

# GREATER TOGETHER





# INSIDE THIS REPORT

## Overview

- 04 Chairman's Statement
- 08 Corporate Information
- 09 5-Year Financial Highlights & Group Structure
- 11 Directors' Profile
- 21 Key Senior Management's Profile

## Reflections from the Top

- 24 Management Discussion and Analysis
- 32 Sustainability Statement
- 44 Corporate Governance Overview Statement
- 60 Additional Compliance Information

## Governance

- 64 Audit Committee Report
- 68 Statement on Risk Management and Internal Control
- 76 Statement of Directors' Responsibility for preparing the Financial Statements

## Financials

- 78 Financial Statements
- 158 Analysis of Shareholdings
- 160 Analysis of Warrant Holdings

## Appendix

- 163 Notice of Annual General Meeting
- 166 Statement Accompanying Notice of AGM
- 167 Proxy Form
- 169 Administrative Guide

# COVER RATIONALE



Cover design for Zen Tech International Berhad's Annual Report 2024 embodies the Company's theme of "Greater Together". This concept is visually represented through the imagery of a cityscape cradled in a pair of protective hands, symbolising Zen Tech's role in nurturing and supporting sustainable development, innovation, and progress.

The use of a digital circuit-like pattern in the background reflects Zen Tech's foundation in technology, while the green, lush landscape around the city underscores its commitment to environmental consciousness and smart city initiatives. The protective hands, reminiscent of safety and care, represent Zen Tech's leadership in guiding industries through technological advancements while ensuring stability and security.

This juxtaposition of futuristic technology with human-centric values serves to emphasise Zen Tech's mission: to foster stronger communities, more connected infrastructure, and a brighter, more sustainable future. The tagline "Greater

Together" speaks to the Company's ethos of collaboration, reinforcing the idea that collective efforts and innovation will drive exponential growth and success in the years to come.

This cover design encapsulates the essence of Zen Tech's forward-thinking approach, balancing technological prowess with a deep commitment to the future of society and the planet.

# 19<sup>th</sup>

## ANNUAL GENERAL MEETING ZEN TECH INTERNATIONAL BERHAD

Virtual basis through live streaming and online remote voting via the remote participation and voting (RPV) facilities at <http://rebrand.ly/zentech-agm> provided by InsHub Sdn. Bhd. in Malaysia



Scan this to view our Annual Report online.  
Our Annual Report, financial and other information about ZEN TECH INTERNATIONAL BERHAD at [www.ztech.com.my](http://www.ztech.com.my)



**YAM Tunku Dr. Kamariah Aminah  
Maimunah Iskandariah Binti  
Almarhum Sultan Iskandar**

Tunku Puteri Johor  
Independent Non-Executive Chairperson  
Zen Tech International Berhad



“ On behalf of the Board of Directors (“Board”), it is my privilege to share the Annual Report and Audited Financial Statements of Zen Tech International Berhad (“Zen Tech” or the “Company”) and its subsidiaries (the “Group”) for the financial period ended 30 June 2024 (“FY2024”). All praise to the Almighty that as a Group, we can persevere towards ascending to new horizons of growth and prosperity. ”

I wish to express my gratitude to the Board of Directors and the Management team for their invaluable support in entrusting me with the responsibility to lead the Group. We reflected on the challenges posed by the pandemic years of 2020 to 2022, and the changes made towards our future endeavours. These changes have allowed the Group to make significant strides in FY2024.

The post-COVID-19 landscape in 2023 had posed significant challenges for glove manufacturers. As demand normalized after the pandemic surge, the industry faces overcapacity, fluctuating raw material costs, and intense global competition. The oversupply situation has put pressure on profit margins, while the shifting regulatory environment and sustainability concerns add to operational complexity.

“ Our revenue for the year ended 30 June 2024 increased RM 49.291 million representing a 35.7% increase over the previous year. ”

At Zen Tech, we were aware that strategic agility and innovation will be key to navigate these challenges. Adapting to changing market dynamics, streamlining operations, and exploring diversification opportunities were crucial to us to stay competitive in this evolving landscape.

We remain dedicated to enhancing our brand's reputation with investors and external stakeholders. Reflecting on the past year, I am proud to share that Zen Tech will continue to successfully navigate through these challenges and emerged stronger than ever.

I am pleased to report that Zen Tech continued its upward trajectory in terms of

financial performance. Our revenue for the FY2024 increased RM49.291 million representing a 35.7% increase over the previous year. This growth is a testament to the dedication of our team and the trust of our valued customers.

Our team at our manufacturing facilities worked tirelessly to ensure uninterrupted production during the past one year. We continued to implement our rigorous safety protocols, including regular testing, and enhancing our operating procedures. Our commitment to employee well-being was unwavering, and I am proud to report that we maintained a safe and healthy work environment throughout the year.

Further analysis of our financial performance is set out in detail in the Management's Discussion and Analysis section of our Annual Report.

At Zen Tech, we understand our responsibility to both society and the environment. Throughout the year, we maintained our focus on sustainability, investing in energy efficiency enhancements and waste reduction efforts. We remain committed to being a responsible corporate citizen and will continue to prioritize sustainability in all aspects of our operations.

We believe that a strong community is the cornerstone of a successful business, and we will continue to extend our support to those in need. We have donated gloves and aids to healthcare facilities when required, supported local initiatives, and provided relief aid to those in need within our community.

Looking ahead, Zen Tech seeks to embrace the abundance of opportunities that lies within the glove, information and communications technology, and the fintech industry, coupling with





**ANNUAL REPORT  
2024**

our efforts to review our corporate brand to resonate and align better with the changing expectations of our stakeholders. We will also continue exploring expansion opportunities in new markets to further diversify our business.

In conclusion, I want to express my deepest gratitude to our employees, I would like to extend my highest gratitude for your commitment and flexibility to work as a collective unit. Each working member is crucial to the Company's success in FY2024 as your outstanding efforts, effective coordination across various business units, innovative strategies and collaborative initiatives have played a vital role in propelling the Company to new heights.

I would also like to express my profound appreciation on behalf of the Company to our valued customers, suppliers, and shareholders for their unwavering support and trust. Your steadfast belief in our

vision and unwavering support have been the foundation of our successes. Together, we have overcome many challenges, including persistent health crises and natural disasters, as well as the unpredictability of the economic landscape.

It has been a privilege to be on the journey of progress with all the Board of Directors and the Management team since joining the Company in November 2023. I am truly grateful for all your guidance and contributions. We welcome Dato' Zaidi bin Mat Isa @ Hashim who was appointed as Independent Non-Executive Director in March 2024. We look forward to Dato' Zaidi sharing his immense expertise, and I believe that the diversity in the Board will enhance the strategic decision-making for the Company. The Board would also like to express our heartfelt appreciation to YBhg Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, who had served as the Independent Non-Executive Chairman for the Company since 2020.

As we embark on the next phase of our journey, we are confident that to Zen Tech will continue to strive and be successful in the glove manufacturing industry, delivering value to our shareholders and making a positive impact on society.

Thank you and we look forward to your continued trust and support for Zen Tech.





## BOARD OF DIRECTORS

**YAM Tunku Dr. Kamariah Aminah Maimunah  
Iskandariah Binti Almarhum Sultan Iskandar  
Tunku Puteri Johor**

*Independent Non-Executive Chairperson  
(Appointed w.e.f. 30 November 2023)*

**YBhg Tan Sri Syed Mohd Yusof bin Tun Syed Nasir**  
*Independent Non-Executive Vice Chairman*

**Mr. Siva Kumar Kalugasalam**  
*Executive Director*

**YBhg Dato' Zhang Li**  
*Executive Director*

**Mr. Chow Hung Keey**  
*Executive Director*

**Mr. Edwin Silvester Das**  
*Senior Independent Non-Executive Director*

**Mr. Zhang Yang**  
*Non-Independent and Non-Executive Director*

**Mr. Wong Kok Fong**  
*Independent Non-Executive Director*

**Dato' Zaidi bin Mat Isa @ Hashim**  
*Independent Non-Executive Director  
(Appointed w.e.f. 27 March 2024)*

## AUDIT COMMITTEE

### Chairman

Wong Kok Fong

### Members

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir  
Edwin Silvester Das

## NOMINATION COMMITTEE

### Chairman

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

### Members

Edwin Silvester Das  
Wong Kok Fong

## REMUNERATION COMMITTEE

### Chairman

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

### Members

Edwin Silvester Das  
Wong Kok Fong

## RISK MANAGEMENT AND INVESTMENT COMMITTEE

### Chairman

Wong Kok Fong

### Members

Edwin Silvester Das  
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

## COMPANY SECRETARIES

Tan Tong Lang  
(MAICSA 7045482)  
(SSM PC No. 202208000250)

Lau Hooi Pin  
(MAICSA 7081620)  
(SSM PC No. 202408000447)

## AUDITORS

Morison LC PLT  
Level 11-01, Uptown, No.3, Jalan SS 21/39,  
Damansara Utama, 47400 Petaling Jaya, Selangor.  
Tel.: +603-7491 4419

## REGISTERED OFFICE

B-21-1, Level 21, Tower B, Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur,  
W.P. Kuala Lumpur.  
Tel : +603-9770 2200 Fax: +603-2201 7774  
Email: boardroom@boardroom.com.my

## CORPORATE OFFICE:

Unit No. 53-6 The Boulevard, Mid Valley City  
Lingkaran Syed Putra, 59200 Kuala Lumpur  
W.P. Kuala Lumpur.  
Tel: +603-2202 3330 Fax: +603-2202 3337

## SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd.  
B-21-1, Level 21, Tower B, Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur  
W.P. Kuala Lumpur  
Tel : +603-9770 2200 Fax: +603-2201 7774  
Email: admin@aldpro.com.my

## PRINCIPAL BANKERS

- CIMB Bank Berhad • Bank Islam Malaysia Berhad
- Bank Muamalat Malaysia Berhad
- Malayan Banking Berhad

## LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name: ZENTECH

Stock Code: 0094



## 5-YEAR FINANCIAL HIGHLIGHTS

Overview

Reflections From The Top

Governance

Financials

Appendix

| RM'000                            | 01.08.2018<br>to<br>31.01.2020 | 01.02.2020<br>to<br>30.06.2021 | 01.07.2021<br>to<br>30.06.2022<br>(Restated) | 01.07.2022<br>to<br>30.06.2023<br>(Restated) | 01.07.2023<br>to<br>30.06.2024 |
|-----------------------------------|--------------------------------|--------------------------------|--|--|--------------------------------|
| Revenue                           | 8,186                          | 18,235                         | 26,480                                       | 31,674                                       | 49,291                         |
| Profit before tax                 | (3,359)                        | (10,011)                       | (11,398)                                     | (26,333)                                     | (10,666)                       |
| Profit after tax                  | (3,359)                        | (10,653)                       | (12,601)                                     | (25,157)                                     | (10,718)                       |
| (Loss) Attributed to Shareholders | (2,738)                        | (11,383)                       | (14,050)                                     | (23,573)                                     | (10,281)                       |
| Total assets                      | 16,068                         | 37,991                         | 50,983                                       | 75,955                                       | 74,677                         |
| Total current liability           | 2,424                          | 9,167                          | 22,620                                       | 14,295                                       | 15,845                         |
| Total non-current liability       | 2,274                          | 3,313                          | 4,127  | 1,967  | 2,275                          |
| Net assets                        | 13,644                         | 25,511                         | 24,236                                       | 59,693                                       | 56,557                         |
| Total number of shares ('000)     | 298,254                        | 466,604                        | 513,264                                      | 2,628,245                                    | 3,110,651                      |
| Net assets per share (RM)         | 0.046                          | 0.054                          | 0.047  | 0.022  | 0.018                          |
| Basic earnings per share (sen)    | (0.92)                         | (2.44)                         | (2.27)                                       | (0.90)                                       | (0.33)                         |

REVENUE



RM **49.291**  
Million

Profit  
before  
tax

RM  
**(10.666)**  
Million

Profit  
after  
tax

RM  
**(10.718)**  
Million

TOTAL  
ASSETS

RM **74.677**  
Million

NET  
ASSETS

RM **56.557**  
Million

TOTAL  
NON-CURRENT  
LIABILITY

RM **2.275**  
Million

TOTAL NUMBER  
OF SHARES ('000)

