly through one or more intermediaries, the party: -

   (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiary companies and fellow subsidiary companies);
   (ii) has an interest in the entity that gives it significant influence over the entity; or
   (iii) has joint control over the entity;

(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venture;
(d) the party is a member of the key senior management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the entity is a post-employment benefit plan for the benefit of the employees of either the Group and the Company or an entity related to the Group and the Company. If the Gorup and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.18 Related parties (cont'd)

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key senior management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key senior management personnel include all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

3.19 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group measures revenue at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the expected cost-plus margin approach.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.19 Revenue and other income (cont'd)

(a) Sales of goods

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of due from the date of invoices, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

When consideration is collected from customer in advance for sale of goods, an advance from customers is recognised for the customer deposits. Advance from customers would be recognised as revenue upon sale of goods to the customer.

(b) Engineering contracts

Revenue from contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on estimated total project costs incurred to date over the year.

(c) Rending of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(d) Interest income

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

(e) Property development

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.19 Revenue and other income (cont'd)

(e) Property development (cont'd)

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

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

3.20 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial period, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.20 Income tax (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3.21 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.22 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.22 Borrowing costs (cont'd)

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.23 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.24 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decision.

3.25 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.25 Fair value measurements (cont'd)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.27 Leases

As lessee

The Group and the Company recognized a right-of-use assets ("ROU") and a lease liabilities at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the restore the underlying asset or site on which it is located, lease incentives received.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.27 Leases (cont'd)

As lessee (cont'd)

The ROU asset is subsequently measured at cost less any accumulated depreciated, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3.14(b) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful life of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

	Method	Useful life
Motor vehicles	Straight-line	5 years
Buildings	Straight-line	Over the remaining lease term

The ROU assets are subject to impairment.

The lease liabilities are initially measured at the present value of future lease payments at the commencement date, discounted using the respective entities' incremental borrowing rates. Lease payments included in the measurement of the lease liabilities include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognized as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liabilities is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option.

As lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.27 Leases (cont'd)

As lessor (cont'd)

The Group and the Company recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they earned.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) *Depreciation of property, plant and equipment and right-of-use assets*

As disclosed in Note 3.4, the Group review the residual values, useful life and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful life and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's property, plant and equipment and right-of-use assets are disclosed in Note 5 and Note 6.

(b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group and the Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are depending on the number of days that a trade receivable is past due. The Group and the Company uses the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

The provision matrix is initially based on the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial period include the following: (cont'd)

(b) Impairment of financial assets (cont'd)

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a material estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected life of the financial assets. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets is disclosed in Note 37(a).

(c) Measurement of income taxes

The Group and the Company operates in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the Company's estimation for current and deferred taxes because the ultimate tax liability for the Group and the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and the Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Group and the Company is disclosed in Note 31.

(d) Write down of obsolete or slow-moving inventories

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

The carrying amounts of the Group's inventories are disclosed in Note 12.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial period include the following: (cont'd)

(e) Impairment of non-financial assets

The Group and the Company assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the non-financial assets are disclosed in Notes 5, 6, 7, 8, 9, 10, 11 and 12.

(f) Engineering contracts

The Group recognised engineering contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by reference to the proportion of progress billing for work performed to date to the total project value.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as recoverability of the contract costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists and status of negotiation with the counterparties.

The carrying amounts of amount due from contract customers are disclosed in Note 13.

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	At valuation		Cost			
Group	**Freehold Land RM**	**Freehold building RM**	**Furniture, office equipmnet and computer RM**	**Motor vehicles RM**	**Renovation RM**	**Total RM**
Cost/Valuation						
At 1 July 2022	5,613,114	2,579,795	2,006,855	521,806	1,549,534	12,271,104
Additions	-	-	1,762,841	-	-	1,762,841
Write off	-	-	(12,827)	-	-	(12,827)
Diposals	-	-	-	(70,000)	-	(70,000)
Foreign currency differences	-	-	4,029	-	-	4,029
At 30 June 2023 and 1 July 2023	5,613,114	2,579,795	3,760,898	451,806	1,549,534	13,955,147
Additions	-	-	20,913	-	-	20,913
Foreign currency differences	-	-	(1,907)	-	-	(1,907)
At 31 October 2024	5,613,114	2,579,795	3,779,904	451,806	1,549,534	13,974,153

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

	Freehold Land RM	Freehold building RM	Furniture, office equipmnet and computer RM	Motor vehicles RM	Renovation RM	Total RM
Less: Accumulated depreciation and impairment						
At 1 July 2022	-	420,761	1,654,037	126,572	691,325	2,892,695
Charges for the financial year	-	51,596	143,937	88,100	139,827	423,460
Write off	-	-	-	(28,000)	-	(28,000)
Diposals	-	-	(5,452)	-	-	(5,452)
Foreign currency differences	-	-	1,345	-	-	1,345
At 30 June 2023 and 1 July 2023	-	472,357	1,793,867	186,672	831,152	3,284,048
Charges for the financial period	-	68,795	160,384	103,472	186,435	519,086
Impairment	-	-	1,752,985	-	162,178	1,915,163
Foreign currency differences	-	-	1,920	-	-	1,920
At 31 October 2024	-	541,152	3,709,156	290,144	1,179,765	5,720,217
Net carrying amount						
At 30 June 2023	5,613,114	2,107,438	1,967,031	265,134	718,382	10,671,099
At 31 October 2024	5,613,114	2,038,643	70,748	161,662	369,769	8,253,936

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

(a) During the financial period, the Group acquired property, plant and equipment by following means:

	Group	
	31.10.2024	**30.6.2023**
	RM	**RM**
Cash acquisition	20,913	1,762,841

(b) Management determined that the freehold land and buildings constitute a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the freehold land and buildings was determined using the market/comparison method. For valuation using market/comparison method, valuations performed by independent professional valuer are based on transacted marketed prices, adjusted for differences in location, size, tenure and other differences of the specific land and buildings.

(c) The net carrying amount of the property, plant and equipment pledged for credit facilities are as follows:

	Group	
	31.10.2024	**30.6.2023**
	RM	**RM**
Freehold land	5,613,114	5,613,114
Freehold building	2,038,643	2,107,438
	7,651,757	7,720,552

6. RIGHT-OF-USE ASSTS

Group	Motor vehicle RM	Building RM	Total RM
Cost			
At 1 July 2022	283,000	165,874	448,874
Remeasurement	-	1,653	1,653
At 30 June 2023 and 1 July 2023	283,000	167,527	450,527
Addition	-	71,065	71,065
At 31 October 2024	283,000	238,592	521,592
Accumulated amortisation			
At 1 July 2022	108,482	53,758	162,240
Charge for the financial year	56,600	66,621	123,221
At 30 June 2023 and 1 July 2023	165,082	120,379	285,461
Charge for the financial period	75,467	91,613	167,080
At 31 October 2024	240,549	211,992	452,541
Net carrying amount			
At 30 June 2023	117,918	47,148	165,066
At 31 October 2024	42,451	26,600	69,051

Company	Building RM	Total RM
Cost		
At 1 July 2022, 30 June 2023 and 1 July 2023	119,383	119,383
Addition	44,270	44,270
At 31 October 2024	163,653	163,653
Accumulated amortisation		
At 1 July 2022	42,135	42,135
Charge for the financial year	42,135	42,135
At 30 June 2023 and 1 July 2023	84,270	84,270
Charge for the financial period	57,248	57,248
At 31 October 2024	141,518	141,518
Net carrying amount		
At 30 June 2023	35,113	35,113
At 31 October 2024	22,135	22,135

7. INVESTMENT PROPERTIES

Group	At fair value			At cost	
	Freehold land	Freehold building	Leasehold building	Building in progress	Total
	RM	RM	RM	RM	RM
Cost/Valuation	*(Fair value)*	*(Fair value)*	*(Fair value)*	*(Cost)*	
At 1 July 2022 and 1 July 2023	290,000	121,600	379,751	3,013,868	3,805,219
Changes in fair value	(50,000)	138,400	-	-	88,400
At 31 October 2024	240,000	260,000	379,751	3,013,868	3,893,619
Less: Accumulated impairment					
At 1 July 2022, 30 June 2023, 1 July 2023 and 31 October 2024	-	-	379,751	-	379,751
Net carrying amount					
At 30 June 2023	290,000	121,600	-	3,013,868	3,425,468
At 31 October 2024	240,000	260,000	-	3,013,868	3,513,868

Fair value of the freehold land, freehold and leasehold building was determined using the market/comparison method. For valuation using market/comparison method, it was performed by independent professional valuer and are based on transacted market prices, adjusted for differences in location, size, tenure and other differences of the specific land and buildings.

The building in progress is expected to complete in first half of 2025.