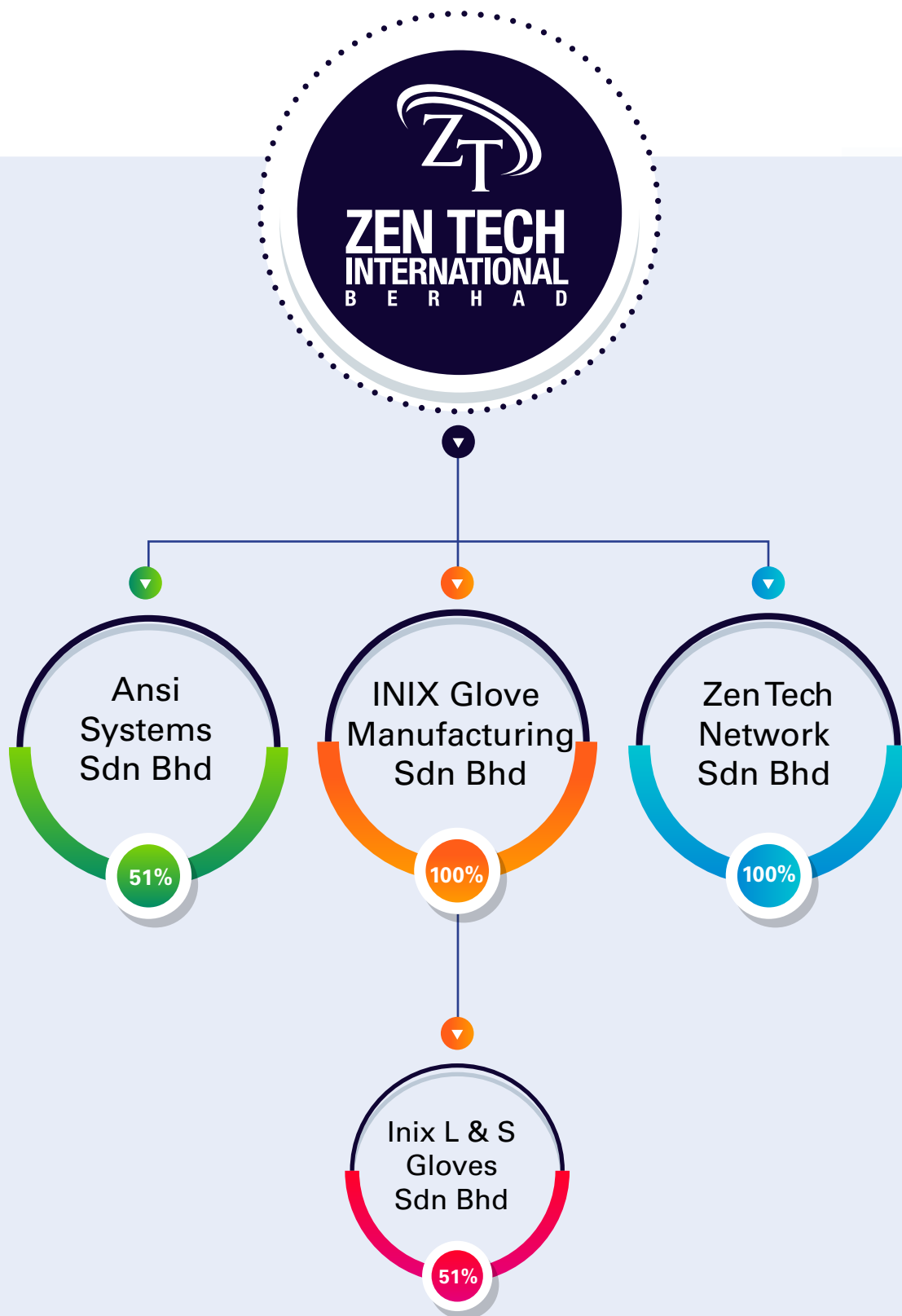
**3,110,651**

BASIC  
EARNINGS  
PER SHARE

**(0.33)** Sen

NET ASSETS  
PER SHARE

RM **0.018**



DIRECTORS' PROFILE

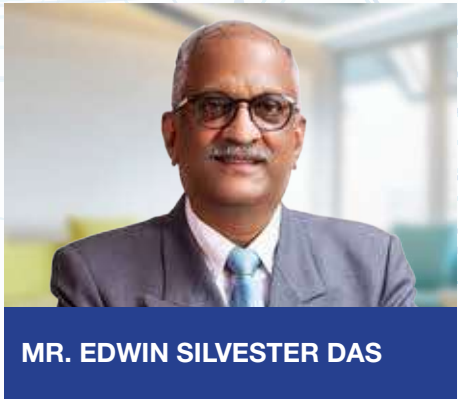
Overview

Reflections From The Top

Governance

Financials

Appendix







Female



Malaysian



68 Years Old

**YAM TUNKU DR. KAMARIAH  
AMINAH MAIMUNAH  
ISKANDARIAH BINTI  
ALMARHUM SULTAN ISKANDAR  
TUNKU PUTERI JOHOR**

Independent Non-Executive Chairperson

Date of Appointment:  
30 November 2023

YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar, Tunku Puteri Johor is the oldest child of Almarhum Sultan Iskandar Ibni Almarhum Sultan Ismail and Almarhumah Enche' Besar Hajah Khalsom binti Abdullah of Torquay, England. Her Highness received her primary education at Convent Of The Holy Infant Jesus, Johor Bahru and later continued her secondary education in Abbotsleigh, Wahroonga, New South Wales, Australia and subsequently returned home to continue her remaining secondary education at Sekolah Tun Fatimah, Johor Bahru. Her Highness holds an Interior Design Certificate from Sydney, Australia and Bachelor of Interior Architecture degree (1st Class Honours) from the University of Limkokwing, Kuala Lumpur. In 2018, Her Highness was conferred Honorary Doctorate in Creative Leadership from her alma mater, University of Lim Kok Wing.

Her Highness Tunku Kamariah Aminah Maimunah Iskandariah has devoted her life to caring for the unfortunate and the needy, supporting the education of underprivileged postgraduate scholars as a trustee of the Iskandar Foundation as well as caring for sexually abused children as the patron of an organisation called Protect And Save The Children Association of Selangor and Kuala Lumpur. Her Highness is also an ambassador of the Asian Liver Center at Stanford University in the US.

Her Highness is active in the corporate world in Malaysia and has been involved in construction, development, and agricultural businesses. One of her many achievements is the Iskandar Putri Commercial Centre in Johor. Her Highness Tunku Kamariah, sits in the Board of AHB Holdings Berhad and SMTRACK Berhad as the Independent Non-Executive Chairperson.



Male



Malaysian



76 Years Old

## TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

Independent Non-Executive Vice Chairman

Date of Appointment:  
7 December 2020

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, is our Independent Non-Executive Vice Chairman. He is the Chairman of Nomination Committee and Remuneration Committee, also a member of our Audit Committee and Risk Management and Investment Committee.

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir graduated with a Bachelor of Economics Degree majoring in Accountancy from the University of Tasmania, Australia in 1975. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir started his career with Petronas. He served in various positions there, rising to Head of Northern Region before leaving Petronas to venture into business.

Tan Sri Syed investments in the local business sphere have resulted in securing international chains like Hard Rock Cafe and Nobu into Malaysia. In the recent year, his company saw to the opening of the prestigious Four Seasons Place in the KL Golden Triangle. He is an entrepreneur who has more than forty (40) years of experience in diverse areas such as property development, construction, media, entertainment, hotel management and hospitality, food and beverage, banking and information technology.

He was formerly the Chairman of Southern Bank Berhad and Killinghall (Malaysia) Bhd, a former Director of Southern Finance Berhad and AM Trustee Berhad. He is also on the Board of various private companies and a trustee of Yayasan Raja Muda Selangor and Yayasan Toh Puan Zurina (Melaka). Currently, he does not hold directorship in any other public listed companies.



Female



China



64 Years Old

Executive Director

Date of Appointment:  
15 February 2019**DATO' ZHANG LI**

Dato' Zhang Li, is our Executive Director. She retired on 31 December 2018 and subsequently re-appointed as Executive Director on 15 February 2019.

Dato' Zhang Li has completed her education in Xiamen, China. She joined the business world since 1990 in Huadong, China operating a franchise in health supplements. In 2003, Dato' Zhang Li was involved in multilevel marketing company as its Marketing Advisor in Guan Fang International Marketing (M) Sdn Bhd and a Director in Top Creation Property Sdn Bhd involved in real estate development services. Dato' Zhang Li was the non-executive director of Raya International Berhad, a public company listed on the ACE Market of Bursa Malaysia Securities Berhad from 2008 to 2012.

Dato' Zhang Li has been a director of Top Creation Investment Ltd, a public company involved in property development in Melaka since its admission on AIM of the London Stock Exchange in 2011. Currently, she does not hold directorship in any other public listed companies.





Male



Malaysian



54 Years Old

## MR. SIVA KUMAR KALUGASALAM

Executive Director

Date of Appointment:  
17 August 2020

Mr. Siva Kumar Kalugasalam was appointed as the Executive Director of Zen Tech International Berhad on 17 August 2020.

Mr. Siva Kumar's experiences span over 28 years with Public Audit Firms and renowned corporate players in varied industries such as Aviation, Manufacturing, Construction, Security, Education, Talent Management, and International Trading (Import & Export) of FMCG who have local, regional and global presence.

He has a Bachelor of Business in Accounting from University of Technology, Graduate Diploma in Business and Management from University of Sunshine Coast / Segi University and Master of Business Administration from University of Wales Trinity St David, UK. He is also a Fellow of the Institute of Public Accountants, Australia, a Fellow of the Institute Financial Accountants, UK, a Member of the Management Institute of Malaysia, a Fellow of the Chartered Management Institute, UK, a Member of Malaysian Institute of Human Resource Management, Chartered Audit Committee Director of the Institute of Internal Auditors Malaysia and Member of Institute of Corporate Directors Malaysia.

He was the Group Chief Executive Officer at APFT Berhad since mid-April 2019 until 31 July 2020. He started his career with APFT Berhad in 2016. In August 2018, he was appointed as the Chief Operating Officer. He was appointed as the Executive Director of Zen Tech International Berhad in August 2020, overseeing the Finance and Operations of the Group. In March 2022, he was appointed as the Independent Non-Executive Director and Chairman of the Audit Committee of AHB Holdings Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.



Male



Malaysian



36 Years Old

Executive Director

Date of Appointment:  
21 December 2021

## MR. CHOW HUNG KEEY

Mr. Chow Hung Keey, is our Executive Director and he was appointed to the Board on 21 December 2021.

Mr. Chow started his career with KPMG Malaysia in 2010 as an audit associate. In 2011, he joined CIMB Bank as a Relationship Manager, developing and maintaining relationship with the bank's high net worth clients. In 2012, he was promoted to Senior Relationship Manager.

From 2012 to 2019, Mr. Chow held executive and non-executive board positions in various listed companies, developing experience in overseeing business operations including of software development, system integration and information technology ("IT") management consultancy services as well as independent oversight of listed companies.

In 2019, Mr. Chow joined Shiya Sdn Bhd (a Bumiputera construction and property development company) as Financial Advisor before being promoted to Corporate Development Director in 2020. During this time, he developed relationship with industry players within the construction and property development industry. In 2021, he became the Executive Director of Zen Tech International Berhad, overseeing the company's business strategy and direction. In 2022, he became an Executive Director of AHB Holdings Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr. Chow is a member of the Association of Chartered Certified Accountants, the Malaysian Institute of Accountants, the ASEAN Chartered Professional Accountant as well as an affiliate member of the Asian Institute of Chartered Bankers. He also has extensive experience in managing businesses and client relationships, having served in public listed companies as well as private companies engaged in various industries such as IT, air charter services, credit financing, furniture, automotive, manufacturing, healthcare, construction, and property development.



Male



Malaysian



66 Years Old

Senior Independent Non-Executive Director

## MR. EDWIN SILVESTER DAS

Date of Appointment:  
15 February 2019

Mr. Edwin Silvester Das was appointed as Independent Non-Executive Director on 15 February 2019. He is the member of our Audit Committee, Nomination Committee, Remuneration Committee and Risk Management and Investment Committee.

Mr. Edwin had a long and distinguished banking and corporate career for more than 36 years both in Malaysia and abroad, with exposure to banks and various types of industries locally and abroad.

Mr. Edwin is a graduate (Dean's List) from Southern Illinois University at Carbondale, Illinois, USA. He started his banking career in 1985 and worked in the USA, Europe, Africa, India, Sri Lanka and Malaysia. Throughout this time, he progressed rapidly up the ranks with hard work and measurable contributions in various banking, industrial and management sectors from Operational Banking to Corporate Recovery, Corporate Banking & Corporate Finance and Investment Banking, Restructuring, Human Resource and Management strategies which were under his portfolio.

Mr. Edwin is a Fellow with the Institute of Corporate Directors Malaysia.

He also served with Oracle Corporation (USA) as Industry Expert for the Financial Services Industry (FSI) before taking up a corporate role with an infrastructure company building highways in India. Thereafter, he moved on as a Board of Director with a bank in Sudan where he took the bank to greater heights.

In December 2020, Mr. Edwin was appointed as Executive Director / Chief Executive Officer of Jiankun International Berhad, a company engaged in property development and construction and is listed on Main Market of Bursa Malaysia Securities Berhad.





Male



China



40 Years Old

Non-Independent and Non-Executive  
Director

Date of Appointment:  
21 December 2021

## MR. ZHANG YANG

Mr. Zhang Yang was appointed as the Managing Director on 17 January 2020. He was re-designated as Non-Independent Non-Executive Director on 18 September 2018. He holds a Doctorate, major in Business Management from Asian Institution of Management & Science, China.

Mr. Zhang Yang is the Sales Director of EMG Group of Companies in March 2013, he joined Fragrant Prosperity PLC as Operation Director in August 2013. Thereafter, he was the Chief Executive Officer in TF Marketing (HK) Limited in July 2015. Currently, he does not hold directorship in any other public listed companies.



Male



Malaysian



56 Years Old

Independent Non-Executive Director

MR. WONG KOK FONG

Date of Appointment:  
26 June 2023

Mr. Wong Kok Fong was appointed as Independent Non-Executive Director on 26 June 2023. He is the Chairman of Audit Committee, Risk Management and Investment Committee, and a member of Remuneration Committee and Nomination Committee.

Mr. Wong began his career as an Audit Clerk at Kok & Co in October 1989 which responsible for external auditing and tax. In June 1990, he worked as an Accounts Assistant at PJ Electronic Trading Sdn Bhd in which he was responsible in accounts payable and general ledger. Following this, he was lecturing at EU Institute a private college for 19 years, majoring in Cost and Management Accounting, Accounting and Booking keeping, and the head of Library Administration. He also worked as Finance Manager in a few companies such as Beau Heritage Sdn. Bhd., Sun Inns Groups of Hotels, Goh Ban Huat Berhad and BCB Berhad. In September 2010, he then joined Greenyeld Berhad as Financial Controller. Currently, he is the Financial Controller in Jiankun International Berhad, a public company listed on Main Market of Bursa Malaysia Securities Berhad.

He is a Fellow member of the Association of Chartered Certified Accountant (ACCA) and a member of the Malaysian Institute of Accountants (MIA).



Male



Malaysian



55 Years Old

Independent Non-Executive Director

Date of Appointment:  
27 March 2024

## DATO' ZAIDI BIN MAT ISA @ HASHIM

Dato' Zaidi Bin Mat Isa @ Hashim was appointed as Independent Non-Executive Director on 27 March 2024.

Dato' Zaidi is an experienced entrepreneur and dynamic corporate figure, Dato' Zaidi has an extensive involvement within the local corporate scenes, with over twenty (20) years of experience in various senior roles in private and public listed entities. Dato' Zaidi was formerly the Group Managing Director of Kedah based Darulaman Consolidated (M) Berhad and its subsidiaries from 1995 to 2000. From 2002 to 2005, Dato Zaidi was appointed as Chief Executive Officer of MyPrima Group of Companies which specializes in media advertisement, branding and marketing.

In 2006 till 2016, Dato' Zaidi was also appointed as the Director of Investment of Eco Marine Group, a company which specialize in property development and real estate management in Klebang, Melaka.