8. INTANGIBLE ASSETS

Group	Software under development RM	Database system RM	E-commerce software RM	Website and mobile application RM	Total RM
Cost					
At 1 July 2022	-	18,000	14,050,000	10,060,000	24,128,000
Addition	111,074	-	-	9,200	120,274
At 30 June 2023 and 1 July 2023	111,074	18,000	14,050,000	10,069,200	24,248,274
Addition	-	-	-	22,200	22,200
At 31 October 2024	111,074	18,000	14,050,000	10,091,400	24,270,474
Less: Accumulated depreciation					
At 1 July 2022	-	3,600	-	1,006,000	1,009,600
Charge for the financial year	-	3,600	-	1,006,000	1,009,600
At 30 June 2023 and 1 July 2023	-	7,200	-	2,012,000	2,019,200
Charge for the financial period	-	4,800	-	4,616,800	4,621,600
At 31 October 2024	-	12,000	-	6,628,800	6,640,800

8. INTANGIBLE ASSETS (CONT'D)

Group	Software under development RM	Database system RM	E-commerce software RM	Website and mobile application RM	Total RM
Less: Accumulated impairment					
At 1 July 2022	-	-	-	-	-
Charge for the financial year	-	-	2,963,170	-	2,963,170
At 30 June 2023 and 1 July 2023	-	-	2,963,170	-	2,963,170
Charge for the financial period	111,074	-	11,086,830	-	11,197,904
At 31 October 2024	111,074	-	14,050,000	-	14,161,074
Net carrying amount					
At 30 June 2023	111,074	10,800	11,086,830	8,057,200	19,265,904
At 31 October 2024	-	6,000	-	3,462,600	3,468,600

8. INTANGIBLE ASSETS (CONT'D)

Intangible assets represent database system, website and mobile application and e-commerce software.

Database systems and website and mobile application

Intangible assets with finite life such as database system and website and mobile application are initially measured at costs. After initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite life are amortised on a straight-line basis over their estimated useful life.

During the financial period, management have reassessed the useful life of the website and mobile application and concluded that it should be revised from remaining 8 years to 2 years. Consequently, the amortisation of the intangible assets was adjusted accordingly.

E-commerce software

The useful life of the e-commerce software is estimated to be indefinite as the management believes there is no foreseeable limit to the period over which the e-commerce software are expected to generate cash flows to the Group. The e-commerce software is initially measured at costs. After initial recognition, the e-commerce software is reviewed annually and adjusted for impairment losses where they are considered necessary.

During the financial period, the management was of the opinion that the recoverability of the e-commerce software was uncertain. As a result, a full impairment of these intangible assets was provided accordingly.

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	31.10.2024	**30.6.2023**
	RM	**RM**
Unquoted shares, at cost		
- In Malaysia	69,660,538	63,554,928
- Outside Malaysia	9,753,435	9,753,435
	79,413,973	73,308,363
Less: Accumulated impairment losses	(11,524,924)	(11,524,924)
	67,889,049	61,783,439

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

Name of subsidiary	Effective interest 31.10.2024	Effective interest 30.6.2023	Country of incorporation	Principal activities
Metronic Engineering Sdn. Bhd.	100%	100%	Malaysia	General trading and services, system integration in the field of intelligent building management systems and integrated management systems, e-project management of mechanical and electrical services, and supply of engineering systems.
Metronic Integrated Systems Sdn. Bhd.	100%	100%	Malaysia	Engaged in procurement of contracts in relation to engineering works, integrated secuirty management system and sale of engineering equipment
MGL Development Sdn. Bhd.	100%	100%	Malaysia	Property development
Metronic Smart Tech Sdn. Bhd.	100%	100%	Malaysia	Dormant
Metronic Medicare Sdn. Bhd.	100%	100%	Malaysia	Dormant

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (cont'd)

Name of subsidiary	Effective interest 31.10.2024	Effective interest 30.6.2023	Country of incorporation	Principal activities
Sinaran PPA Sdn. Bhd.	70%	70%	Malaysia	Dormant
Metronic Vietnam Company Ltd. *	100%	100%	Vietnam	Dormant
M Two Country Sdn. Bhd.	100%	100%	Malaysia	Dormant
Held via Metronic Smart Tech Sdn. Bhd.				
Metonic JF System Pte. Ltd. *	80%	80%	Singapore	Dormant
Held via Metronic Engineering Sdn. Bhd.				
MAT JV Sdn. Bhd.	50%	-	Malaysia	Dormant

* Subsidiary companies not audited by CHENGCO PLT
The financial statements of these subsidiary companies were consolidated based on the management accounts as the management is of the view that the financial position, results and cash flows of these subsidiary companies are insignificant.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances, except for those loss of control subsidiaries.

The Group's subsidiary companies which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

(a) Joint incorporation of a subsidiary company

On 1 March 2023, the Company had incorporated a 50% owned subsidiary company, MAT JV Sdn. Bhd., to undertake the business activities of general trading and services, system integration in the field of SCADA system, intelligent building management systems, e-project management of mechanical and electrical services and supply of engineering system, comprising of 50 ordinary shares with a total cast consideration of RM50.

(b) Increased investment in a subsidiary company

During the financial period, the Company had increase its investment in MGL Development Sdn. Bhd. by way of capitalisation of the intercompany balances.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Impairment loss recognised

Impairment loss was provided for investment in subsidiary companies in which these subsidiary companies had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, performance and cash flows of these subsidiary companies were not able to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiary companies.

Material partly-owned subsidiary company

The Group's subsidiary company that has material non-controlling interest is as follow:

	Effective equity interest		Loss allocated to non-controlling interest		Accumulated non-controlling interest	
	31.10.2024	30.6.2023	2024	2023	2024	2023
Name of subsidiary	%	%	RM	RM	RM	RM
Sinaran PPA Sdn. Bhd.	30	30	(590,837)	(257,224)	(905,879)	(315,042)

	Sinaran PPA Sdn. Bhd. 31.10.2024 RM	Sinaran PPA Sdn. Bhd. 30.6.2023 RM
Summarised statement of financial position		
Non-current assets	-	1,752,985
Current assets	5,312	5,356
Current liabilities	(2,024,877)	(1,808,451)
Net assets/(liabilities)	(2,019,565)	(50,110)

	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	-
Loss after tax for the financial period/year	(1,969,455)	(857,412)
Total comprehensive loss for the financial period/year	(1,969,455)	(857,412)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Material partly-owned subsidiary company (cont'd)

	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Summarised statement of cash flows		
Net cash used in operating activities	(183,901)	(586,341)
Net cash used in investing activities	-	(1,752,985)
Net cash from financing activities	183,857	2,343,790
Net (decrease)/increase in cash and cash equivalents	(44)	4,464

10. OTHER INVESTMENTS

Group and Company	Unquoted shares RM	Quoted shares RM	REIT RM	Total RM
31.10.2024				
At cost	144,897	-	-	144,897
Less: Accumulated impairment losses	(144,897)	-	-	(144,897)
	-	-	-	-
At fair vlaue through other comprehensive income	-	-	1,224,211	1,224,211
Fair value through profit or loss	-	3,920,500	-	3,920,500
	-	3,920,500	1,224,211	5,144,711

10. OTHER INVESTMENTS (CONT'D)

Group and Company	Unquoted shares RM	Quoted shares RM	REIT RM	Total RM
30.6.2023				
At cost	144,897	-	-	144,897
Less: Accumulated impairment losses	(144,897)	-	-	(144,897)
	-	-	-	-
At fair vlaue through other comprehensive income	-		1,224,211	1,224,211
Fair value through profit or loss	-	5,526,368	-	5,526,368
	-	5,526,368	1,224,211	6,750,579

Investment in unquoted shares of the Group and the Company are measured at cost less impairment losses.

Investment in quoted shares of the Group and of the Company are designated as fair value through profit or loss ("FVTPL") financial assets and are measured at fair value.

Investment in real estate investment trusts ('REIT') of the Group and of the Company are designated as fair value through other comprehensive income financial assets ("FVTOCI") are stated at fair value.

Impairment losses on investment in quoted shares

The Group and the Company assessed the fair value of investment in quoted shares and determined that an impairment loss should be recognised as the fair value is lower than the carrying amount. The fair value of investment in quoted shares is determined based on the fair value of the quoted shares as at the end of the reporting period.

11. PROPERTY DEVELOPMENT COSTS

Group	Land RM	Development expenditure RM	Total RM
Cost			
At 1 July 2022, 30 June 2023, 1 July 2023 and 31 October 2024	9,908,261	13,181,710	23,089,971
Accumulated impairment losses			
At 1 July 2022, 30 June 2023 and 1 July 2023	-	11,321,406	11,321,406
Impairment loss during the financial period	-	1,860,304	1,860,304
At 31 October 2024	-	13,181,710	13,181,710
Net carrying amount			
At 30 June 2023	9,908,261	1,860,304	11,768,565
At 31 October 2024	9,908,261	-	9,908,261

Property development costs consist of a mixed development project with a total of 179 units of residential and commercial lot.

During the financial period, the mixed development project was temporarily halted. Management has assessed the recoverability of the development expenditure incurred and determined that full impairment of development expenditure is necessary. However, the land associated with the project has no been impaired, as management believes its value remains intact.

12. INVENTORIES

	Group 31.10.2024 RM	Group 30.6.2023 RM
At cost/Net realisable value:		
Building automation equipment and parts	341,202	779,121
Recognised as cost of sales (Note 27)	57,084	18,717

13. AMOUNT DUE FROM CONTRACT CUSTOMERS

	Group	
	31.10.2024	30.6.2023
	RM	RM
Contract costs incurred to date	233,854,757	209,405,284
Add: Attributable profits	49,003,553	42,742,369
	282,858,310	252,147,653
Less: Progress billings received and receivable	(275,662,693)	(244,599,144)
	7,195,617	7,548,509
Represented by:		
Amount due from contract customers	7,195,617	7,548,509
Retention sums on contracts (Note 14)	5,920,480	7,824,732

14. TRADE RECEIVABLES

	Group	
	31.10.2024	30.6.2023
	RM	RM
Trade receivables	2,549,912	5,347,663
Retention sums on contracts (Note 13)	5,920,480	7,824,732
	8,470,392	13,172,395
Less: Accumulated impairment	(2,831,413)	(1,825,573)
	5,638,979	11,346,822

The Group's normal trade credit terms granted to trade receivables ranged from 30 to 90 days (30.6.2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements of the accumulated impairment losses:

	Group	
	31.10.2024	30.6.2023
	RM	RM
At the beginning of the financial period/year	1,825,573	3,226,292
Recognition of impairment loss	1,454,138	-
Reversal of impairment loss	(448,298)	(1,400,719)
At the end of the financial period/year	2,831,413	1,825,573

14. TRADE RECEIVABLES (CONT'D)

The ageing of the receivables and provision for impairment losses provided for are as follows:

Group	Gross carrying amount RM	ECL (collectively assessed) RM	ECL (individually assesed) RM	Net balance RM
2024				
Current	609,506	(17,484)	-	592,022
Past due 1 - 30 days	42,464	(1,062)	-	41,402
Past due 31 - 60 days	62,204	(11,777)	-	50,427
Past due 61 - 90 days	407,048	(25,812)	-	381,236
Past due more than 90 days	1,428,690	(1,014)	(1,940,991)	(513,315)
Retention sum	5,920,480	(272,260)	(561,013)	5,087,207
	8,470,392	(329,409)	(2,502,004)	5,638,979
2023				
Current	2,782,545	(15,885)	-	2,766,660
Past due 1 - 30 days	371,495	(23,163)	-	348,332
Past due 31 - 60 days	97,368	(55,133)	-	42,235
Past due 61 - 90 days	108,547	-	-	108,547
Past due more than 90 days	1,987,708	(224,561)	(1,046,682)	716,465
Retention sum	7,824,732	-	(460,149)	7,364,583
	13,172,395	(318,742)	(1,506,831)	11,346,822

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above.

The Group's normal trade credit term range from 30 to 90 days (30.6.2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Other receivables	7,558,473	6,570,395	581,124	635,035
Less: Accumulated impairment	(6,396,415)	(5,014,893)	-	-
	1,162,058	1,555,502	581,124	635,035
Deposits	9,131,945	203,669	14,450	14,450
Deferred expenses	4,722,551	-	-	-
	15,016,554	1,759,171	595,574	649,485

Included in the deposits is an amount of RM9.1 million, which is related to the disclosure in Note 40.

Movements of the accumulated impairment losses:

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
At the beginning of the financial period/year	5,014,893	4,731,790	-	-
Recognition of impairment loss	1,381,522	283,103	-	-
At the end of the financial period/year	6,396,415	5,014,893	-	-

16. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	31.10.2024	**30.6.2023**
	RM	**RM**
Amount due from subsidiary companies		
- non-trade	31,602,160	37,128,186
Less: Accumulated impairment	(19,838,005)	(19,858,157)
	11,764,155	17,270,029

Amount due from subsidiary companies are unsecured, interest-free and recoverable on demand.

16. AMOUNT DUE FROM SUBSIDIARY COMPANIES (CONT'D)

Movements of the accumulated impairment losses:

	Company	
	31.10.2024	**30.6.2023**
	RM	**RM**
At the beginning of the financial period/year	19,858,157	19,858,157
Reversal of impairment losses	(20,152)	-
At the end of the financial period/year	19,838,005	19,858,157

17. FIXED DEPOSITS

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Fixed deposits with licensed financial institution	5,861,249	6,156,048	-	-
Fixed deposits with a cooperative licensed by Suruhanjaya Koperasi Malaysia	126,945,753	130,770,433	126,945,753	123,719,428
	132,807,002	136,926,481	126,945,753	123,719,428
Less: Expected credit loss	(6,347,288)	-	(6,347,288)	-
	126,459,714	136,926,481	120,598,465	123,719,428

The fixed deposits with licensed bank earn effective interest rate ranging from 1.45% to 2.00% (30.6.2023: 1.45% to 2.00%) per annum and have maturity of 1 to 6 months (30.6.2023: 1 to 6 months).

The fixed deposits with a cooperative represent the fixed deposit placed with Koperasi Maal Nizami Negeri Selangor ("Komani"), a cooperative licensed by Suruhanjaya Koperasi Malaysia. The fixed deposit earns effective interest rate ranging from 3.00% to 3.10% (30.6.2023: 1.95% to 3.10%) and have maturity of 3 to 6 months (30.6.2023: 3 to 6 months).

17. FIXED DEPOSITS (CONT'D)

Movement of the expected credit losses:

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
At the beginning of the financial period/year	-	-	-	-
Charge for the financial period/year	6,347,288	-	6,347,288	-
At the end of the financial period/year	6,347,288	-	6,347,288	-

18. CASH AND CASH EQUIVALENT

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Cash in hand	34,376	36	-	-
Cash at banks	651,914	468,964	203,798	90,832
	686,290	469,000	203,798	90,832

For the purpose of presenting the statements of cash flow, cash and cash equivalent comprise the following:

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Cash and bank balances	686,290	469,000	203,798	90,832
Fixed deposits	126,459,714	136,926,481	120,598,465	123,719,428
	127,146,004	137,395,481	120,802,263	123,810,260
Less:				
Bank overdraft (Note 25)	(3,568,689)	(3,692,433)	-	-
Fixed deposits pledged as security (Note 17)	(5,861,249)	(6,156,048)	-	-
Fixed deposits placed with a cooperative licensed by Suruhanjaya Koperasi Malaysia (Note 17)	(120,598,465)	(130,770,433)	(120,598,465)	(123,719,428)
	(2,882,399)	(3,223,433)	203,798	90,832

19. SHARE CAPITAL

	Company			
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	Number of ordinary shares		RM	RM
Issued and fully paid				
At the beginning of the financial period/year	1,531,096,683	216,857,919	263,942,757	191,099,433
Issued during the financial period/year:				
- Warrant exercise	-	14,676,033	-	880,562
- Right issue	-	1,299,562,731	-	71,962,762
At the end of the financial period/year	1,531,096,683	1,531,096,683	263,942,757	263,942,757

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

20. OTHER RESERVES

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Non-distributable				
Revaluation reserve (a)	5,669,118	5,669,118	-	-
Warrant reserve (b)	6,011,001	6,011,001	6,011,001	6,011,001
Fair value reserve	(248,540)	(248,540)	(248,540)	(248,540)
Foreign currency translation reserve (c)	492,520	286,611	-	-
	11,924,099	11,718,190	5,762,461	5,762,461

20. OTHER RESERVES (CONT'D)

(a) *Revaluation reserve*

The revaluation reserve represents the cumulative changes arising from the valuation of freehold land, freehold and leasehold buildings which are non-distributable.

(b) *Warrant reserve*

The warrant reserves is in respect of the fair value for free warrants issued pursuant to the right issue.

(c) *Foreign currency translation reserve*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange difference arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

21. FINANCE LEASE LIABILITIES

	Group		Company	
	31.10.2024 RM	30.6.2023 RM	31.10.2024 RM	30.6.2023 RM
At the beginning of the financial period/year	238,187	328,790	37,059	79,351
Addition	71,065	-	44,270	-
Modification of lease	-	1,700	-	-
Accretion of interest	13,141	14,088	1,909	3,308
Payments	(144,056)	(106,391)	(60,799)	(45,600)
	178,337	238,187	22,439	37,059
Future minimum lease payments				
Not later than one year	62,692	86,492	22,800	38,000
Later than one year but not later than five years	132,204	141,168	-	-
Later than five years	-	38,092	-	-
	194,896	265,752	22,800	38,000
Less: Future finance charges	(16,559)	(27,565)	(361)	(941)
	178,337	238,187	22,439	37,059
Present value of lease payments				
Current				
- Not later than one year	56,255	77,421	22,439	37,059
Non-current				
- Later than one year but not later than five years	122,082	123,564	-	-
- Later than 5 years	-	37,202	-	-
	122,082	160,766	-	-
	178,337	238,187	22,439	37,059

The finance lease liabilities bear effective interest rates ranging from 2.46% to 5.50% (30.6.2023: 2.46% to 5.50%) per annum.