From 2015 to 2017, Dato' Zaidi also served as the Executive Director of the Company where he was responsible for governmental relations and the overall strategic growth of the Company. From 2016 to 2017, he also served as the Independent Non-Executive Director of NWP Holdings Berhad. Subsequently from 2017 to 2021, he served as the Independent Non-Executive Chairman of Metronic Global Berhad. From 2017 to September 2023, he was appointed as an Independent Non-Executive Chairman in Key Alliance Group Berhad.

Presently, Dato' Zaidi is the Non-Independent and Non-Executive Director of SMTrack Berhad, a public company listed on Main Market of Bursa Malaysia Securities Berhad.

### ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

#### Family Relationship with any Director and / or Major Shareholder

None of the Directors of the Company has family relationships with any Director and/or major shareholder with the exception of: -

- Mr. Zhang Yang is the son of Dato' Zhang Li, the Executive Director of Zen Tech International Behad.

#### Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

#### Conviction of Offences (within the past 5 years, other than traffic offences)

None of the Directors have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

#### Number of Board Meetings attended in the financial year ended 30 June 2024

The details of the Directors' attendance at Board meetings are set out on page 49 of the Annual Report.



## KEY SENIOR MANAGEMENT'S PROFILE

[Overview](#)
[Reflections From The Top](#)
[Governance](#)
[Financials](#)
[Appendix](#)

### Mr. Siva Kumar Kalugasalam Executive Director

Mr. Siva Kumar is responsible for the Finance, Management and Operations of Zen Tech International Berhad. He also oversees the operations of the Glove Division.

The profile of Mr. Siva Kumar is shown under Director's Profile on Page 15 of this Annual Report.

### YBhg Dato' Zhang Li Executive Director

Dato' Zhang Li is responsible of the Finance and Management of Zen Tech International Berhad. She also oversees the operations of the e-commerce division.

The profile of Dato' Zhang Li is shown under Director's Profile in Page 14 of this Annual Report.

### Mr. Chow Hung Keey Executive Director

Mr. Chow Hung Keey is responsible for the business strategy and direction of Zen Tech International Berhad.

The profile of Mr. Chow Hung Keey is shown under Director's Profile in Page 16 of this Annual Report.

## DISPOSABLE GLOVES DONNING



**1** PICK UP ONE GLOVE WITH THUMB AND FOREFINGER



**2** PULL GLOVE ON HAND



**3** SLIP PARTIALLY GLOVE HAND UNDER CUFF OF SECOND GLOVE



**4** PULL SECOND GLOVE OVER OTHER HAND AND PULL GLOVE UP TO GOWNED WRIST



**5** SLIPING FINGERS OF COMPLETELY GLOVED HAND UNDER CUFF OFFIRST HAND. PULL GLOVE TO GOWNED WIRST

**ANNUAL REPORT  
2024**

**Teo Xiong Sheng**

Operations Director (Glove)

Mr. Teo Xiong Sheng is a Director and shareholder of Inix L&S Gloves Sdn Bhd ("INIX L&S"). He oversees the production department as well as supervises and coordinates the repair and maintenance of production equipment. In 2019, he co-founded INIX L&S with his uncle, Teo Yoek Leong, and is responsible in overseeing the production processes and quality control standards. He has accumulated 14 years of experience in engineering and manufacturing in the glove industry which will drive the expansion of the Group's Glove Business.

Presently, he does not hold any directorship in any other public listed companies and listed issuer.

He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2024.

**Teo Yoek Leong**

Marketing Director (Glove)

Mr. Teo Yoek Leong is a Director and shareholder of INIX L&S. He is responsible for the formulation and implementing sales and marketing strategies of the Company. He retired in 2014 and subsequently in 2019, he co-founded INIX L&S with his nephew, Teo Xiong Sheng, and is responsible for the Company's quality control, and marketing,

Presently, he does not hold any directorship in any other public listed companies and listed issuer.

He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2024.









On behalf of the Board of Directors of Zen Tech International Berhad (“Zen Tech” or the “Company”), it is my pleasure to present to you the Management Discussion and Analysis (“MDA”) on the Group. The objective of this MDA is to provide shareholders with a better understanding and an overview of the Group’s business, operations, financial position in the financial year ended 30 June 2024 (“FY2024”) and the outlook for the following year.

Zen Tech is listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) under the Industrial Products category.

## OVERVIEW OF GROUP BUSINESS AND OPERATIONS

Kenanga Research in a report said it expects the demand-supply situation to only start heading towards equilibrium in 2026. The equilibrium is achieved when there is virtually no more new capacity coming onstream while the global demand for gloves continues to rise by 15% per annum, underpinned by rising hygiene awareness,” it said in a report. The research house said the Malaysian Rubber Glove Manufacturers Association projects 12% to 15% growth in global demand for rubber gloves annually from 2023, following an estimated 25% contraction to 300 billion pieces in 2023.

The research house also projected the demand for gloves to rise by 30% in 2024 to 390 billion pieces (due to a low base effect in 2023) and resume its organic growth of 15% thereafter which will result in an excess capacity of 212 billion pieces in 2024. It also stated that in the vent

the overcapacity persists, which means low prices and depressed plant utilisation will continue to plague the industry in 2024

MIDF Research said raw materials pricing for natural rubber latex concentrate is expected to peak in April this year and soften the following month in May. It added that nitrile latex is currently on an uptrend and is expected to soften in June this year and this would further indicate that the oversupply of gloves in the market had slowly been depleted and demand grew in tandem to the limiting supply.

Nevertheless, the Group anticipated this and based on our long term strategy and planning, the Group’s ongoing supplies of its gloves to markets such as China, India and Egypt continued to expand, and we have intensified our exploration of other new markets for its gloves and are continuously seeking for more collaborations and partnerships to further expand the service offering in the e-commerce sector. The Group will also continue its cost management initiatives throughout its operations to stabilize financial performance and preserve cash flow.



## Glove Manufacturing Business

Despite facing fierce competition, the prevailing global recovery trend is evident, and the Group maintains a positive outlook for this sector. Furthermore, there is an expectation of a continued influx of demand from new markets in the coming years.

The Global Gloves Manufacturing market is poised to experience significant growth between 2023 and 2030. As of FY2024, the market is demonstrated steady growth, and with the Management implementing strategic initiatives, sales are projected to continue its upward trajectory in the foreseeable future.

With the current seven (7) production lines, the Group has an annual production capacity of 947 million pieces and is expected increase its estimated annual capacity to 890 million pieces of examination gloves by FY2025 upon the commissioning of an additional two (2) production line by the end of FY2024.

The Rubber Gloves market across regions including Asia-Pacific, North America, South America, Europe, the Middle East, South Africa, and the Asia Pacific region is anticipated to experience substantial growth with a notable Compound Annual Growth Rate (CAGR) from 2022 to 2027.

The Global Rubber Gloves Market was valued at USD 46.04 billion in 2023, and is expected to reach USD 105.51 billion by 2029, rising at a CAGR of 14.82%.

The global rubber gloves market is segmented into disposable and reusable. The disposable gloves segment holds a dominant market share. Disposable gloves are typically made from latex, nitrile, or vinyl. Each material has specific properties catering to different needs, such as latex for flexibility, nitrile for chemical resistance, and vinyl for cost-effectiveness. They are primarily used in healthcare, food processing, cleaning, and laboratory settings where hygiene and single-use convenience are crucial.

The global disposable gloves market size was valued at USD 17.12 billion in 2023 and is projected to grow from USD 19.88 billion in 2024 to USD 51.75 billion by 2032, exhibiting a CAGR of 12.7% during the forecast period. Southeast Asia dominated the disposable gloves market with a market share of 52.69% in 2023.

Source: <https://www.fortunebusinessinsights.com/disposable-gloves-market-106777> (Source: Global Rubber Gloves Market Report 2024-2029)

## E-Commerce Solution Business

The Group remains dedicated to its IT segment and is steadfast in its efforts to bolster its market presence, thereby reinforcing its long-term sustainability and growth trajectory.

Our ongoing endeavors in exploring innovative e-commerce solutions for both the retail and service sectors are gradually positioning the Group as a formidable player in the industry. As we continue to expand our reach, we aim to cater to a broader audience by implementing affiliate marketing programs for the products and services we offer.

## BOARD COMMITMENTS

The Board assumes the responsibility of ensuring the maintenance of a sound internal control and risk management system being implemented in the Group. The Risk Mitigation & Compliance Monitoring (“RMCM”) Framework was established to determine the Group’s level of risk tolerance which actively identifies, assess and monitor key business risks. The RMCM Framework further enables senior management, operational managers, and employees to understand and effectively manage risks and to promote the awareness of the importance of complying with company’s policies and prevailing laws and regulations.

## SUSTAINABILITY PRACTICE

The Directors are mindful of the impact of the Group’s operations upon the environment, economy and society in which we operate. As such, sustainability is an ubiquitous component of the Group’s strategy to create long-term value for shareholders and other stakeholders. Besides embarking on viable economic activities, the Group is acutely aware of the need to embrace business practices that promote business continuity. We are confident that with the Group’s commitment to high standards of governance, ethics and integrity; deployment of meaningful sustainability practices, as well as continued investment in human capital development, we will be poised for future growth in our journey towards creating value for our shareholders and other stakeholders. The Group’s approach to the adoption of sustainability practices is covered under the Sustainability Statement of this Annual Report.

## FINANCIAL RESULTS REVIEW

### 1. Key Financial Indicators

In the face of a challenging business environment marked by persistent concerns and uncertainties, the Group attained a commendable result for the FY2024. This achievement is particularly noteworthy, given the intermittent operational disruptions caused by supply chain challenges related to raw materials and the increasing operational costs.



## 2. Performance Analysis at Group Level

The Group recorded a revenue of RM49.291 million for FY2024 as compared to RM31.674 million registered in the financial year ended 30 June 2023 ("FY2023"). The Group revenue surged due to the demand for our gloves, and this resulted in an increase in revenue of RM17.617 million, or 35.7%, for the year compared to the previous period.

Despite the increase in revenue, the Group recorded a loss before tax of RM10.666 million, compared to the loss of RM26.333 million in FY2023. The losses was primarily due to the impairments of goodwill on Consolidation of RM6.319 million and the rising cost of raw materials related to the glove manufacturing segment, factors that we are actively addressing.

|                                     | As of 30 June 2024<br>RM'000 | As of 30 June 2023<br>RM'000 |
|-------------------------------------|------------------------------|------------------------------|
| <b>Assets</b>                       |                              |                              |
| Non-Current                         | 52,287                       | 59,302                       |
| Current                             | 23,340                       | 16,653                       |
| <b>Total Assets</b>                 | <b>74,677</b>                | <b>75,955</b>                |
| <b>Equity &amp; Liabilities</b>     |                              |                              |
| Equity                              | 56,557                       | 59,693                       |
| Non-Current Liabilities             | 2,275                        | 1,967                        |
| Current Liabilities                 | 15,845                       | 14,295                       |
| <b>Total Equity and Liabilities</b> | <b>74,677</b>                | <b>75,955</b>                |

The Group's total current assets increased from RM16.653 million in FY2023 to RM22.389 million in FY2024, largely due to an increase in Trade and Other receivables. Non-current assets, however, registered at RM52.288 million compared with RM59.302 million in FY2023. This reduction is primarily due to the planned depreciation of the assets, a strategic decision to ensure the long-term health of the company.

The Group's other payables increased from RM3.205 million to RM4.908 million in FY2024, a strategic move to manage the company's financial obligations effectively. The trade payables reduced from RM7.198 million in FY2023 to RM6.185 million, a result of the implementation of just in time in the procurement of raw materials for the glove business. This proactive approach to managing payables instills confidence in the company's financial management.

The Group has made a strategic investment in its operations, with a short-term borrowing of RM2.913 million for the working capital requirements for the glove manufacturing segment. This investment is a clear indication of the company's commitment to its operations and the security of its financial position.

## OPERATIONAL REVIEW BY BUSINESS SEGMENT

The Group's business segments are as follows:

1. Gloves - Manufacturing of rubber gloves
2. E-Commerce - Involved in software development and system integration.
3. Corporate - Investment holding and others.

| Segment    | FY2024<br>RM'000 | FY2023<br>RM'000 | FY2022<br>RM'000 | FY2021<br>RM'000 |
|------------|------------------|------------------|------------------|------------------|
| Gloves     | 45,475           | 24,142           | 24,366           | 10,285           |
| E-Commerce | 3,816            | 7,532            | 2,113            | 7,650            |
| Corporate  | -                | -                | -                | -                |

### Glove Manufacturing Segment

The manufacturing segment of the Group has been the pillar of the Group, continued to thrive and remained the largest contributor to the Group's revenue. The segment revenue increased by 46.9% to RM45.475 million for FY2024 as compared to RM24.142 million recorded in FY2023. The increase is due to increase in the demand for latex powdered gloves.

### E-Commerce

This segment reported revenue of RM3.816 million for FY2024, representing a decrease of 49% as compared to RM7.532 million recorded in FY2023. The decrease in revenue was mainly due to the expiration of various contracts.

## ANTICIPATED OR KNOWN RISKS

### i. Risk

The Group faces operational and financial risks from its activities and financial instrument usage. These risks are monitored on a quarterly basis by two bodies: the Board's Risk Management and Investment Committee ("RMIC") and the management.

The Management spearhead by the Executive Directors has convened multiple times to identify, address, and manage critical risks that significantly impact daily factory operations. The RMIC also evaluates the effectiveness of risk mitigation actions and suggests additional measures when necessary. Management believes that operational and financial risks have been adequately minimized through these efforts.

### ii. Liquidity Risk

The Group and Company's liquidity risk primarily stems from misaligned maturities between their financial assets and liabilities. To manage this risk, the Group has access to revolving bank facilities totaling RM3.0million. In the financial year under review, they utilized RM2.9 million, or 96.67%, of this credit line.

The Group's financial strategy focuses on balancing consistent funding with operational flexibility. This is achieved through the strategic use of standby revolving credit facilities. Additionally, the Group aims to optimize its funding structure by:



- i. Regularly securing committed funding from both capital markets and financial institutions.
- ii. Prudently incorporating short-term funding options into its portfolio.

This approach is designed to ensure both the continuity of funds and overall cost-effectiveness in the Group's financial operations.

### iii. Interest Rate Risk

The Group faces market risks, primarily due to potential changes in interest rates affecting its loans and borrowings. However, while the bank's base financing rate may fluctuate, the Group anticipates that such changes would not significantly impact its financial position. This confidence suggests that the Group has implemented effective strategies to mitigate interest rate risk.

### iv. Operational Risk

In its daily operations, the Group faces several operational risks:

1. Raw materials:
  - o Supply shortages
  - o Price volatility
2. Production issues:
  - o Factory productivity and efficiency challenges
  - o Machinery downtime
3. Workforce concerns:
  - o Labor shortages
  - o Varying levels of employee skill and competency
4. Product and service quality management

These factors collectively impact the Group's ability to maintain consistent operations and meet quality standards in its products and services.

### v. Foreign Exchange Risk

Due to its international presence, the Group faces foreign exchange risks arising from currency fluctuations. To mitigate this, the Group employs a natural hedge strategy:

- i. Revenue generation and expense incurrence are aligned in the same currency for each operational region.
- ii. This approach effectively minimizes the impact of exchange rate fluctuations on the Group's finances.

As a result of this strategy, the Group does not anticipate significant realized foreign exchange gains or losses, despite the inherent volatility in currency markets. This method allows the Group to maintain financial stability across its diverse geographical operations.

## GROWTH AND STRATEGY

The Group, despite significant challenges in the current global economic climate, including inflation, rising interest rates, and supply chain disruptions, remains resilient. We are aware that these factors could impede our growth plans, but we are prepared to navigate through them.

Amidst the challenges of the current business landscape, we remain steadfast in our commitment to closely monitoring global trends. Our focus on cost reduction and operational efficiency will continue, ensuring our financial stability.

The Group will continue to implement strategies that proved successful in the previous fiscal year, focusing on improving efficiency, reducing costs, and adopting best practices.

Our commitment to innovation and quality is unwavering. We're excited about the future of the glove industry and are investing in expanding our production capabilities. We believe our focus on these areas will drive our growth and meet the evolving needs of our customers.

Due to strong demand from current and potential customers, we anticipate making a net profit of RM2 million and generating about RM55 million in revenue from our glove manufacturing operations in the upcoming fiscal year. Our IT sector is expected to create a turnover of RM8 million and a net profit of RM300,000.

## FUTURE PROSPECTS

### Acquisition of Alpha Fintech Sdn. Bhd. ("Alpha Fintech")

During the period under review, the Group had taken the initiative in exploring new business ventures as well as enhancing its current business operations. On 2 April 2024, entered into a share sale agreement with Koh Chee Siong for the acquisition of 4,165,000 ordinary shares in Alpha Fintech which represents 70% of the enlarged issued and paid-up capital of Alpha Fintech, for a cash consideration of RM10.0 million subject to the terms and conditions in the Share Sale Agreement.

The Group's IT and information and communications technology ("ICT") segment has been in a loss-making position for the past few financial years due to intense competition. Despite the challenges in the IT and ICT segment, the Group continues to explore new business opportunities for this business segment. The Proposed Acquisition presents an opportunity for the Group to acquire an ICT company which is in-line with the Group's expansion plan with the potential synergistic benefits to be derived from the integration of Alpha Fintech with the Group and to improve the financial performance of the Group's business in the IT and ICT segment in the future. While Alpha Fintech has been profit-making in the past few years, there is no certainty that Alpha Fintech will continue to register profits in the future post-acquisition, such risk has been partly mitigated via the Profit Guarantee. In the longer term, the Group expects the earnings of Alpha Fintech would contribute positively to the overall financial performance of the Group.

## FUTURE OUTLOOK

With several important factors driving it, we are optimistic about our continued financial growth. First, the demand for our gloves remains strong in existing markets, and we're actively expanding into new regions to reach a wider customer base. Second, our ongoing investments in production capacity will enable us to meet the increasing demand for our products and improve our operational efficiency. Finally, our unwavering commitment to innovation and product development will ensure that we stay ahead of the competition and continue to excite our customers with the latest and most advanced glove solutions.

We recognize the ongoing challenges of rising input costs and supply chain disruptions. To mitigate these impacts, we are implementing strategies such as securing long-term supply contracts and optimizing our operations to reduce costs. Our goal is to maintain our competitive advantage and continue to improve our financial performance.

## DIVIDEND

In determining dividend payments, the group has reviewed, among other considerations, its available funds, retained earnings, capital commitments, general financial conditions, distributable reserves, and other pertinent considerations.

In respect of FY2024, the Board of the Company does not recommend the payment of dividend.

This statement is made in accordance with a resolution of the Board passed on 29 October 2024.

**Mr Siva Kumar Kalugasalam**  
Executive Director



This Sustainability Statement (“Statement”) provides a narrative of the commitment of Zen Tech International Berhad (“the Company”) and its subsidiaries (the “Group”) towards addressing its Environmental, Social and Governance (“ESG”) impacts as well as its financial and non-financial value creation for the financial year ended 30 June 2024 (“FY2024”). This Statement also encapsulates the Group’s strategy in managing prioritised sustainability-related risks and opportunities. As we continue to recognise the importance of sustainability as an enabler in our business.

We have considered and reviewed the material sustainability matters relating to Economic, Environment, Social and Governance. We identified our material sustainability matters through a materiality assessment that takes into account our stakeholders’ interests. The material matters are reviewed and endorsed by our Board of Directors (“Board”) to ensure that the material matters are aligned with our sustainability ambition. Please refer to our “Stakeholder Engagement” and “Materiality Assessment” for our EESG approach.

### Report Overview

The Group sustainability approach is consistent with obtaining the trust of stakeholders, increasing shareholder value by leveraging on emerging opportunities in the long term while mitigating risks from pressures of costs and competition both locally and regionally. The strengthening of our organisation’s foundation for long term growth is embedded within our corporate responsibility and sustainability management of the company.

Our Sustainability Commitment reflected in this Statement is evidence that our core values are coherent to work practices across our operations which is illustrated in the Group’s Sustainability Framework adapted from the Bursa Malaysia’s Sustainability Reporting Requirements and Guideline.

In managing the sustainability outcomes, the Group leadership has also adopted the principles outlined in the Malaysian Code of Corporate Governance 2021 which underpins incorporating good sustainability practices in all its businesses.







## Guidelines and References

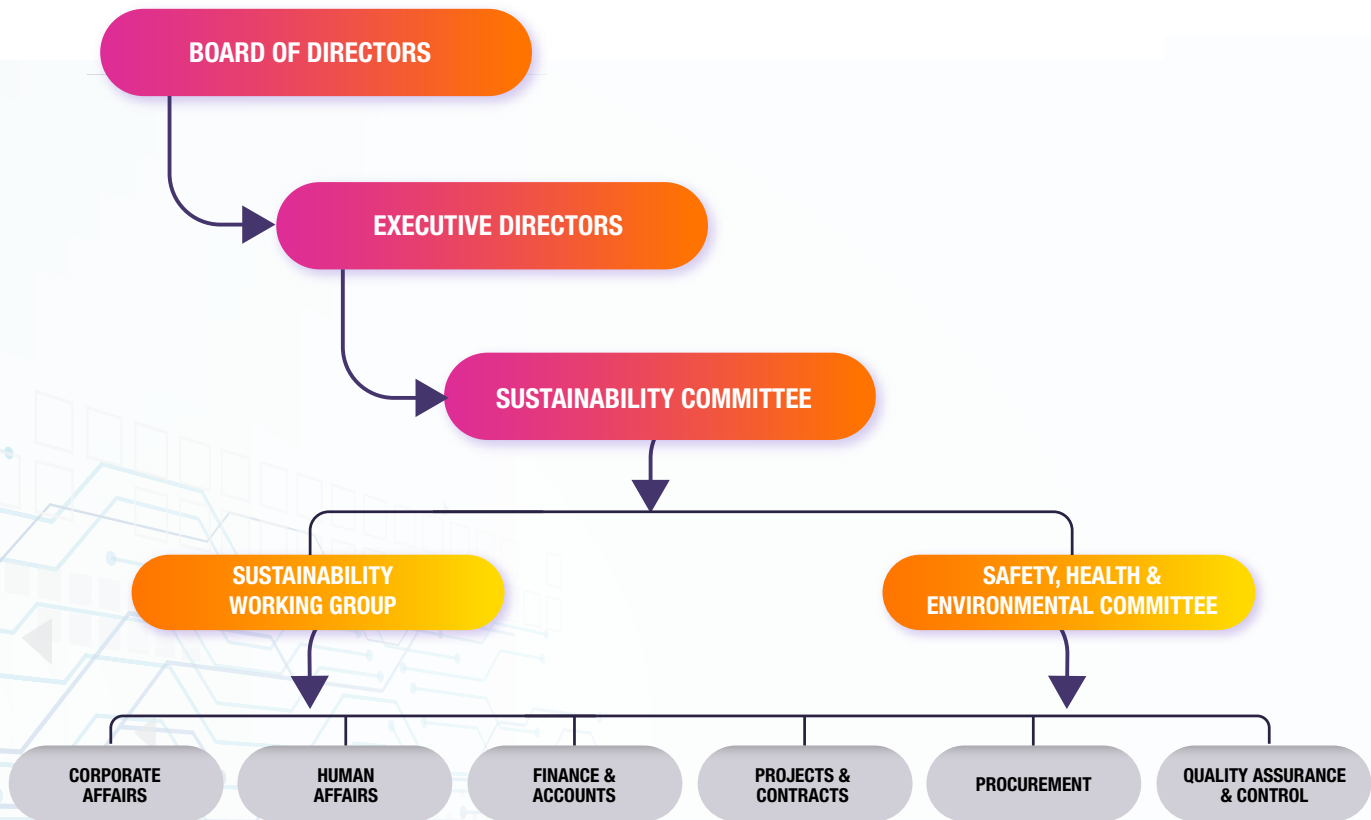
Primarily this report is prepared in accordance with guidelines, references and frameworks which objectively communicates our economic, environmental, social and governance performance.

In preparing this Sustainability Statement, we continued what we had initiated with in our previous year's goals and adapted the changes accordingly in line with the Bursa Malaysia Sustainability Reporting Guide Supplementary Guidelines, Global Reporting Initiative (GRI) Standards and the United Nation's Sustainable Development Goals (SDGs). During the financial year, we had also reviewed the steps to incorporate standard disclosures in accordance with reporting guidelines in accordance with the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on sustainability reporting.

## The Governance Structure at Zen Tech International Berhad

At Zen Tech, we believe that a realistic governance structure is vital to integrate ESG across the Group and to strengthen relationships with stakeholders and enhance overall accountability in our business operations.

The Group's sustainability governance structure is illustrated as follows:



At the highest level, our Board plays a key role in supervising and endorsing matters related to risk, audit, remuneration and corporate governance policies. It also oversees the sustainability performance of the Group and provides strategic guidance to the management team.

Our Executive Directors ("ED") leads and directs sustainability programmes, deploys the necessary resources to implement the programmes and reports the progress to the Board. He is assisted by the Sustainability Committee ("SC") comprising of heads of operating subsidiaries and other department's representatives. The SC operationalises the plans in the respective business units and divisions, coordinates and implements group-wide sustainability activities and collates the data for close monitoring of progress regarding sustainability performance and attaining certain targets to be reported to the Board for review.

### Stakeholders' Engagement

The Group defines stakeholders as individuals, entities or organisations that have the capability to impact and influence the Group's business operations and vice versa. We empower respective business divisions to assess the best approach to engage our stakeholders in our mission to achieve meaningful engagements that fulfil our stakeholders' needs. We constantly engage with our stakeholders across various methods and channels aimed at identifying key concerns of each group of stakeholders, as follows:

| Key Stakeholders                         | Priority       | Key Concerns & Interests  | Engagement Methods & Channels  |
|--|----------------|---|--|
| Customers (Existing and Potential)       | Very Important | <ul style="list-style-type: none"> <li>• Product Quality</li> <li>• Customer Satisfaction</li> <li>• End-to-end customer experience</li> <li>• Complaints Resolution</li> <li>• Company and Development Updates</li> <li>• Market Outlook</li> </ul>  | <ul style="list-style-type: none"> <li>o Corporate Website</li> <li>o Customer Service Channels</li> <li>o Social Media</li> <li>o Customer Satisfaction Surveys</li> <li>o Marketing Events</li> <li>o Timely response to customer's feedback</li> <li>o Digitisation of customer engagement platforms</li> <li>o Adherence to quality standards</li> </ul> |
| Employees                                | Very Important | <ul style="list-style-type: none"> <li>• Career Progression</li> <li>• Learning and Development</li> <li>• Work-Life Integration</li> <li>• Employee Engagement</li> <li>• Conducive Workplaces</li> <li>• Diversity and Inclusion</li> <li>• Job Satisfaction and Retention</li> <li>• Effective Leadership</li> </ul>                                 | <ul style="list-style-type: none"> <li>o Regular updates on company strategy and performance</li> <li>o Townhalls/ Meetings</li> <li>o Internal Emails</li> <li>o Employee Handbook</li> <li>o Transparent performance appraisal process and rewarding scheme.</li> <li>o Provision of training programmes</li> </ul>  |
| Government and Regulatory Authority      | Very Important | <ul style="list-style-type: none"> <li>• Regulatory Compliance</li> <li>• Labour Practices</li> <li>• Occupational Safety and Health</li> <li>• Environmental Management and Compliance</li> <li>• Operating License</li> </ul>   | <ul style="list-style-type: none"> <li>o Compliance with Legislated Framework</li> <li>o Regular Dialogue with Government Agencies</li> </ul>  |
| Supply Chain (Suppliers and Contractors) | Very Important | <ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Anti-corruption and Business Integrity</li> <li>• Timely and Quality Delivery</li> <li>• Sourcing of Materials</li> <li>• Job and Business Opportunities</li> <li>• Environmental Management System</li> <li>• Pricing and Timely Payments</li> <li>• Fair Procurement</li> </ul> | <ul style="list-style-type: none"> <li>o Vendor evaluation and selection</li> <li>o Safety, health and environmental policy</li> <li>o Fair and transparent tender process for all procurement</li> <li>o Project Management Meetings</li> <li>o Client-consultant meeting</li> </ul>  |

| Key Stakeholders                  | Priority  | Key Concerns & Interests  | Engagement Methods & Channels  |
|-----------------------------------|-----------|---|--|
| Shareholders, Investors and Media | Important | <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Financial Performance</li> <li>• Risk Management</li> <li>• Operational Efficiency</li> <li>• Effective Leadership</li> </ul>  | <ul style="list-style-type: none"> <li>o Annual General Meeting</li> <li>o Corporate Website</li> <li>o Annual Report</li> <li>o Corporate Announcement</li> <li>o Email Communication</li> <li>o Media Releases</li> </ul>  |
| Community                         | Important | <ul style="list-style-type: none"> <li>• Sustainable Development</li> <li>• Community Engagement</li> <li>• Corporate Social Responsibility</li> <li>• Health and Safety</li> <li>• Affordable Housing</li> <li>• Location Connectivity (accessibility)</li> <li>• Education</li> </ul> | <ul style="list-style-type: none"> <li>o Contributions to local communities</li> <li>o Collaboration with local higher education institutions</li> <li>o Plenitude Scholarship</li> <li>o Community Events</li> <li>o Residents' Association Meetings</li> <li>o Social Media</li> </ul> |