22. TRADE PAYABLES

	Group	
	31.10.2024	30.6.2023
	RM	RM
Trade payables	11,525,137	9,055,778

The normal trade credit terms granted by trade payables to the Group ranged from 30 to 90 days (30.6.2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Other payables	5,409,784	5,920,734	1,409,363	1,126,683
Accruals	2,010,409	1,795,975	1,501,716	1,477,549
Deposit received	2,714,867	2,714,867	-	-
Deferred income	639,034	639,034	-	-
Provision for contract loss	281,213	-	-	-
	11,055,307	11,070,610	2,911,079	2,604,232

24. AMOUNT DUE TO A DIRECTOR

Amount due to a director are non-trade in nature, unsecured, interest-free and repayable on demand.

25. SHORT-TERM BORROWINGS

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Bank overdrafts	3,568,689	3,692,433	-	-
Bankers' acceptance	6,514,089	5,369,337	-	-
Margin financing	1,373,012	286,602	1,373,012	286,602
	11,455,790	9,348,372	1,373,012	286,602

25. BANK BORROWINGS (CONT'D)

As at 31 October 2024, the Group has bank facilities amounted to RM30,000,000 (30.6.2023: RM23,500,000). The bank overdraft and bankers' acceptances are secured as follows:

(i) Legal charge on the freehold land and buildings as mentioned in Note 5;
(ii) Pledged of fixed deposits with licensed bank as mentioned in Note 17; and
(iii) Corporate guarantee for RM30,000,000 executed by the Group to its subsidiaries.

The borrowings bear effective interest rates ranging from 2.20% to 8.50% (30.6.2023: 2.20% to 8.50%) per annum.

The margin financing granted by securities company is secured by quoted shares as disclosed in Note 10 and bear the interest of 9.50% (30.6.2023: 9.50%) per annum.

26. REVENUE

	Group	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Contract Work	30,710,657	32,514,679
Maintenance services	5,117,287	3,537,484
Sale of equipment	439,771	72,990
	36,267,715	36,125,153
Timing of transfer of goods or services		
Point in time	5,557,058	2,511,250
Over time	30,710,657	33,613,903
	36,267,715	36,125,153
Geograhpical market		
Malaysia	36,267,715	36,125,153

27. COST OF SALES

	Group	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Contract Work	24,449,473	29,111,363
Maintenance services	1,157,081	1,437,321
Cost of equipment sold	57,084	18,717
	25,663,638	30,567,401

28. OTHER OPERATING INCOME

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Fixed deposits interest	5,303,914	3,266,003	5,131,086	2,828,259
Gain on revaluation of investment properties	79,560	-	-	-
Other income	219,828	143,413	156,978	133,446
Reversal of impairment losses:				
- trade receivables	448,298	1,400,719	-	-
- amount due from subsidiary company	-	-	20,152	-
Waiver of debt	645,000	-	645,000	-
	6,696,600	4,810,135	5,953,216	2,961,705

29. FINANCE COSTS

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Bank overdraft interests	572,217	296,998	-	-
Bankers' acceptance interests	271,058	33,910	-	-
Lease liabilities interest	13,141	14,088	1,909	3,309
Margin financing interest	104,584	53,262	104,584	53,262
	961,000	398,258	106,493	56,571

30. LOSS BEFORE TAX

	Group		Company	
	1.7.2023 to 31.10.2024 RM	**1.7.2022 to 30.6.2023 RM**	**1.7.2023 to 31.10.2024 RM**	**1.7.2022 to 30.6.2023 RM**
Loss before tax is stated after charging / (crediting):				
Auditors remuneration:				
Statutory audit - current	223,264	184,588	88,000	74,000
Statutory audit - over provision in prior financial year	-	-	-	(2,000)
Other services	15,000	5,000	15,000	5,000
Amortisation of intangible assets (Note 8)	4,621,600	1,009,600	-	-
Amortisation of right-of-use assets (Note 6)	167,080	123,221	57,248	42,135
Bad debts written off	16,165	1,073,295	-	-
Depreciation of property, plant and equipment (Note 5)	519,086	423,460	-	-
Impairment losses on:				
- amount due from subsidiary companies	374,750	-	-	-
- fixed deposits with a cooperative	6,347,288	-	6,347,288	-
- other receivables	1,381,522	283,103	-	-
- intangible assets	11,197,904	2,963,170	-	-
- property, plant and equipment	1,915,163	-	-	-
- trade receivables	1,454,138	-		-
Loss on disposal of property, plant and equipment	-	14,000	-	-

30. LOSS BEFORE TAX (CONT'D)

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Loss before tax is stated after charging / (crediting): (cont'd)				
Loss on disposal of quoted shares	25,248	1,504,590	25,248	942,473
Loss on foreign exchange - unrealised	15,783	11,077	15,783	-
Loss on changes in fair value of quoted shares	1,956,202	1,200,630	-	1,200,630
Provision for loss	281,213	-	-	-
Rental	-	-	16,000	13,000
Write off:				
- property, plant and equipment	-	7,375	-	-

31. TAX EXPENSE

(a) Major components of tax expense/(credit)

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Current taxation:				
- current financial year	1,127,400	434,165	1,099,800	385,400
- overprovision in prior financial year	(33,588)	(2,978)	(23,996)	-
- RPGT	(8,840)	-	-	-
	1,084,972	431,187	1,075,804	385,400

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period.

31. TAX EXPENSE (CONT'D)

(a) Major components of tax expense/(credit) (cont'd)

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. There was no tax for the foreign subsidiary companies in Vietnam and Singapore as they were in a tax loss position for the current financial period.

(b) Relationship between tax expense and accounting loss

The reconciliation from the tax amount of the statutory income tax rate to the Group's and Company's tax expenses are as follows:

	Group		Company	
	1.7.2023 to 31.10.2024 RM	**1.7.2022 to 30.6.2023 RM**	**1.7.2023 to 31.10.2024 RM**	**1.7.2022 to 30.6.2023 RM**
Loss before tax	(28,927,127)	(10,164,218)	(4,535,055)	(860,101)
Tax at statutory rate of 24%	(6,942,510)	(2,427,906)	(1,088,413)	(206,424)
Effect of expenses not deductible for tax purposes	8,007,673	2,219,182	2,188,213	591,824
Income not subject to tax	(26,844)	(93,638)	-	-
Balancing charge	-	20,000	-	-
Overprovision of income tax in prior financial year	(33,588)	(2,978)	(23,996)	-
RPGT	(8,840)	-	-	-
Deferred tax assets not recognised during the financial period/year	89,081	716,527	-	-
	1,084,972	431,187	1,075,804	385,400

31. TAX EXPENSE (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	1.7.2023 to 31.10.2024 RM	**1.7.2022 to 30.6.2023 RM**	**1.7.2023 to 31.10.2024 RM**	**1.7.2022 to 30.6.2023 RM**
Property, plant and equipment	(127,938)	(249,164)	-	-
Unutilised tax losses	16,099,866	16,122,300	-	-
Unabsorbed capital allowance	244,516	106,774	-	-
	16,216,444	15,979,910	-	-

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profits of the Group or of the Company will be available against which the deductible temporary differences can be utilised.

Unutilised tax losses arising from Year of Assessment 2022 can be carried forward for a period 10 years for set off against future taxable profits. However, unutilised tax losses which arose up to the Year of Assessment 2022 to be utilised up to the Year of Assessment 2032.

32. STAFF COSTS

	Group		Company	
	1.7.2023 to 31.10.2024 RM	**1.7.2022 to 30.6.2023 RM**	**1.7.2023 to 31.10.2024 RM**	**1.7.2022 to 30.6.2023 RM**
Salaries, wages and allowances	7,343,574	5,577,231	-	-
Defined contributin plan	861,617	732,449	-	-
Other employees benefits	295,691	526,453	-	-
	8,500,882	6,836,133	-	-

33. LOSS PER SHARE

Basic loss per share

The basic earnings per ordinary share as at 31 October 2024 is arrived at by dividing the Group's earnings attributable to the owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	31.10.2024	**30.6.2023**
	RM	**RM**
Loss attributable to owners of the Company	(29,402,735)	(10,331,483)
Weighted average number of ordinary shares issued	1,531,096,683	1,486,657,419
Basic loss per share (sen)	(1.92)	(0.69)

Diluted loss per share

The loss per share amount is not adjusted for the following ordinary share transactions occurred during financial period to the date of report:

(i) issue of new ordinary shares and new warrants; and
(ii) the conversion warrants into new ordinary shares.

This is because such transactions do not affect the amount capital used to produce profit or loss for the financial period.

34. OPERATING SEGMENTS

For management purpose, the Group segment reporting format is determined to be geographical as the Group's risks and rates of return are affected predominantly by the location of where revenue is generated. The Group's geographical segments are divided into two categories.

(i) Malaysia

The operations in this area are system integration specialising in the field of intelligent building management system and integrated security management system, e-project management of mechanical and electrical services, supply of engineering systems and equipment, and marketing and distribution of intelligent healthcare.

34. OPERATING SEGMENTS (CONT'D)

For management purpose, the Group segment reporting format is determined to be geographical as the Group's risks and rates of return are affected predominantly by the location of where revenue is generated. The Group's geographical segments are divided into two categories. (cont'd)

(ii) Overseas

The Group has subsidiaries companies and branch in Vietnam, India, People's Republic of China, Singapore and United Arab Emirates. The companies were previously involved in the system integration specialising in the field of intelligent building management system and integrated security management system and supply of engineering systems and equipment. However, all overseas subsidiaries have ceased their operation except MJFS which has not commenced since its date of incorporation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements. Transfer pricing between operating segments is on arm's length basis in a manner similar to transactions with third parties.

The following table provides an analysis of the Group's revenue, results, assets and liabilities by geographical segment.

	Note	Malaysia	Overseas	Elimination	Total
Group		**RM**	**RM**	**RM**	**RM**
1.7.2023 to 31.10.2024					
Revenue					
Sales to external customers		36,267,715	-	-	36,267,715
Group revenue	***A***				36,267,715
Results	***B***				
Segment results		(35,099,405)	(92,636)	-	(35,192,041)
Interest income		5,303,914	-	-	5,303,914
Interest expenses		961,000	-	-	961,000
Loss before tax		(28,834,491)	(92,636)	-	(28,927,127)
Tax epxenses		(1,084,972)	-	-	(1,084,972)
Loss after tax		(29,919,463)	(92,636)	-	(30,012,099)
Assets	***C***				
Segment assets		269,974,243	1,229,382	(85,506,842)	185,696,783

34. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by geographical segment.(cont'd)

Group	Note	Malaysia RM	Overseas RM	Elimination RM	Total RM
1.7.2023 to 31.10.2024					
Other segment information					
Amortisation of intangible assets		4,621,600	-	-	4,621,600
Amortisation of right-of-use assets		167,080	-	-	167,080
Bad debts written off		16,165	-	-	16,165
Depreciation of property, plant and equipment		519,086	-	-	519,086
Gain on revaluation of investment properties		(79,560)	-	-	(79,560)
Impairment losses:					
- amount due from subsidiary company		374,750	-	(374,750)	-
- fixed deposits with a cooperative		6,347,288	-	-	6,347,288
- other receivables		1,381,522	-	-	1,381,522
- intangible assets		11,197,904	-	-	11,197,904
- property development cost		1,860,304	-	-	1,860,304
- property, plant and equipment		1,915,163	-	-	1,915,163
- trade receivables		1,454,138	-	-	1,454,138
Loss on disposal of quoted shares		25,248	-	-	25,248
Loss on foreign exchange - unrealised		15,783	-	-	15,783
Loss on changes in fair value of quoted shares		1,956,202	-	-	1,956,202
Provision for loss		281,213	-	-	281,213
Rental		16,000	-	(16,000)	-
Reversal of impairment losses:					
- trade receivables		(448,298)	-	-	(448,298)

34. OPERATING SEGMENTS (CONT'D)

<u>**Group**</u> **1.7.2022 to 30.6.2023**	*Note*	**Malaysia** **RM**	**Overseas** **RM**	**Elimination** **RM**	**Total** **RM**
Revenue					
Continuing operations					
Sales to external customers		36,125,153	-	-	36,125,153
Total revenue		36,125,153	-	-	36,125,153
Group revenue	*A*				36,125,153
Results					
Segment results	*B*	(13,337,143)	(33,492)	338,672	(13,031,963)
Interest income		3,266,003	-	-	3,266,003
Interest expense		(398,258)	-	-	(398,258)
Loss before tax		(10,469,398)	(33,492)	338,672	(10,164,218)
Tax expense		(431,187)	-	-	(431,187)
Loss after tax		(10,900,585)	(33,492)	338,672	(10,595,405)
Assets					
Segment assets	*C*	211,073,502	29,157	-	211,102,659
Other segment information					
Amortisation of intangible assets		(1,009,600)	-	-	(1,009,600)
Bad debts written-off		(1,073,295)	-	-	(1,073,295)
Depreciation of property, plant and equipment		(414,741)	(9,719)	-	(424,460)
Depreciation of right-of-use assets		(123,221)	-	-	(123,221)
Loss on disposal of property, plant and equipment		(14,000)	-	-	(14,000)
Impairment losses on:					
- other receivable		(283,102)	-	-	(283,102)
- intangible assets		(2,963,170)	-	-	(2,963,170)
Loss on foreign exchange - unrealised		(11,077)	-	-	(11,077)
Loss on disposal of quoted shares classified as fair value through profit or loss		(1,504,590)	-	-	(1,504,590)
Loss on changes in fair value of investment in quoted shares		(1,200,630)	-	-	(1,200,630)
Reversal of impairment losses:					
- trade receivables		1,395,720	-	-	1,395,720
Written-off on:					
- property, plant and equipment		(7,375)	-	-	(7,375)

34. OPERATING SEGMENTS (CONT'D)

The Group's revenue is derived from numerous customers and there is no one major customer that contributes significantly to the revenue during the current financial period.

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements are as follows:

A Inter-segment revenues are eliminated on consolidation.

B Inter-segment results are eliminated on consolidation.

C Inter-segment assets are eliminated on consolidation.

35. RELATED PARTY TRANSACTION

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key senior management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key senior management personnel services to the Group. The key senior management personnel include all the Directors of the Group and certain members of senior management of the Group.

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below.

35. RELATED PARTY TRANSACTION (CONT'D)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial period/year:

	Group		Company	
	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM	1.7.2023 to 31.10.2024 RM	1.7.2022 to 30.6.2023 RM
Short-term lease paid to a subsidiary company	-	-	16,000	12,000
Key management personnel compensation:				
Salaries and allowances	852,821	545,807	852,821	545,807
Director fees	245,000	305,000	245,000	170,000
Defined contribution plan	15,840	-	15,840	-
Other benefits	3,515	40,815	3,515	40,815
	1,117,176	891,622	1,117,176	756,622

The related party is related by the Group has investment and has common key senior management personnel in the holding company of the entity.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 1.7.2023	Financing cash flows	New lease	At 31.10.2024
	RM	RM	RM	RM
Group				
Amount due to director	979,130	(956,701)	-	22,429
Bankers' acceptance	5,369,337	1,144,752	-	6,514,089
Finance lease liabilities	238,187	(130,915)	71,065	178,337
Margin financing	286,602	1,086,410	-	1,373,012
	6,873,256	1,143,546	71,065	8,087,867
Company				
Amount due to director	956,702	(956,702)	-	-
Finance lease liabilities	37,059	(58,890)	44,270	22,439
Margin financing	286,602	1,086,410	-	1,373,012
	1,280,363	70,818	44,270	1,395,451

	At 1.7.2022	Financing cash flows	New lease	At 30.6.2023
	RM	RM	RM	RM
Group				
Amount due to director	341,060	638,070	-	979,130
Bankers' acceptance	3,322,022	2,047,315	-	5,369,337
Finance lease liabilities	328,790	(90,603)	-	238,187
Margin financing	636,215	(349,613)	-	286,602
	4,628,087	2,245,169	-	6,873,256
Company				
Amount due to director	318,632	638,070	-	956,702
Finance lease liabilities	79,351	(42,292)	-	37,059
Margin financing	636,215	(349,613)	-	286,602
	1,034,198	246,165	-	1,280,363

The financing cash flows represent repayment of lease liabilities and net proceeds from/repayment of margin financing and advances/repayment to directors.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

(i) Fair value through profit or loss ("FVPL")
(ii)Amortised cost ("AC")
(iii) Fair value through other comprehensive income ("FVOCI')

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Financial assets				
Amortised cost				
Amount due from contract customers	7,195,617	7,548,509	-	-
Trade receivables	5,638,979	11,346,822	-	-
Other receivable and deposits	15,016,554	1,759,171	595,574	649,485
Amount due from subsidiary companies	-	-	11,764,155	17,270,029
Fixed deposits	126,459,714	136,926,481	120,598,465	123,719,428
Cash and bank balances	686,290	469,000	203,798	90,832
	154,997,154	158,049,983	133,161,992	141,729,774
At fair value through other comprehensive income				
Other investment	1,224,211	1,224,211	1,224,211	1,224,211
At fair value through profit or loss				
Other investment	3,920,500	5,526,368	3,920,500	5,526,368

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Financial liabilities				
Amortised cost				
Trade payables	11,525,137	9,055,778	-	-
Other payables and accruals	11,055,307	11,070,610	2,911,079	2,604,232
Amount due to a director	22,429	979,130	-	956,702
Finance lease liabilities	178,337	238,187	22,439	37,059
Bank borrowings	11,455,790	9,348,372	1,373,012	286,602
	34,237,000	30,692,077	4,306,530	3,884,595

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's directors. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables

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

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

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

Credit risk concentration profile
The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or groups of receivables.

The Group applies the simplified approach to providing for loss allowance for impairment prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables are disclosed in Note 14.

Other receivables and financial assets

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

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Other receivables and financial assets (cont'd)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.14(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Financial guarantee

The Company provides unsecured financial guarantees to licensed bank for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company's maximum exposure in this respect is RM30 million (2023: RM23.5 million), representing the outstanding banking facilities to the subsidiary companies would default on repayment as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guarantee loans individually using internal information available.