### Materiality

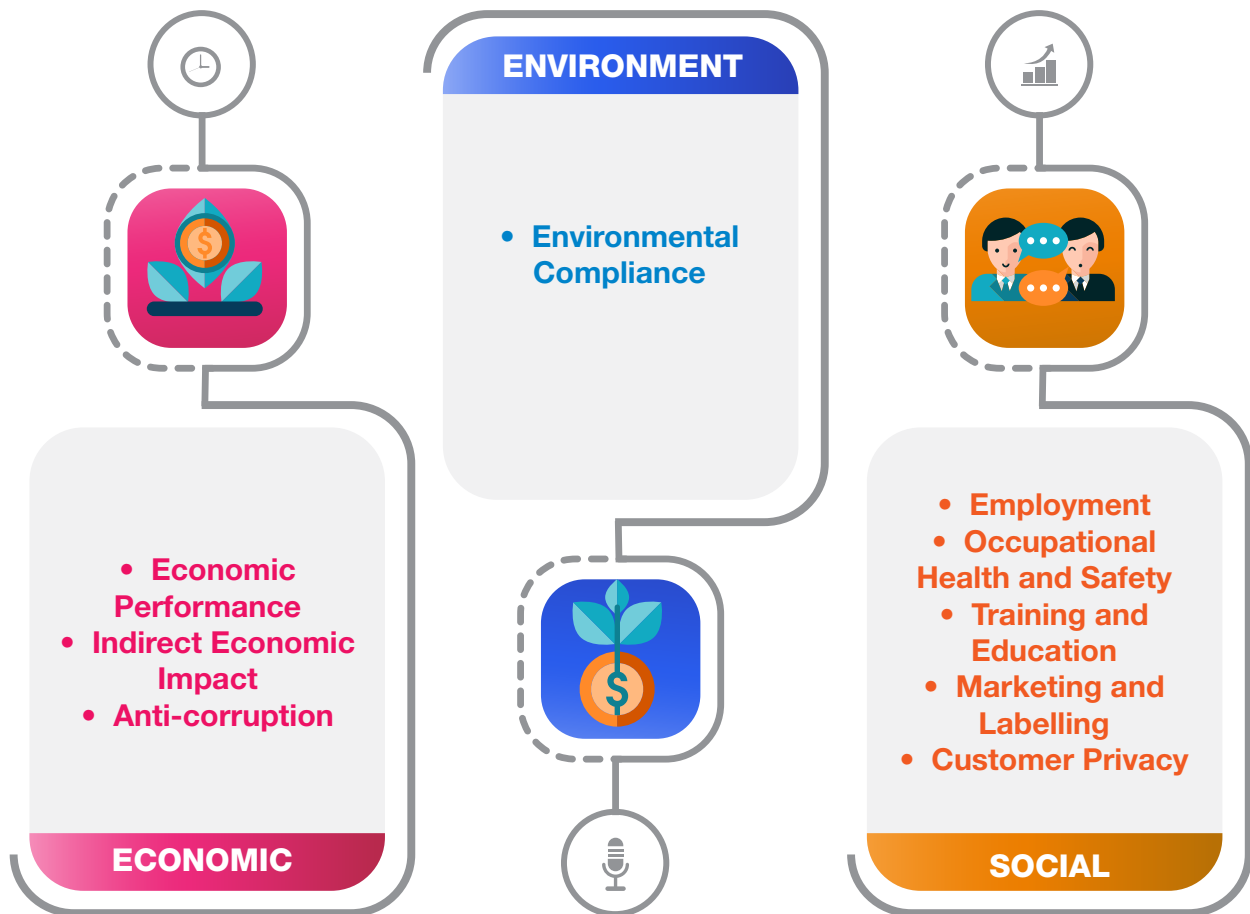
In accordance with the Bursa Malaysia Guideline on Sustainability Reporting Requirements, reflecting on the management approach disclosures emphasize on matters that matter to the organization's sustainability within a setting or operational boundary, while components represent potential measures of performance these evaluations and omissions are clearly explained in reporting documents for compliance disclosures.

The Group's adoption of sustainability culture pervades amongst its various stakeholders and across its value chain is underpinned by a robust and systematic materiality assessment of the organisation's material topics. In FY2024, the perspectives of our various stakeholders were gathered to identify, assess and prioritise ZenTech International Berhad's updated list of material EES topics. This in turn will go on to impact the Group's business strategies and EES management approach going forward.

This assessment was carried out during FY2024 to align more accurately with global EES developments as well as our stakeholders' concerns.



The Group identified, prioritised and assessed its list of material matters by seeking its valued stakeholders' perspectives via a thorough Materiality Assessment Exercise ("MAE"). The initial list of identified material matters included in the MAE is as below:

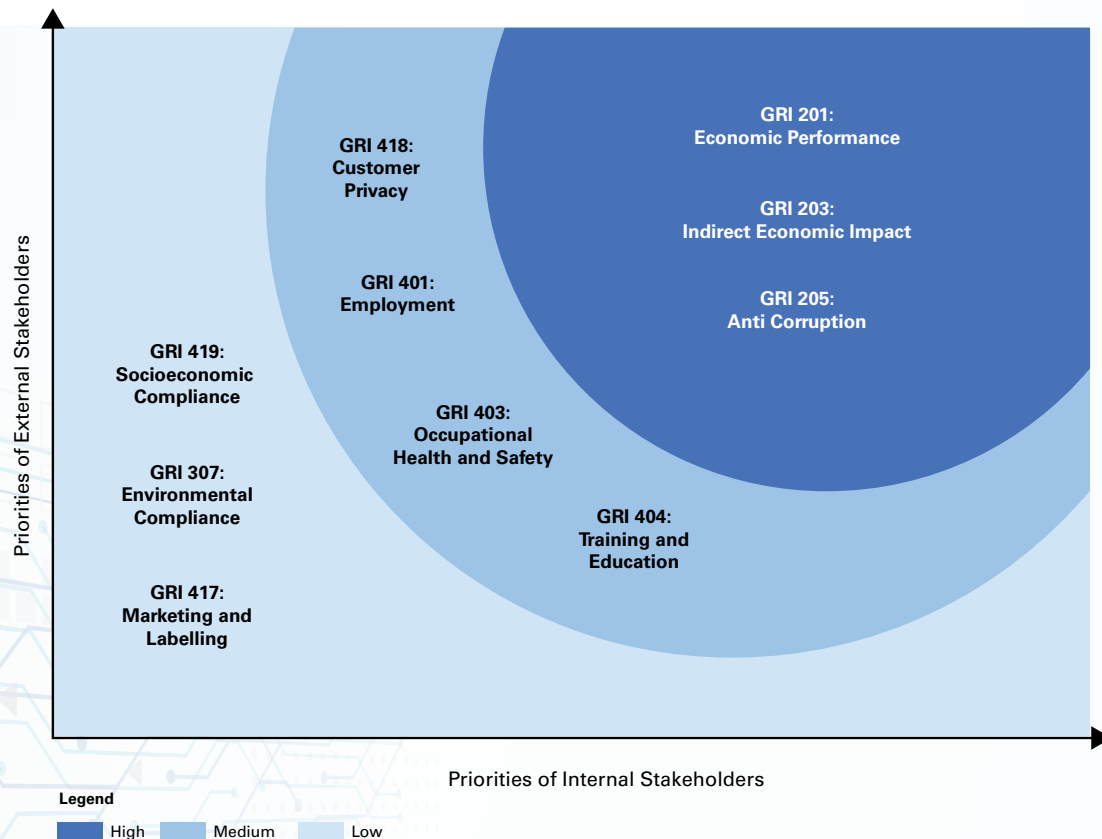


The Group is also aligned to the GRI 103 Management Approach.

- Disclosure 103-1 Explanation of the material topic and its Boundary
- Disclosure 103-2 The management approach and its components
- Disclosure 103-3 Evaluation of the management approach

Material topics reflect on an organization's significant economic, environment and social impacts which influences decisions of stakeholders. the Group reviewed the disclosure topics for FY2024, as per GRI 102: General Disclosures and the Group's Statement on Risk Management and Internal Control (SORMIC) for some of its materiality topics.

The MAE has further reaffirmed how Zen Tech International Berhad prioritises its material matters, as shown below in the materiality matrix:



The Group continues to give a high priority to material issues such as economic performance and regulatory requirements such as GRI 205 Anti-corruption and 419 Socioeconomic compliances, as well as customers as priority by ensuring our practices adhere to all Customer Privacy (GRI 408). Marketing and Labelling (GRI 408) matters continue to receive our attention as we continue to serve more clients in the region.

As the Group persists in its operations, our team of employees also reviewed Profitability and Project Deliverables with a focus on the materiality matters outlined in the subsections of the GRI framework, specifically in Employment (GRI 401), Occupational Health and Safety (GRI 403), and Training and Education (GRI 404).

As we continue to operate within an office premise managed by a third-party building management company, we were mindful to comply with necessary Environmental Compliance requirements as prescribed by the building managers (GRI 307). In view of our continuous expansion to a production site, we will diligently comply with Environment Impact Assessment findings and guidelines going forward, especially with regulators' focus on such topics.



The Group continued to generate direct and indirect economic values for the organisation and its stakeholders. The creation of financial values is an important aspect in furthering our sustainability agenda.

Our financial performance also enables the creation of indirect economic values which benefit important stakeholder groups, such as shareholders, investors and our employees. We also create value by paying tax to the government which contribute towards the development of infrastructure in Malaysia.

These indirect economic values help support overall business operations which allow for sustainable development and also help increase the likelihood of selling our products and services to customers.

### Customer Satisfaction

We are committed to total customer satisfaction through providing consistently quality products and services as happy and loyal customers help the growth of our businesses. Therefore, serving the needs of customers is essential to build long term and trusting customer relationship.

Thus, we have carried out regular engagements with our customers as we believe that listening to the voice of customers is the key to fulfilling their expectations and need. The engagements provide vital insights for continual improvement in the delivery of our products and services.

### Product Quality and Responsibility

The Group prioritises product and service quality as it is essential in ensuring customer satisfaction and experience. Management has adopted the approach of completing all orders for our products with quality, on time and within cost. All processes from production and quality controls are managed through our detailed Standard Operating Procedures ("SOP").

## Governance And Regulatory Compliance

Good governance is the foundation of building trust among the stakeholders. The Group is committed to maintaining high standards of corporate governance, ethics, integrity and accountability in its daily operations. The Group has in place the following policies to instil integrity at the workplace: -

- a. Anti-Bribery and Corruption Policy
- b. Whistleblowing Policy
- c. Code of Ethics and Conduct
- d. Directors' Fit and Proper Policy

More details on the Groups' governance practices are available in the Statement on Corporate Governance section of this Annual Report.



## Environmental Compliance

The Group is aware of the issue that can cause an Environmental Impact.

There are various environmental compliance issues that can result in legal and regulatory challenges.

These compliance issues can arise from the factory's operations and their impact on the surrounding environment such as Air Quality Violations, Water Pollution, Improper Hazardous Waste Management, Improper Handling of Chemicals etc.



We strive to adopt best practices in our daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate our environmental footprint.

The team conducts regular environmental assessments to identify and rectify potential compliance risks and implement best practices to minimize environmental impact. In order to manage and ensure ongoing compliance, regular trainings are conducted to train our employees on environmental regulations and safe handling of chemicals whilst maintaining a robust monitoring and reporting system to track environmental performance.

### Energy Consumption

We manage our resources and energy usage efficiently so as to reduce the relevant environmental impacts and promote sustainable use of natural resources. The Group is taking initiatives to improve its electricity consumption by adopting energy efficient lighting and energy saving equipment for energy conservation.

The Group also plans to reduce the gas usage in our production on an annual basis and are looking at alternative burners and installing boilers that can lower down our total gas usage which in turn reduce the Group's overall operating costs.

As of 30 June 2024, the energy consumption in our Group from the electricity grid was recorded at 2,255,399 kWh and the Gas Usage was recorded at 112,306 GJ.

### Water Consumption

Water is a key natural resource for our manufacturing operations. In view of the substantial usage of fresh water in our production processes, we are exploring options to invest in our own raw water treatment plant, converting water from natural sources into clean water for our own consumption. Besides relying on the water supplied by Jabatan Bekalan Air ("JBA"), we are also considering using a rainwater harvesting method to limit the usage of river water and water from JBA.

### Waste Management

Proper waste management is essential for Zen Tech as smell and waste can be potentially detrimental to human health and the environment. As such, we strive to minimise the impact of the environment from our operations.

All waste generated such as scrap and trim waste, defective gloves, packaging waste, chemical water and wastewater are collected and disposed by registered contractors to approved disposal facilities and premises for treatment.

All construction wastes from our new production lines are collected and disposed by an appointed licensed scheduled waste collector registered with the Department of Environment.



The Group understands the social material matters and aspects within the organisation and the importance of nurturing our workforce and the importance of the Group's human capital.

### **Inclusion And Diversity**

The Group adopts a non-discriminatory approach, where talents are judged purely on the competence, qualifications, experience, and professional contributions. Matters such as hiring, remuneration, promotions, compensation, gifts and benefits are completely based on merit.

We recognised that it is a shared responsibility to foster a more inclusive society. We appreciate workplace diversity and believes that all employees have the right to equal opportunity and treatment, regardless of race, gender or age, which would encourage positive and effective contribution of our talents.

In Zen Tech, employees are encouraged to cultivate an inclusive work environment that respects and protects human rights, free from all form of discrimination, harassment, intimidation or abuse. We also empower women in the workforce. We have in place the Code of Conduct and other relevant policies which promote fair employment practices. As of 30 June 2024, the Group has 122 employees.

| Total Number | 122          | 100 % |
|--------------|--------------|-------|
| Gender       | Total Number | %     |
| Male         | 90           | 74 %  |
| Female       | 32           | 26 %  |

| Designation          | Total Number | %    |
|----------------------|--------------|------|
| Management           | 8            | 6 %  |
| Head of Departments  | 3            | 2 %  |
| Contractual Position | 111          | 91 % |

| Nationality | Total Number | %    |
|-------------|--------------|------|
| Malaysian   | 11           | 9 %  |
| Foreign     | 111          | 91 % |

## Talent Retention and Development

Human capital is the backbone of our business. The success and sustainability of an organisation largely depend on the cultivation of a culture that empowers and inspires employees to perform at optimum potential. A total of 81 hours were spent on employee training during the FYE 2024.

## Conclusion

Throughout FY2024, the Group remains committed to incorporating sustainability's best practices, fostering responsible environmental and social initiatives alongside economic advancement. Our commitment to transparency remains unwavering, ensuring that our current circumstances are openly communicated, and our leadership is fully responsible for driving positive advancements within our business. The Group consistently strives for bi-directional communication with its esteemed stakeholders. Thus, Zen Tech welcomes inquiries, feedback and concerns as valuable inputs to enhance its sustainability reporting and ongoing journey. These can be directed to:

**Mr Siva Kumar Kalugasalam**

Executive Director

Zen Tech International Berhad

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### ANNUAL REPORT 2024

The Malaysian Code of Corporate Governance 2021 (“MCCG”) defines corporate governance as “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realizing long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Company.

The Board is pleased to set out below how the Group has applied the three main principles in the MCCG. This Corporate Governance Overview Statement is complemented with a Corporate Governance Report (the “CG Report”), in conformity with Rule 15.25(2) of the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), to provide an extensive overview of the application of the Group’s corporate governance practices as specified in the Code throughout the financial year ended 30 June 2024 (“FY2024”).

Principle A: The Board Leadership and effectiveness

Principle B: Effective Audit and risk Management: and

Principle C: integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement is to be read together with the CG Report 2024 of the Company which is available on Zen Tech International Berhad’s website at [www.ztech.com.my](http://www.ztech.com.my).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### Strategic Aims, Values and Standards

The Board’s principal focus is the overall strategic direction, development, and control of the Group. In support of this, the Board maps out and reviews the Group’s medium and long-term strategic plans on an annual basis, so as to align the Group’s business directions and goals with the prevailing economic and market conditions.

The Board has delegated specific responsibilities to various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management and Investment Committee whose functions are within their respective terms of reference approved by the Board.

The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairperson and members of each committee. These Board Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective Board Committees’ Terms of Reference and responsibilities. The Terms of Reference of the respective Board Committees are available at the Company’s website at [www.ztech.com.my](http://www.ztech.com.my).



## Chairperson

The Chairperson of the Company, YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar, Tunku Puteri Johor, is an Independent Non-Executive Director and responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairperson is committed to good corporate governance practices and has been leading the Board towards high performing culture.

## Separation of the positions of the Chairperson and Executive Directors

The positions of the Chairperson and Executive Directors are held by different individuals with distinct and separate roles to enhance governance and transparency. The Group aims to ensure a balance of power and authority between the Chairperson and Executive Directors with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasizes and practices a division of responsibility between the Executive and Non-Executive Directors.

## Chairperson of the Board should not be a member of the Board Committees

Following Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. Currently, the Chairperson of the Board, YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar, Tunku Puteri Johor, does not chair any Board Committees nor a member of any Board Committees.

## Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries to provide support and guidance in advising the Board on all secretarial matters of the Company in relation but not limited to Companies Act 2016 (the "Act"), AMLR of Bursa Securities and MCCG.

The Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary pursuant to Section 235(2) of the Act.

The Company Secretaries supports the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. The Company Secretaries also served as an advisory role to the Board, particularly with regards to the Company's Constitution, Board's policies and procedures and various compliance with regulatory requirement, codes, guidelines, legislation and the principles of corporate governance practices.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates, where applicable at Board meetings. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The Company Secretaries also serves notice to the Directors to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.

**ANNUAL REPORT  
2024**

## **Access to Information and Advice**

Board members have the right to access to information within the Group and the individual Director or the Board as a whole has unrestricted access to all information pertaining to the Group's business and affairs. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the expense of the Group.

## **Board Charter**

The Board Charter has been formalised and adopted by the Board, serves as a primary reference which sets out the composition of the Board, appointments of Directors, re-election of Directors, roles and responsibilities of the Board, Board Committees, Chairperson, Executive Directors and Independent Non-Executive Directors.

The roles and responsibilities of the Board Committees, as well as the issues and decisions which required the Board Committees collective decision are also spelled out in the Terms of Reference of the respective Board Committees.

The Board will review the Board Charter from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current law and practices. The Board Charter is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

## **Good Business Conduct and Corporate Culture**

The Board encourages employees across the Group to adhere and to maintain the highest standard of ethical behavior, hence the Group has adopted the following policies as a mechanism to minimize any risks that may occur.

### **1. Code of Conduct and Ethics**

The Group is committed to fostering a culture of ethical conduct throughout the organization. To achieve this, a comprehensive Code of Conduct and Ethics has been established for both Directors and employees. This Code, readily available to all stakeholders on our website [www.ztech.com.my](http://www.ztech.com.my), outlines the expected standards of ethical behavior, emphasizing principles of trust, honesty, and social responsibility. It is fully aligned with relevant legislation, regulations, and best practices for corporate governance.

### **2. Whistleblowing Policy**

The Group had adopted the Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistleblowing Policy is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my). There were no reported incidents pertaining to whistleblowing during the financial year.

### 3. Anti-Bribery and Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy and Guidelines is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

### 4. Corporate Disclosure Policy and Procedure

The Corporate Disclosure Policy and Procedure of the Company sets out the requirements for disclosure including the quality of disclosure to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. The Corporate Disclosure Policy and Procedure is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

## PART II – BOARD COMPOSITION

### Board Composition and Independent Directors of the Board

Currently, the Board comprises of nine (9) members as set out below: -

| No | Name  | Designation                               |
|----|---|---|
| 1  | YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar | Independent Non-Executive Chairperson     |
| 2  | Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir  | Independent Non-Executive Vice Chairman   |
| 3  | Siva Kumar Kalugasalam  | Executive Director                        |
| 4  | Dato' Zhang Li  | Executive Director                        |
| 5  | Chow Hung Keey  | Executive Director                        |
| 6  | Edwin Silvester Das   | Senior Independent Non-Executive Director |
| 7  | Zhang Yang  | Non-Independent Non-Executive Director    |
| 8  | Wong Kok Fong   | Independent Non-Executive Director        |
| 9  | Dato' Zaidi Bin Mat Isa @ Hashim  | Independent Non-Executive Director        |

During the financial year in review, there were several changes to the Board composition. The changes are as follows: -

- YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar was appointed as the Independent Non-Executive Chairperson on 30 November 2023
- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir was redesignated from Independent Non-Executive Chairman to Independent Non-Executive Vice Chairman on 30 November 2023
- Edwin Silvester Das has been redesignated as Senior Independent Non-Executive Director on 17 October 2023
- Appointment of Dato' Zaidi Bin Mat Isa @ Hashim as Independent Non-Executive Director on 27 March 2024

The Board comprises members who have vast experience in various industries as well as professionals in the finance and consulting sectors. The Board brings in a wide spectrum of diverse skills and expertise to the Group which allows it to meet its objectives.

**ANNUAL REPORT  
2024**

Due to the revamp in the Board composition, the composition of the Board Committees, namely, the Audit, Risk Management and Investment, Nomination and the Remuneration Committees were also restructured to align with Practice 1.4 of MCCG.

A brief profile of each Director is presented on pages 12 to 20 of this Annual Report.

The current Board consists of nine (9) members, comprising of three (3) Executive Directors, one (1) Non-Independent and Non-Executive Directors and five (5) Independent Non-Executive Directors. The optimal size with mixture of high caliber individuals with extensive experiences from various professions from both private and public sectors.

The Board acknowledges the call by the Government and MCCG for boards to comprise at least 30% woman on board. The Board does not have a specific policy on diversity policy and measures. However, the issue of diversity is discussed by the Nomination Committee. The Board will take steps towards formalising such policy, targets, and measures to reflect the Company's commitment towards gender diversity.

In keeping up with this policy, the Board have two (2) female directors during the financial year end, which represent 22% of the total number of board members.

The MCCG recommends the practice of at least two (2) or one-third (1/3) of the Board comprises of Independent Directors. Currently, five (5) out of nine (9) of the Board members are Independent Directors. This composition is in line with the MCCG's recommended practice and the requirement of the Rule 15.02 of the AMLR of Bursa Securities whereby the Company must have at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors and one (1) director of the listed corporation is a woman. None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Rule 15.06 of the AMLR of Bursa Securities.

#### **Tenure of Independent Directors**

In accordance with the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an Independent Director who has served for more than nine (9) years, Board's justification and shareholders' approval are required. Two tier voting process will be applied in the Annual General Meeting ("AGM") for retaining any Independent Director serving beyond twelve (12) years. Currently, there are no Independent Directors who have served for more than nine (9) years.



## Board Meetings

The Board meets on a quarterly basis with additional meetings being convened, when necessary, to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the AMLR of Bursa Securities. The Board met six (6) occasions during the FY2024 and the details of attendance at Board Meetings is set out below: -

| Name of Directors   | Meetings Attended |
|---|-------------------|
| YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar (Appointed w.e.f. 30 November 2023) | 2/3               |
| Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir  | 6/6               |
| Dato' Zhang Li  | 5/6               |
| Mr. Siva Kumar Kalugasalam  | 6/6               |
| Mr. Chow Hung Keey  | 5/6               |
| Mr. Zhang Yang  | 5/6               |
| Mr. Edwin Silvester Das   | 6/6               |
| Mr. Wong Kok Fong   | 6/6               |
| Dato' Zaidi Bin Mat Isa @ Hashim (Appointed w.e.f. 27 March 2024)   | 1/2               |

## Directors' Training

All Directors are encouraged to participate in relevant training programs for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

All Directors of the Company had attended the Mandatory Accreditation Program prescribed by Bursa Securities for directors of public listed companies. The training programs, courses, seminars, conferences, talks, briefing attended by the Directors during the FY2024 were as follow:-



**ANNUAL REPORT  
2024**

| Name of Directors   | Training programmes, courses, seminars, conferences, talks, briefing attended  |
|---|--|
| YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part I</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>  |
| Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>  |
| Dato' Zhang Li  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>  |
| Mr. Chow Hung Keey  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- The pros and cons of power</li> <li>- Steward Leadership - Why ESG is not enough</li> <li>- Why AI needs ethics</li> <li>- ESG Fundamentals for Accountants</li> <li>- Bouncing Back After a Layoff</li> </ul> |
| Mr. Siva Kumar Kalugasalam  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- What Amounts to a Conflict of Interest by Directors?</li> <li>- Navigating the Rising Tide of Financial Crime &amp; Technology</li> <li>- E- Invoicing Workshop</li> </ul>                                     |
| Mr. Edwin Silvester Das   | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- National Economic Forum 2024</li> <li>- Anti Bribery and Corruption</li> </ul>   |
| Mr. Wong Kok Fung   | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part I</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- Management of Cyber Risk</li> <li>- Tax Webinar on E-Invoicing</li> <li>- Navigating E-Invoicing Compliance</li> </ul>                                     |
| Mr. Zhang Yang  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>  |
| Dato' Zaidi Bin Mat Isa @ Hashim  | <ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>  |

The Company Secretary has briefed the Board pertaining to the updates on the AMLR of Bursa Securities, the External Auditors also briefed the Board on any changes to the Malaysian Financial Reporting Standard that affect the Group's Financial Statement.

## Nomination Committee

The Company's Nomination Committee ("NC") comprised three (3) Independent Non-Executive Directors. The members of the NC are as follows:-

1. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir (Chairman)
2. Edwin Silvester Das
3. Wong Kok Fong

Full details of the NC's duties and responsibilities are stated in the Terms of Reference which is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

The NC meets as and when required, at least once a year. During FY2024, two (2) meetings were held with full attendance from all its members.

### (i) Annual Evaluation

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises people who possess a wide range of expertise, experience and skills in various fields to enable them to discharge their duties and responsibilities effectively.

### (ii) Re-election of Directors

The Nomination Committee (NC) will evaluate the performance of Directors who due for re-election and recommend their continued service to the Board. The Company's Directors' Fit and Proper Policy ensures that all Directors meet the necessary criteria of character, integrity, skills, knowledge, experience, competence, and time commitment to effectively fulfill their roles and responsibilities in the best interests of the Company and its stakeholders.

The Company's Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

**ANNUAL REPORT  
2024**

In considering whether to recommend a director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- skills, knowledge, expertise, and experience.
- professionalism.
- time commitment to effectively discharge his role as a director.
- contribution and performance.
- character, integrity, and competence.
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election at the forthcoming 19<sup>th</sup> AGM of the Company pursuant to the Company's Constitution are as follows: -

| No | Directors  | Clause No |
|----|--|-----------|
| 1  | Tan Sri Syed Mohd Yusof bin Tun Syed Nasir                           | 97.1      |
| 2  | Edwin Silvester Das  | 97.1      |
| 3  | YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar | 104       |
| 4  | Dato' Zaidi bin Mat Isa @ Hashim                                     | 104       |

All the above-mentioned Directors have expressed their willingness to seek re-election at the forthcoming 19<sup>th</sup> AGM of the Company. The profiles of retiring directors standing for re-election are set out in the Directors' Profile in the Annual Report 2024.

### **PART III – REMUNERATION**

#### **Remuneration Committee**

The Remuneration Committee ("RC") comprises three (3) Members, majority of whom are Independent Directors. The members of the RC are as follows: -

1. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir (Chairman)
2. Edwin Silvester Das
3. Wong Kok Fong

The RC is responsible for evaluating, deliberating, and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the Company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. The individual Director does not participate in the decisions regarding his/her individual remuneration.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, and after giving due consideration to the Group's performance.



**(i) Directors' Remuneration**

Pursuant to Section 230(1) of the Act, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The RC is responsible for reviewing and recommending to the Board the remuneration packages of Board members (i.e. Executive Directors and Non-Executive Directors). None of the Directors participated in any way in determining his/her own remuneration. Individual Directors abstained from all deliberation and approval of his/her own remuneration.