(ii) Liquidity risk

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

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis

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

Group	Carrying amount RM	Interest rate %	Contractual cash flows RM	Less than 1 year RM	Less than 1 year but not later than 5 years RM	More than 5 years RM
31.10.2024						
Trade payables	11,525,137	-	11,525,137	11,525,137	-	-
Other payables and accruals	11,055,307	-	11,055,307	11,055,307	-	-
Amount due to directors	22,429	-	22,429	22,429	-	-
Finance lease liabilities	178,337	2.46 - 5.50	194,896	62,692	132,204	-
Bank borrowings	11,455,790	2.20 - 9.50	11,455,790	11,455,790	-	-
	34,237,000		34,253,559	34,121,355	132,204	-
30.6.2023						
Trade payables	9,055,778	-	9,055,778	9,055,778	-	-
Other payables and accruals	11,070,610	-	11,070,610	11,070,610	-	-
Amount due to directors	979,130	-	979,130	979,130	-	-
Finance lease liabilities	238,187	2.46 - 5.50	265,752	86,492	141,168	38,092
Bank borrowings	9,348,372	2.20 - 9.50	9,348,372	9,348,372	-	-
	30,692,077		30,719,642	30,540,382	141,168	38,092

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

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

Company	Carrying amount RM	Interest rate %	Contractual cash flows RM	Less than 1 year RM	Less than 1 year but not later than 5 years RM	More than 5 years RM
31.10.2024						
Other payables and accruals	2,911,079	-	2,911,079	2,911,079	-	-
Finance lease liabilities	22,439	5.50	22,800	22,800	-	-
Bank borrowings	1,373,012	9.50	1,373,012	1,373,012	-	-
	4,306,530		4,306,891	4,306,891	-	-
30.6.2023						
Other payables and accruals	2,604,232	-	2,604,232	2,604,232	-	-
Amount due to a director	956,702	-	956,702	956,702	-	-
Finance lease liabilities	37,059	5.50	38,000	38,000	-	-
Bank borrowings	286,602	9.50	286,602	286,602	-	-
	3,884,595		3,885,536	3,885,536	-	-

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposures to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's and the Company's net investments in foreign subsidiaries.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

Group	Australian dollar RM	Vietnamese Dong RM	Singapore Dollar RM	Total RM
31.10.2024				
Financial assets				
Other investment	1,224,211	-	-	1,224,211
Bank balances	153,154	29,635	-	182,789
Other payables and accruals	-	(31,828)	(27,903)	(59,731)
Net exposure	1,377,365	(2,193)	(27,903)	1,347,269
30.6.2023				
Financial assets				
Other investment	1,224,211	-	-	1,224,211
Bank balances	36,215	29,635	-	65,850
Other payables and accruals	-	(31,828)	(14,518)	(46,346)
Net exposure	1,260,426	(2,193)	(14,518)	1,243,715

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iii) Foreign currency risk (cont'd)

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows: (cont'd)

Company	Australian Dollar RM	Total RM
31.10.2024		
Other investment	1,224,211	1,224,211
Bank balances	153,154	153,154
	1,377,365	1,377,365
30.6.2023		
Other investment	1,224,211	1,224,211
Bank balances	36,215	36,215
	1,260,426	1,260,426

Sensitivity analysis for foreign currency risk

The Group's and the Company's principal foreign currency exposure relates mainly to Australian Dollar ("AUD"), Vietnamese Dong (VND) and Singapore Dollar (SGD).

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iii) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, VND and SGD, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period.

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Effects on loss after tax:				
Strengthened by 10%				
- AUD	104,680	95,792	104,680	95,792
- VND	(167)	(167)	-	-
- SGD	(2,121)	(1,103)	-	-
Weakened by 10%				
- AUD	(104,680)	(95,792)	(104,680)	95,792
- VND	167	167	-	-
- SGD	2,121	(1,103)	-	-

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposures to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's policy to manage their interest rate risk is to hedge all material floating rate borrowings using interest rate swaps.

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(iv) Interest rate risk (cont'd)

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

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Fixed rate				
Financial assets				
Fixed deposits	126,459,714	136,926,481	120,598,465	123,719,428
Financial liabilities				
Finance lease liabilities	178,337	238,187	22,439	37,059
Floating rate				
Financial liabilities				
Bank borrowings	11,455,790	9,348,372	1,373,012	286,602

The Group's and the Company's borrowings at variable rates are denominated in Ringgit Malaysia ("RM"). At reporting date, if the RM interest rate had been 50 basis point ("b.p.") higher/lower with all other variable including tax rate being held constant, the profit after tax will be lower/higher by RM43,532 (30.6.2023: RM35,523) and RM5,217 (30.6.2023: RM1,096) for the Group and the Company as a result of higher/lower interest expenses on these borrowings.

(v) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market price (other than interest or exchange rates).

The Group's investments in quoted equity instruments are subject to market price risk.

<u>Sensitivity analysis for equity price risk</u>

A 10% increase in the market price of the quoted shares as at the end of the reporting period would have increased equity by RM392,050 (30.6.2023: RM552,637) for the Company respectively. A 10% decrease in market price would have had equal but opposite effect on equity.

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments, except for:

(i) Quoted shares in fair value through profit or loss ("FVTPL") financial assets

Quoted shares in FVTPL financial assets are carried at fair value by reference to their quoted closing prices at the end of the reporting period.

(ii) Unquoted shares in fair value through other comprehensive income (FVTOCI financial assets

(iii) Unquoted shares in FVTOCI financial assets are carried at fair value assessed by management at the end of the reporting period. The management regularly reviews significant unobservable inputs and valuation adjustments.

Other long-term financial assets and liabilities are reasonable approximation of fair value because they are floating instruments which are re-priced to market interest rates or estimated by discounting future cash flows using current lending rates for similar types or arrangements.

It is not practical to determine the fair value of lease liabilities which are at fixed rate due to lack of market information of comparable instruments with similar characteristic and risk profile.

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments.

	Group		Company	
	31.10.2024	30.6.2023	31.10.2024	30.6.2023
	RM	RM	RM	RM
Level 1				
Investment in quoted shares	3,920,500	5,526,368	3,920,500	5,526,368
Level 2				
Investment properties	500,000	-	-	-
Level 3				
REIT	1,224,211	1,224,211	1,224,211	1,224,211
Investment properties	-	411,600	-	-
	1,224,211	1,635,811	1,224,211	1,224,211

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

Policy on transfer between levels

The fair value of asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Level 1 - Quoted shares (unadjusted) in active markets for identical assets and liabilities
(ii) Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Transfer between Level 1 and Level 2

There have been no transfers between Level 1 and Level 2 during the financial period.

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

38. CAPITAL MANAGEMENTS

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial period ended under review.

38. CAPITAL MANAGEMENTS (CONT'D)

The Company monitors capital using gearing ratio. The gearing ratio is calculated as total debts divided by equity attributable to the owners of the Company. The gearing ratio at 30 June 2023 and 31 October 2024 are as follows:

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Trade payables	11,525,137	9,055,778	-	-
Other payables and accruals	11,055,307	11,070,610	2,911,079	2,604,232
Amount due to a director	22,429	979,130	-	956,702
Finance lease liabilities	178,337	238,187	22,439	37,059
Bank borrowings	11,455,790	9,348,372	1,373,012	286,602
	34,237,000	30,692,077	4,306,530	3,884,595
Less:				
Fixed deposits	(126,459,714)	(136,926,481)	(120,598,465)	(123,719,428)
Cash and bank balances	(686,290)	(469,000)	(203,798)	(90,832)
Net debt	(92,909,004)	(106,703,404)	(116,495,733)	(119,925,665)
Total equity	150,604,392	180,410,582	200,988,633	206,599,492
Gearing ratio	-	-	-	-

*The Group and the Company are in net cash position. Therefore, gearing ratio does not applied.

There were no changes in the Group's and the Company's approach to capital management during the financial period under review.

The Group and the Company are not subject to any externally imposed capital requirements.

39. CONTINGENT LIABILITIES

	Group		Company	
	31.10.2024	**30.6.2023**	**31.10.2024**	**30.6.2023**
	RM	**RM**	**RM**	**RM**
Performance guarantee issued by the licensed bank to third parties	3,937,068	6,676,357	-	-

The above bank guarantees and letters of credit are secured on the freehold land and buildings, leasehold buildings and fixed deposits with licensed banks of the Group.

40. CAPITAL COMMITMENTS

	Group	
	31.10.2024	**30.6.2023**
	RM	**RM**
Approved and contracted but not provided for	21,250,000	20,950,380

During the financial period, the Group has entered into an agreement for project bidding to be undertaken with a third party. The scope of work in the agreement includes research and development, design and framework, integration solution and design including digitalisation information communication technology in hardware and software solution on potential bidding projects to be undertaken by the Group in commercial construction projects.

41. MATERIAL LITIGATIONS

a) On 19 May 2016, MMBCL, a wholly-owned subsidiary of the Company, has filed a legal claim against 英泰格瑞房地产投资顾问有限公司, which has occupied MMBCL's property in Beijing at No. 18, Level 8, Top Fine International Centre, Dong San Huan Middle Road, Chao Yang District, Beijing, People's Republic of China ("Beijing Property"), for outstanding rental and late payment charges amounting to RMB7.25 million (approximately RM4.77 million [(1)]) ("Claim"). The amount comprises outstanding rental amounting to RMB5.81 million (approximately RM3.82 million[(1)]) and late payment charges of RMB1.44 million (approximately RM0.95 million[(1)]).