**ANNUAL REPORT  
2024**

The details of the Directors' remuneration comprising remuneration received from the Company in the FY2024 as are follows: -

| No | Name   | Directorate                               | Company (RM'000) |           |        |       |                  |                  |       |
|----|--|---|------------------|-----------|--------|-------|------------------|------------------|-------|
|    |  |   | Fee              | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1  | Dato' Zhang Li   | Executive Director                        | -                | 54        | 348    | -     | -                | -                | 402   |
| 2  | Siva Kumar Kalugasalam   | Executive Director                        | -                | 42        | 180    | -     | -                | -                | 222   |
| 3  | YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (Appointed on 30 November 2023) | Independent Non-Executive Chairperson     | 105              | -         | -      | -     | -                | -                | 105   |
| 4  | Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir   | Independent Non-Executive Vice Chairman   | 120              | -         | -      | -     | -                | -                | 120   |
| 5  | Chow Hung Keey   | Executive Director                        | -                | -         | 144    | -     | -                | -                | 144   |
| 6  | Edwin Silvester Das  | Senior Independent Non-Executive Director | 60               | -         | -      | -     | -                | -                | 60    |
| 7  | Zhang Yang   | Non-Independent Non-Executive Director    | 60               | -         | -      | -     | -                | -                | 60    |
| 8  | Wong Kok Fong  | Independent Non-Executive Director        | 60               | -         | -      | -     | -                | -                | 60    |
| 9  | Dato' Zaidi bin Mat Isa @ Hashim (Appointed on 27 March 2024)  | Independent Non-Executive Director        | 15               | -         | -      | -     | -                | -                | 15    |

| No | Name   | Directorate                               | Group (RM'000) |           |        |       |                  |                  |       |
|----|--|---|----------------|-----------|--------|-------|------------------|------------------|-------|
|    |  |   | Fee            | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1  | Dato' Zhang Li   | Executive Director                        | -              | 54        | 348    | -     | -                | -                | 402   |
| 2  | Siva Kumar Kalugasalam   | Executive Director                        | 71.5           | 42        | 180    | -     | -                | -                | 293.5 |
| 3  | YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (Appointed on 30 November 2023) | Independent Non-Executive Chairperson     | 105            | -         | -      | -     | -                | -                | 105   |
| 3  | Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir   | Independent Non-Executive Vice Chairman   | 120            | -         | -      | -     | -                | -                | 120   |
| 4  | Chow Hung Keey   | Executive Director                        | 36             | -         | 144    | -     | -                | -                | 180   |
| 5  | Edwin Silvester Das  | Senior Independent Non-Executive Director | 60             | -         | -      | -     | -                | -                | 60    |
| 7  | Zhang Yang   | Non-Independent Non-Executive Director    | 60             | -         | -      | -     | -                | -                | 60    |
| 8  | Wong Kok Fong  | Independent Non-Executive Director        | 60             | -         | -      | -     | -                | -                | 60    |
| 9  | Dato' Zaidi bin Mat Isa @ Hashim (Appointed on 27 March 2024)  | Independent Non-Executive Director        | 15             | -         | -      | -     | -                | -                | 15    |

The details of the remuneration of the top Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000 during the FY2024 are as follows:-

| Range of Remuneration (RM) | Designation of Top Senior Management |
|----------------------------|--------------------------------------|
| 150,001 – 200,000          | 2                                    |
| 200,001 – 250,000          | -                                    |

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

1.1 External Auditors and its Independence

The Board is assisted by the Audit Committee (“AC”) which comprises exclusively three (3) Independent Non-Executive Directors, to oversee the Group’s financial reporting process. The members of the AC are as follows: -

- 1. Wong Kok Fong (Chairman)
- 2. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir
- 3. Edwin Silvester Das

The Company had on 24 April 2024, received a notice in writing dated 22 April 2024 from Messrs. SBY Partners PLT on their resignation as auditors of the Company with effect from 12 May 2024 pursuant to Section 281 of the Act. The resignation is on a voluntary basis. Subsequently on 13 May 2024, the Company appointed Messrs. Morison LC PLT (LLP 0032572-LCA), who are registered with the Audit Oversight Board of the Securities Commission as the external auditors of the Company for the audit of the financial year ended 30 June 2024.



In line with the principles of the MCCG, the terms of reference of the AC were amended to include a policy that requires a former audit partner who was part of the engagement team to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.

The Chairman of the AC is not the Chairperson of the Board. The AC's Chairman has access to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

The composition of the AC is reviewed annually with the view to maintain an independent and effective AC, and in line with the principles of the MCCG. All members of the AC have continuously improved their financial literacy by attending trainings on the developments and changes in the Malaysian Financial Reporting Standards in order for them to discharge their duties effectively.

The independence, suitability and appointment/re-appointment of the External Auditors are reviewed by the AC annually based on the External Auditors' Appointment.

The AC Report, which provides detailed articulation on the composition of the AC, its responsibilities and main activities during the FY2024, is set out in this Annual Report 2024.

## 2. Risk Management and Internal Control Framework

### 2.1 Risk Management and Internal Controls

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The Risk Management and Investment Committee ("RMIC") has been formed to assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies. The Board has delegated the tasks of operationalising and implementing the risk management and internal control framework to the RMIC. The members of the RMIC are as follows: -

1. Wong Kok Fong (Chairman)
2. Tan Sri Syed Mohd Yusof Bin Syed Mohd Nasir
3. Edwin Silvester Das

The Executive Directors and Senior Management are responsible for the identification and evaluation of key risks applicable to their areas of business activities on a continuous basis. Risks identified are reported in a timely manner during the periodic management meetings to enable corrective actions to be taken.

The RMIC's Terms of Reference can be found on the Company's website at [www.ztech.com.my](http://www.ztech.com.my). During the RMIC meetings, matters discussed, and any recommendations made are escalated and reported to the Board for a decision.



### Internal Audit Function

The Internal Audit Function is carried out by Vaersa Advisory Sdn Bhd, an internal audit consulting firm. The internal audit function is headed by a Director who is assisted by a manager. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the engagement between the Group and the Internal Auditors to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

The Board is of the view that the system of internal control and risk management is in place, is sound and sufficient in safeguarding the Group's assets and shareholders' investment and interests of all stakeholders.

The Statement on Risk Management and Internal Control furnished on pages 68 to 76 of this Annual Report provides an overview on the state of risk management and internal controls within the Group.

## **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS**

### **1. Communication with Stakeholders**

The Group is committed to regular and proactive communication with shareholders and investors. Formal channels are used to communicate to the shareholders and investors on all major developments of the Group on a timely basis.

In addition to quarterly financial reports and various disclosure and announcements made to Bursa Securities, the other key channel of communication with shareholders and investors is the annual report of the Group, where details on the financial results and activities of the Group are provided.

The Company's AGM is an important forum for dialogue and interaction with shareholders. Shareholders have the liberty to raise questions on the proposed resolutions at the meeting as well as matters relating to the Group's businesses and affairs.

The Group also maintains a website at [www.ztech.com.my](http://www.ztech.com.my) to enable easy and convenient access to up to-date information relating to the Group.

### **2. Conduct of General Meetings**

The AGM represents the principal forum for dialogue and interaction with shareholders, AGM also serves as an important platform for the shareholders to exercise their rights in the Company. The notice of AGM and Annual Report are sent 28 days prior to the AGM, so as to provide sufficient time for shareholders to read through the Annual Report and make the necessary attendance and voting arrangements. Concurrently. The notice of AGM is advertised in a nationally circulated English daily newspaper.



The shareholders are given the opportunity to raise issues and questions pertaining to the Group's strategy or developments during the AGM. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM. The Company's External Auditors also attend the AGM and are available to address any relevant queries raised by the shareholders pertaining to the audit matters and audit report.

In compliance with the AMLR of Bursa Securities, voting for all resolutions set out in the Notice of the AGM shall be conducted by poll as it fairly reflects shareholders' views by ensuring that every vote is recognized, in accordance with the "one share one vote" principle which enforces greater shareholders' rights. At least one (1) independent scrutineer is appointed to validate the votes cast at the AGM.

The outcome of the meeting will be announced to Bursa Securities on the same day, the same is also accessible on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

## COMPLIANCE STATEMENT

The Board has complied most of the recommended practices of the MCCG throughout the financial year, except for the following: -

1. Practice 5.9 – the board comprises at least 30% women directors.
2. Practice 5.10 – the board discloses in its annual report the company's policy on gender diversity for the board and senior management.
3. Practice 8.2 – the board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000;

The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to playing a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Statement is made in accordance with a resolution of the Board passed on 29 October 2024.

### ANNUAL REPORT 2024

The following is provided in compliance with the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”): -

#### 1. Audit and Non-audit fees

The amount of audit and non-audit fees paid or payable to the External Auditors by the Group and the Company for the financial year ended 30 June 2024 (“FY2024”) are as follows:

| Services        | Company<br>(RM'000) | Group<br>(RM'000) |
|-----------------|---------------------|-------------------|
| Audit Fees      | 120                 | 188               |
| Non- Audit Fees | 8                   | 8                 |
| <b>Total</b>    | <b>128</b>          | <b>196</b>        |

Services rendered by the External Auditors are not prohibited by regulatory and other professional requirements and are based on globally practiced guidelines on auditors’ independence.

#### 2. Material contracts

There was no material contracts entered into by the Company and/or its subsidiaries that involve Directors’ or substantial shareholders’ interests either still subsisting at the end of the FYE 2024 or entered since the end of the previous financial year.

#### 3. Share Buy-back

There was no share buy-back by the Company during the FY2024.

#### 4. Utilisation of Proceeds Raised from Corporate Proposals

On 28 January 2022, the Company had announced its proposal to undertake a proposed private placement of up to 10% of the total number of issued shares of the Company to third party investors to be identified later and at an issue price to be determined later. Bursa Securities had, vide its letter dated 22 December 2023, approved the listing and quotation of up to 429,177,000 shares.

The first tranche of the Private Placement was completed on 7 March 2024 following the listing and quotation of 260,000,000 shares on the ACE Market of Bursa Securities, at an issue price of RM0.0151 per Placement Share.

| Description   | Proposed Utilisation<br>RM'000 | Actual Utilisation<br>RM'000 | Intended Timeframe for Utilisation<br>(from listing date) |
|---|--------------------------------|------------------------------|---|
| Expansion of the manufacturing, marketing, and trading of gloves business | 2,109                          | 2,109                        | Within 3 months   |
| Expenses for Proposed Private Placement                                   | 1,702                          | 1,702                        | Within 12 months  |
| Estimated expenses for the Proposed Private Placement                     | 115                            | 115                          | Immediately   |
| <b>Total gross proceeds</b>   | <b>3,926</b>                   | <b>3,926</b>                 |   |

The Company had obtained the approval of Bursa Securities vide its letter dated 24 June 2024, for an extension of time of 6 months from 22 June 2024 up to 21 December 2024 for the Company to complete the Private Placement. As of to date the balance Private Placement which is available is 25,065,100.

## 5. Employees Share Option Scheme

Employees Share Option Scheme (“ESOS”) of up to 30% of the issued share capital of the Company (excluding treasury shares, if any) at any one time during the duration of ESOS for the eligible directors and employees of the Company and its subsidiaries (“group”) (excluding dormant subsidiaries, if any) proposed ESOS was approved by the shareholders at the Extraordinary General meeting held on 8 June 2022 and implemented on 27 January 2023. The ESOS is in force for a maximum period of five (5) years from the effective date and is administered by the ESOS Committee and the Board.

During FY2024, a total of 221,905,755 options over the ordinary shares were exercised pursuant to the Company’s ESOS.

The total number of options granted, exercised and outstanding under the ESOS during the FY2024 are set out in the table below: -

| Description | Number of Options |                   |
|-------------|-------------------|-------------------|
|             | Total             | Directors / Staff |
| Granted     | 759,902,840       | 759,902,840       |
| Exercised   | 317,355,392       | 317,355,392       |
| Outstanding | 442,547,448       | 442,547,448       |

**ANNUAL REPORT  
2024**

Percentage of options applicable to Directors and Senior Management under the ESOS: -

| Directors and Senior Management | During the FY2024 | Since commencement up to 30 June 2024 |
|---------------------------------|-------------------|---------------------------------------|
| Aggregate maximum allocation    | 80%               | 80%                                   |
| Actual granted                  | 53.98%            | 53.98%                                |

## 6. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during FY2024, which exceeded the materiality threshold stipulated in Rule 10.09(2)(b) of the AMLR of Bursa Securities.

## 7. Material Properties

The Company and the Group do not own any landed property for FY2024.





## ANNUAL REPORT 2024

### COMPOSITION

The Audit Committee (“AC”) of Zen Tech International Berhad (“Zen Tech” or “the Company”) is chaired by Mr. Wong Kok Fong, an Independent Director and comprises two members, all of whom are Independent Non-Executive Directors. The current composition meets the requirement of Rules 15.09 and 15.10 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021.

The AC is authorized by the Board of Directors (“Board”) to independently investigate any activity within its Terms of Reference and shall have unrestricted access to information pertaining to the Group, from the Internal and External Auditors, Management, and all employees.

### MEETINGS AND ATTENDANCE

| Members                                    | Membership   |
|--|--|
| Wong Kok Fong                              | Chairman / Independent Non-Executive Director      |
| Tan Sri Syed Mohd Yusof bin Tun Syed Nasir | Member / Independent Non-Executive Vice Chairman   |
| Edwin Silvester Das                        | Member / Senior Independent Non-Executive Director |

During the financial year ended 30 June 2024 (“FY2024”), the AC conducted six (6) meetings of which all were duly convened with sufficient notices given to all AC members together with the agenda, report, and proposals for deliberation at the meetings. The Executive Directors were invited to all AC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

The AC meetings and tentative agendas were set in advance at the start of the new financial year in order to allow the AC to plan and accommodate the meetings into their schedules. The AC meets at least once every three months to review and discuss the Company’s risk management reports, the Group’s internal audit reports, the Quarterly Financial Reports and Annual Financial Statements (as applicable), and other pertinent items falling under the purview of the AC.

Representatives from the External Auditors and Internal Auditors were in attendance to present the relevant reports and proposals to the AC at the meetings which included inter alia, the Auditors’ audit plans and audit reports and the audited financial statements for the FY2024.