The case was heard before the Beijing Chaoyang Municipal Council Court on 8 December 2016 and 2 June 2017, respectively. The Beijing Chaoyang Municipal Council Court had appointed a professional valuer to conduct a valuation on the Beijing Property. Based on the valuation report provided, MMBCL had on 11 May 2018 submitted the justification of Claim to the Beijing Chaoyang Municipal Court.

On 19 October 2018, the Beijing Chaoyang Municipal Council Court had awarded the outstanding rental amounting to RMB3.97 million (approximately RM2.61 million[(1)]) payable to MMBCL. The outstanding rental however has yet to be paid.

Necessary documents had been submitted to court on 10 July 2019, pending the court's execution order for rental payment from tenant. The progress has been slow due to Covid 19 pandemic in China. Currently MMBCL is in the midst of seeking legal advice for the alternative course of action in recovering the judgement sum.

Note:- (1) Based on BNM's exchange rate of RMB 1:RM 0.6150 as at the 31 October 2024.

b) On 3 June 2019, the Company announced that it had initiated investigation on unauthorized transfer of office ownership for its property held by its wholly owned subsidiary, MMBCL had acquired 1 unit office in Beijing, China at Room 801, Level 8, Top Fine International Centre, Dong San Huan, Middle Road, Chao Yang District, Beijing, China measuring 700.53 square metre at a purchase consideration of approximately RM4.0 million. The current valuation price of the said property is at RM15.8 million.

The Board of Directors, in the announcement, informed that Mr Tan Ew Chew ("TEC") was advisor for the Company from 1 January 2013 to 16 May 2017 and Mr Tan Kian Hong ("TKH"), son of TEC, was director of MGB from 8 February 2013 to 10 April 2017. During the controlling time under both TEC and TKH in July 2016, the ownership of the above office unit in Beijing has been allegedly transferred to a third party without consent and/or Board resolution from the Company. Once the above made aware to the new Board of Directors in 2017, the Board of Directors requested lawyer in China to investigate on the above and found that the said office has been transferred to third party with the name of Shouguang Yaoweiping ("Shouguang") in China. Subsequently in October 2018, the Court from China via documents issued, confirmed the said transfer of property to Shouguang.

41. MATERIAL LITIGATIONS (CONT'D)

The Company also announced that on 3 June 2019, it had lodged a police report on investigation against TEC and TKH on the alleged breach of trust and causing the Company from suffering a loss of more than RM15.7 million.

The case is currently under police investigation and still in the midst of gathering evidence and obtaining statements from the relevant parties. The management will seek legal advice upon receiving the police report on the findings.

42. COMPARATIVE FIGURES

The comparative figures are in respect of 1 July 2022 to 30 June 2024. As such, the comparative figures in the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes are not comparable.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements for the financial period ended 31 October 2024 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 February 2025.

LIST OF PROPERTIES
AS AT 31 OCTOBER 2024

Location	Description / Existing use	Land area sq. ft	Built - up area sq. ft	Date of certificate of fitness	Approximate age of building / Tenure	Net book value as at 31.10.2024 RM'000	Last date of revaluation or if none, date of acquisition
Metronic Engineering Sdn Bhd No. 2 Jalan Astaka U8/83 Bukit Jelutong Seksyen U8 40150 Shah Alam Selangor Darul Ehsan	3-storey semi-detached office cum factory	23,838	25,112	17 November 2000	23 years / Freehold	8,500	12 November 2024
Lot 1888 College Heights Garden Resort Nilai Seremban	Vacant residential land	12,340	N/A	N/A	N/A / Freehold	240	20 November 2024
Unit no. 3F-47 3rd Floor Lot 1 JB Water Front City Jalan Tun Sri Lanang 80000 Johor Bahru Johor	Shop lot for investment purposes	N/A	475	23 February 2001	23 years / Leasehold for 99 years expiring on 4 December 2095	–	20 February 2001
No: 19 Jalan Kemboja 4C/12 Section BS8, Bukit Sentosa III 48300 Rawang Selangor	Single storey terrace house	2,131.25 (198 square metres)	2,691	N / A	Freehold Geran 80986, Lot 12604 Mukim Serendah Daerah Ulu Selangor Negeri Selangor	260	04 December 2024

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JANUARY 2025

Total Number of Issued Shares	:	15,382
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,780	11.57	34,918	0.00
100 to 1,000	3,399	22.10	1,990,491	0.13
1,001 to 10,000	5,674	36.89	25,803,995	1.69
10,001 to 100,000	3,067	19.94	122,456,413	8.00
100,001 to 76,554,834*	1,461	9.50	1,116,091,900	72.89
76,554,835 and above**	1	0.01	264,718,966	17.29
TOTAL	**15,382**	**100.00**	**1,531,096,683**	**100.00**

* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS

		No. of Ordinary Shares			
No.	Name	Direct Interest	%	Indirect Interest	%
1.	Cita Realiti Sdn. Bhd.	264,718,966	17.29	–	–

LIST OF DIRECTORS' SHAREHOLDINGS

		No. of Ordinary Shares			
No.	Name	Direct Interest	%	Indirect Interest	%
1.	YM Tengku Ab Hadi bin Tengku Mustafa	–	–	–	–
2.	Datuk Dr. Doris Wong Sing Ee	–	–	–	–
3.	Koh Wai Chee	33,333	0.00	–	–
5.	Muhammad Faliq bin Mohd Redzuan	–	–	–	–
6.	Ong Tee Kein	–	–	–	–

Analysis of Shareholdings
(Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Cita Realiti Sdn Bhd	264,718,966	17.2895
2.	Leong Kim Fong	50,000,000	3.2656
3.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lau Kah Chiong	30,270,000	1.9770
4.	Lee Kowi Eng	27,000,000	1.7634
5.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Hee Yuen Sang (MY2105)	24,800,000	1.6198
6.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for BC Medicare Sdn Bhd	23,250,000	1.5185
7.	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Lim Lee Aik	22,500,000	1.4695
8.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kim Fong	17,331,400	1.1320
9.	Chai Mei Ling	15,700,000	1.0254
10.	BC Medicare Sdn. Bhd.	14,437,500	0.9430
11.	Tan Eng Hock	13,832,800	0.9035
12.	Lau Kok Seng	12,700,000	0.8295
13.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fui Lin Her (EPRA/ JRU)	10,198,300	0.6661
14.	Jasmi Bin Mohd Ismail	9,970,000	0.6512
15.	Yin Yit Fun	8,062,000	0.5266
16.	Tey Say Ek	8,007,400	0.5230
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ling Su You (EKKU)	8,000,000	0.5225
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Er Ka Yong	7,537,000	0.4923
19.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chong Chien Ming (MY0406)	7,300,000	0.4768
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Lian Hong (8092237)	7,284,000	0.4757

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	%
21.	Teo Tiew	7,000,000	0.4572
22.	Ooi Phuay Gim	6,638,430	0.4336
23.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Chi Thau @ David Ho (012)	6,499,000	0.4245
24.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ling Sii Nen	6,440,000	0.4206
25.	Goh Cheng Foong	6,000,000	0.3919
26.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chai Kim Lung	6,000,000	0.3919
27.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Ah Yew (EKKU/INN)	6,000,000	0.3919
28.	Tan Hung Chew	6,000,000	0.3919
29.	Fong Seng Cheng	5,967,200	0.3897
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lok Wei Seong (E-BPJ)	5,500,000	0.3592

ANALYSIS OF WARRANTS B HOLDINGS
AS AT 31 JANUARY 2025

Total Issued Warrants B	:	433,187,525
Total Exercised Warrants B	:	14,676,033
Total Outstanding Warrants B	:	418,511,492

DISTRIBUTION OF WARRANT HOLDERS

Size of Warrant Holdings	No. of Warrant Holder	%	No. of Warrants	%
Less than 100	27	1.30	1,174	0.00
100 to 1,000	109	5.24	54,535	0.01
1,001 to 10,000	399	19.18	2,495,414	0.60
10,001 to 100,000	929	44.66	44,851,544	10.72
100,001 to 20,925,574*	615	29.57	347,612,125	83.06
20,925,575 and above**	1	0.05	23,496,700	5.61
TOTAL	**2,080**	**100.00**	**418,511,492**	**100.00**

* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF DIRECTORS' WARRANT HOLDINGS

		No. of Warrants held			
No.	Name	Direct Interest	%	Indirect Interest	%
1.	YM Tengku Ab Hadi bin Tengku Mustafa	–	–	–	–
2.	Datuk Dr. Doris Wong Sing Ee	–	–	–	–
3.	Koh Wai Chee	–	–	–	–
5.	Muhammad Faliq bin Mohd Redzuan	–	–	–	–
6.	Ong Tee Kein	–	–	–	–

Analysis of Warrants B Holdings
(Cont'd)

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	No. of Warrrants	%
1.	Wan Ahmad Shaipuddin Bin Wan Ibrahim	23,496,700	5.6144
2.	Ng Sook Kin	17,800,000	4.2532
3.	Mohammad Yasid Bin Ahmad	13,500,000	3.2257
4.	Yong Wye Hong	8,000,000	1.9115
5.	Lok Wei Seong	6,991,700	1.6706
6.	Cecilia Show @ Chow Lee Yah	6,500,000	1.5531
7.	Noriani Binti Ngah @ Muhammad	6,200,000	1.4814
8.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Choon Ping	6,117,000	1.4616
9.	Roopak Singh A/L Raghbir Singh	5,847,500	1.3972
10.	Maybank Nominees (Tempatan) Sdn Bhd Mohd Azmer Bin Ibrahim	4,006,000	0.9572
11.	Chua Hee Boon	4,000,000	0.9558
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Nadzri Bin Misni	3,536,000	0.8449
13.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Fook Weng (Penang-CL)	3,300,000	0.7885
14.	Yuhadi Bin Sanuddin	3,278,100	0.7833
15.	Mohammad Yasid Bin Ahmad	3,055,000	0.7300
16.	Noor Hadi Bin Miskun	3,051,800	0.7292
17.	Chai Kim Swee	3,000,000	0.7168
18.	Khor Seang Hoe	3,000,000	0.7168
19.	Lee Yew Kong	3,000,000	0.7168
20.	Ong Po Sim	3,000,000	0.7168

Analysis of Warrants B Holdings
(Cont'd)

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name	No. of Warrants	%
21.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Guat Chu (E-TAI)	3,000,000	0.7168
22.	Maybank Nominees (Tempatan) Sdn Bhd Idris Bin Abdul Aziz	2,763,800	0.6604
23.	Mohd Kasarudin Bin Suudi	2,726,700	0.6515
24.	How Yang Shee	2,709,800	0.6475
25.	Mohd Tarmizi Bin Abd.Wahab	2,652,000	0.6337
26.	Koh Peng Cheong	2,601,000	0.6215
27.	Lim Kok Peng	2,100,000	0.5018
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Teng Chai (J Bendahara-CL)	2,000,000	0.4779
29.	Fong Seng Cheng	2,000,000	0.4779
30.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Vincent Phua Chee Ee	2,000,000	0.4779

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First ("**21st**") Annual General Meeting ("**AGM**") of Metronic Global Berhad ("**MGB**" or "**Company**") will be held at Level 9, Tower 11, Avenue 5, No 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur on Friday, 28 March 2025 at 10.00 a.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

Ordinary Business:

1.	To receive the Audited Financial Statements for the financial period ended 31 October 2024 together with Reports of the Directors and the Auditors thereon.	**Please refer to Explanatory Note 1**
2.	To re-elect Ong Tee Kein as Director in accordance with Clause 105 of the Constitution of the Company.	**Ordinary Resolution 1**
3.	To re-elect Muhammad Faliq bin Mohd Redzuan as Director in accordance with Clause 105 of the Constitution of the Company.	**Ordinary Resolution 2**
4.	To re-elect Tengku Ab Hadi bin Tengku Mustafa as Director in accordance with Clause 114 of the Constitution of the Company.	**Ordinary Resolution 3**
5.	To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries of up to an aggregate amount of RM400,000.00 for the period from 29 March 2025 until the next Annual General Meeting of the Company.	**Ordinary Resolution 4**
6.	To re-appoint Messrs Chengco PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at such remuneration to be determined by the Directors of the Company.	**Ordinary Resolution 5**

Special Business:

To consider and, if thought fit, to pass the following resolutions:

7. Authority for Directors to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016. **Ordinary Resolution 6**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Twenty-First Annual General Meeting
(Cont'd)

8. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
Company Secretary

Kuala Lumpur
Date: 27 February 2025

Explanatory Notes:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Companies Act 2016 requires that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Items 2, 3 and 4 of the Agenda

The Nomination Committee ("**NC**") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election.

Based on the results of the Board Evaluation conducted for the financial period ended 31 October 2024, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Ong Tee Kein	:	Ong Tee Kein fulfils the requirements of independence set out in the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). He remains objective and independent in expressing his views and participating in Board's deliberations and decision-making process. Ong Tee Kein has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.
Muhammad Faliq bin Mohd Redzuan	:	Muhammad Faliq bin Mohd Redzuan expert in the hardware and software-related issues and the Board believes his extensive experience is hugely beneficial to the Company. He remains objective and independent in expressing his views and participating in Board's deliberations and decision-making process. Muhammad Faliq bin Mohd Redzuan has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.
Tengku Ab Hadi bin Tengku Mustafa	:	Tengku Ab Hadi bin Tengku Mustafa fulfils the requirements of independence set out in the MMLR of Bursa Securities. He remains objective and independent in expressing his views and participating in Board's deliberations and decision-making process. Tengku Ab Hadi bin Tengku Mustafa has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Chairman of the Company.

Explanatory Notes: (Cont'd)

3. **Item 7 of the Agenda**

The proposed Ordinary Resolution 6 is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund-raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the previous annual general meeting held on 30 November 2023 and this authority will lapse at the conclusion of the 21st AGM of the Company.

Pursuant to Section 85 of the Act read together with Clause 61 of the Constitution of the Company, 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 or other convertible securities.

NOTES:

1 *The 21st AGM of the Company will be held at Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 28 March 2025 at 10.00 a.m., or at any adjournment thereof. Shareholders of the Company are required to register for the 21st AGM not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.*

2 *A member of the Company who is entitled to attend, speak and vote at this 21st AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*

3. *Where a member appoints more than one (1) proxy to attend and vote at the same 21st AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*

4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.*

5. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) 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.*

6. *An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

7. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*

8. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 21st AGM (no later than Wednesday, 26 March 2025 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*

NOTES: (CONT'D)

9. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*

10. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 March 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 21st AGM.*

11. *Any alteration in the Proxy Form must be initialed.*

12. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 21st AGM will be put to the vote by poll.*

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 21st AGM and/ or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 21st AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

METRONIC

METRONIC GLOBAL BERHAD
[REGISTRATION NO. 200301029648 (632068-V)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS ACCOUNT NO. OF AUTHORISED NOMINEE	– –
NUMBER OF SHARES HELD	

I/We ____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No. ____)

of ____
(FULL ADDRESS)

contact No. ____________________ email address ____________________)

being a member/ members of **Metronic Global Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty- First Annual General Meeting of the Company ("**21st AGM**") will be held at Level 9, Tower 11, Avenue 5, No 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur on Friday, 28 March 2025 at 10.00 a.m. and at any adjournment thereof.

IMPORTANT NOTE:
*Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 21st AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.*

Option		Name of proxy(ies)	NRIC/Passport No	Email Address & Phone Number	Proportion of shareholding to be represented
(a)		**Appoint ONE proxy only** *(Please complete details of proxy below)*			
					100%
(b)		**Appoint MORE THAN ONE proxy** *(Please complete details of proxies below)*			
Proxy 1					%
Proxy 2					%
					100%
(c)		**The Chairman of the 21st AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf**			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

No	Resolutions	For		Against	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
	Ordinary Business				
Ordinary Resolution 1	To re-elect Ong Tee Kein				
Ordinary Resolution 2	To re-elect Muhammad Faliq bin Mohd Redzuan				
Ordinary Resolution 3	To re-elect Tengku Ab Hadi bin Tengku Mustafa				
Ordinary Resolution 4	To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries of up to an aggregate amount of RM400,000.00 for the period from 29 March 2025 until the next Annual General Meeting of the Company.				
Ordinary Resolution 5	To re-appoint Messrs Chengco PLT as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at such remuneration to be determined by the Directors of the Company.				

No	Resolutions	For		Against	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
	Special Business				
Ordinary Resolution 6	To authorise the Directors to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016.				

Dated this __________day of ____________________ 2025

____
Signature(s) of member(s)

Contact No: ____________________

NOTES:

1. *The 21st AGM of the Company will be held at Level 9, Tower 11, Avenue 5, No 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur on Friday, 28 March 2025 at 10.00 a.m., or at any adjournment thereof. Shareholders of the Company are required to register for the 21st AGM not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.*
2. *A member of the Company who is entitled to attend, speak and vote at this 21st AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*
3. *Where a member appoints more than one (1) proxy to attend and vote at the same 21st AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.*
5. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) 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.*

6 *An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

7. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*
8. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 21st AGM (no later than Wednesday, 26 March 2025 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*

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AFFIX
STAMP

GAP Advisory Sdn. Bhd.
E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur,
Malaysia.

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9. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
10. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 March 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 21st AGM.
11. Any alteration in the Proxy Form must be initialed.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 21st AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 21st AGM and/ or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 21st AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

Fold This Flap For Sealing

METRONIC GLOBAL BERHAD
200301029648 (632068-V)

No. 2, Jalan Astaka U8/83, Seksyen U8,
Bukit Jelutong 40150 Shah Alam, Selangor Darul Ehsan.
Tel : 03-7847 2111 | Fax : 03-7847 5111

www.metronic-group.com