In the AC meetings, the External Auditors were given opportunities to raise any matters and gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the AC meetings were tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

The Company Secretaries shall be the secretary of the AC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the AC members prior to each meeting. The Company Secretaries shall also be responsible for keeping the minutes of meetings of the AC and circulating them to the AC members and to the other members of the Board. The Chairman of the AC shall report key issues discussed at each AC meeting to the Board.

## ROLES AND RESPONSIBILITIES

The AC of the Zen Tech Board is tasked with the following primary objectives:

- To assist the Board in fulfilling its statutory and fiduciary responsibility of monitoring the Group's management of its financial risk process, accounting and financial reporting practices.
- To review the Group's business process and quality of its accounting functions, financial reporting and internal controls;
- To enhance the independence of both the external and internal audit functions by providing direction and oversight on behalf of the Board; and
- To assist the Board in ensuring that an effective ethics program is implemented across the Group and in monitoring compliance with established policies and procedures.

In discharging its responsibilities, the AC is assisted by the External and Internal Auditors.

The performance of the AC for FY2024 was evaluated as part of Board and Board Committee Performance Evaluation, based on the results of the assessment the Board was satisfied that the AC has discharged its duties responsibly and effectively. The performance of the AC was also in accordance with the Terms of Reference.

The function of the AC is as set out in the Terms of Reference of the AC which can be found on the Company's website at <https://www.ztech.com.my>.

## KEY ACTIVITIES OF FY2024

### 1. Financial Reporting

Reviewed and discussed the unaudited quarterly consolidated financial results and the annual audited consolidated financial statements of the Company and its subsidiaries with the Management before recommending the same for approval by the Board. In reviewing the financial reporting of the Group, the AC discussed and made enquiries on the following, among other things:

- (i) changes in or implementation of major accounting policy changes;
- (ii) significant matters highlighted, including financial reporting issues; significant judgements made by Management significant and unusual events or transactions and how these matters were addressed;
- (iii) compliance with accounting standards and other legal requirements;
- (iv) deliberated on the management accounts and reports of operating subsidiaries;
- (v) discussed the implications on the Group and on the Company of any latest changes and pronouncements issued by the statutory and regulatory bodies; and
- (vi) deliberated significant accounting / audit issues and unusual events or transactions and reasonableness of accounting standards application highlighted by the External Auditors and / or Management to derive the financial statements and ensured that appropriate action was taken.

## 2. External Audit

- (i) Reviewed the audit plan of the external auditors, which encompassed the detailed terms of the external auditors' responsibilities and affirmation of their independence as external auditors, the audit strategy, the engagement team, risk assessment, areas of audit emphasis for the financial year and additional disclosures in the auditors' report, in line with the new and amended international standards on auditing, including disclosure on key audit matters.
- (ii) Reviewed with the external auditors the results of their audit together with their recommendations and Management's responses.
- (iii) Met once (1) with the external auditors without the presence of Management for open discussions between the AC and the external auditors on any issues of concern to the external auditors arising from their audits.
- (iv) Reviewed the non-audit services rendered by the external auditors and their proposed fees, taking into consideration the fees threshold established under the Group's policy, to ensure that the external auditors' independence and objectivity were not compromised.
- (v) The details of the statutory audit, audit-related and non-audit fees paid/payable to the external auditors Morison LC PLT, and its affiliates for FY2024 are set out below:

| Description                                | Company<br>(RM '000) | Group<br>(RM '000) |
|--|----------------------|--------------------|
| Statutory audit and audit-related services | 120                  | 188                |
| Non-audit-related services                 | 8                    | 8                  |
| Total                                      | 128                  | 196                |

The total non-audit fees incurred as a percentage of the total statutory audit and other audit-related services fees for the Group in respect of FY2024 was 4%.

- (vi) Assessed and satisfied with the performance, effectiveness and independence of the external auditors and recommended to the Board the reappointment of the external auditors for the next financial year. The AC together with the Executive Directors will review the external auditors' performance annually on the following:-
  - caliber of the external audit firm
  - quality processes / performance
  - expertise of audit team
  - independence and objectivity
  - audit scope and planning
  - audit fees
  - communication with the management.



### 3. Internal Audit

- Reviewed the internal audit plan to ensure adequacy of scope, coverage and audit resources required to perform audits on the identified auditable areas.
- Reviewed the internal audit and investigation reports and ensured that appropriate actions were taken by Senior Management in a timely manner to address the observations highlighted in the reports.

### 4. Related Party Transactions

- Reviewed the recurrent related party transactions (“RPT”) that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of Management integrity.
- Reviewed the RPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction.

### 5. Reviewing the Conflict of Interest or Potential Conflict of Interest situation

Pursuant to Rule 15.12(1)(h) of the AMLR of Bursa Securities, the AC is responsible for reviewing the conflict-of-interest situation that arose, persist or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflict.

During the FY2024, the AC had reviewed the Group’s conflict of interest or potential conflict of interest (excluding a related party transaction) on quarterly basis and the AC noted that there were no conflict of interest or potential conflict of interest that arose, persist or may arise including any transaction, procedure or course of conduct that raises question of management integrity within the Group.

### 6. Others

- Reviewed and confirmed the minutes of the AC meetings.
- Received an overview of the Group’s projects.
- Received and noted on the impact of changes to laws and regulations impacting the Group’s business operations, including the Companies Act 2016, Malaysian Code on Corporate Governance 2021 and AMLR of Bursa Securities. In its evaluation exercise, the Board is satisfied that the AC has carried out their responsibilities and duties in accordance with the Terms of Reference of AC.

This AC Report has been reviewed by the AC and approved by the Board on 29 October 2024.



## Statement on Risk Management and Internal Control

**ANNUAL REPORT  
2024**

### INTRODUCTION

The Board of Directors (“Board”) of Zen Tech International Berhad (“Zen Tech” or the “Company”) is committed to maintain a sound, effective and comprehensive risk management framework, and effective internal control system throughout the Group in ensuring shareholders’ investment and the Group’s assets are adequately safeguarded.

The Board of Zen Tech is pleased to present its Statement on Risk Management and Internal Control which outlines the Group’s internal control framework and risk management systems for the financial year ended 30 June 2024 (“FY2024”) as required by Bursa Malaysia Securities Berhad (“Bursa Securities”). This Statement has been prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Securities, and in accordance with the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers (“the Guidelines”).

### BOARD RESPONSIBILITY

The Board is committed to establishing a robust risk management framework and internal control system to safeguard the Group’s assets and ensure the achievement of business objectives. We are continuously reviewing and enhancing our control environment and framework to maintain its effectiveness and integrity. However, it is essential to acknowledge that internal controls can only mitigate risks, not eliminate them entirely. Therefore, while our system of internal control provides reasonable assurance against material loss or failure, it cannot guarantee absolute protection.

The Board delegates the oversight and implementation of the Group’s risk management and internal control systems to the Audit Committee (“AC”). The AC is responsible for:

- Reviewing and approving the Group’s risk management framework and policies.
- Monitoring the implementation of risk management processes and procedures.
- Assessing the adequacy and effectiveness of the Group’s internal control systems.
- Evaluating the risk management activities and the effectiveness of risk mitigation measures.
- Identifying and addressing any significant risks or weaknesses in the Group’s risk management and internal control systems.
- Providing guidance and recommendations to the Board on risk management matters.
- Ensuring that the Group’s risk management and internal control systems comply with relevant regulations and best practices.
- Reporting to the Board on the effectiveness of the Group’s risk management and internal control systems.

By delegating these responsibilities to the AC, the Board ensures that the Group’s risk management and internal control systems are being effectively overseen and managed. The AC’s oversight provides additional assurance to shareholders and other stakeholders that the Group is adequately managing its risks and protecting its assets.

The Board has established a Risk Management and Investment Committee (“RMIC”) that reports to the AC to oversee the Group’s risk management activities. The RMIC is comprised entirely of Board members and is responsible for ensuring the effective implementation of the Group’s risk management framework and policies. The RMIC’s key responsibilities include:

- Ensuring that the Group's risk management processes are integrated into all core business activities.
- Overseeing the development and implementation of appropriate risk management guidelines and policies.
- Fostering a risk-aware culture within the organization, ensuring that risk management is embedded into the Group's day-to-day operations.
- Reviewing quarterly risk management reports, risk registers, and management responses to identified risks.
- Identifying and communicating to the Board any significant risks, challenges, and management action plans to address them.
- Regularly evaluating and reviewing the Group's risk management framework and policies to ensure their effectiveness and alignment with changing circumstances.

## EXECUTIVE DIRECTORS AND MANAGEMENT RESPONSIBILITIES

The Executive Directors and Management are accountable to the Board for overseeing the Group's risk management and internal control systems. They are responsible for identifying, assessing, monitoring, and mitigating risks, ensuring that internal controls are effective and taking timely corrective actions as needed. Regular reports on risk management activities and the effectiveness of internal controls are submitted to the AC, RMIC, and ultimately, the Board of Directors.

The Executive Directors and Management have confirmed to the Board that the Group's risk management and internal control systems are functioning as intended and are effectively managing risks within the established framework.

The Group actively manages risks by implementing appropriate controls, developing mitigation plans, and continuously improving its risk management processes to address evolving challenges.

## PLANNING, MONITORING AND REPORTING

The Group's performance is evaluated quarterly to assess progress against the approved annual budget. The Board receives detailed reports on the performance of each business segment to inform its decision-making.

The Board also receives regular reports on risk management activities and the findings of internal audits, which provide valuable insights into the Group's operations and help identify potential areas for improvement.

The Board also receives regular reports on risk management activities and the findings of internal audits, which provide valuable insights into the Group's operations and help identify potential areas for improvement.

## POLICIES

The Group's internal policies are properly documented to ensure compliance with the internal controls, prevailing laws, rules, and regulations. The Board has reviewed and approved the Whistleblowing Policy and Anti-Bribery and Corruption Policy which provides adequate procedures in relation to the appropriate actions to be taken. The Group has adopted the Anti-Bribery and Corruption Policy in view of the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which became effective on 1 June 2020.

In ensuring the relevancy of the policies, such policies shall be reviewed annually or as and when necessary.

## RISK MANAGEMENT FRAMEWORK

The Board of Directors recognizes the critical importance of risk management in all aspects of our business operations. As such, we have taken the proactive step of assuming direct responsibility for identifying and managing principal risks. To effectively mitigate risk exposure and ensure it remains within acceptable levels, we have implemented a robust and adaptable risk management system that aligns with our established risk management policy. This policy outlines our commitment to integrating risk management into our organizational processes and structure, fostering an environment that supports the achievement of our performance objectives.

The functional management is given a clear line of accountability and delegated authorities were established as part of the internal control efforts through the standard operating practices. The internal audit function supports the review and assists the AC in conducting their review more effectively and not to engage in speculative transactions.

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

- Effective and efficient risk management processes contribute to good corporate governance and are integral to the achievement of business objectives.
- Risk management is embedded into day-to-day management processes and is extensively applied in decision making and strategic planning.
- Risk management processes take advantage of opportunities, manage uncertainties, and minimize threats.
- Regular reporting and monitoring promote a sense of accountability and responsibility in managing risks and crisis.

To strengthen the risk management framework, the Executive Directors and the Management continuously enhance risk management practices and increases the scope across subsidiaries.

## INTERNAL CONTROL

The Board maintains an organizational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. The Board meets regularly and has a schedule of matters that are brought to it for decision making process to ensure effective control over strategic, financial, operation and compliance issues can be maintained.

The following outlines the main elements of the Group's internal control system:

| No | Element                      | Segment                            | Deliberation   |
|----|------------------------------|------------------------------------|--|
| 1  | Authority and Responsibility | Terms of Reference                 | <p>The Board has delegated specific responsibilities to a variety of Board Committees, each of which has well-defined and approved Terms of Reference that are subject to periodic reviews as needed.</p> <p>These Board Committees Includes:</p> <ol style="list-style-type: none"> <li>1. AC</li> <li>2. RMIC</li> <li>3. Nomination Committee (“NC”)</li> <li>4. Remuneration Committee (“RC”)</li> </ol> <p>In addition, the Executive Directors have been empowered the authority to ensure that the day-to-day business operations are in accordance with the corporate objectives, strategies, business plans, and budgets as approved by the Board of Directors. This includes resolving of issues that arise from both the internal operational conditions and the external business environment.</p> |
|    |                              | Compliance Environment             | <p>Each business unit within the Group has established a strong compliance framework by appointing dedicated personnel to oversee compliance matters specific to their respective operations. Regular internal audits are conducted to ensure adherence to relevant laws, regulations, procedures, and policies.</p>   |
|    |                              |                                    | <p>Additionally, the Executive Director provides legal advice to the Board and Management on all legal issues, supported by the external counsel when needed, playing a key role in safeguarding the Group’s legal interests.</p>  |
|    |                              | Performance Review and Measurement | <p>The Board is kept informed through regular reports on new legislation, updates to business terms, or changes in laws relevant to the Group.</p> <p>The Group’s performance, is discussed with the Board on a quarterly basis. During these meetings, Management conducts a detailed analysis, identifying and highlighting the group’s performance based quarterly performance. These findings are presented to the Board for consideration, allowing them to take further action, including potential revisions to the budget and forecast based on the insights provided.</p>   |

**ANNUAL REPORT  
2024**

| No | Element                 | Segment                                  | Deliberation   |
|----|-------------------------|--|--|
|    |                         | Finance Function                         | The Finance Function is tasked with providing the AC with the assurance that the Group has consistently applied appropriate accounting policies, that the going concern basis used in the Annual Financial Statements and Condensed Consolidated Financial Statements is suitable, and that decisions are prudent and estimates are reasonable, in line with the requirements of the Financial Reporting Standards. The Group's liquidity position and financial performance are carefully monitored through quarterly reporting.  |
|    |                         | Employees' Competency                    | The Group's objectives and plans are consistently communicated to ensure that all employees receive clear and effective guidance. Additionally, training and development programs are identified and scheduled to help employees acquire the necessary knowledge, skills, and core competencies.   |
| 3  | Policies and Procedures | Standard Operation Policies & procedures | <p>The Group has internally developed a set of policies and procedures designed to support its internal control framework, ensuring compliance with both internal controls and relevant laws and regulations.</p> <p>These policies and procedures undergo periodic reviews and updates throughout the year in response to changes in operational needs, alterations in the business environment, or shifts in regulatory requirements.</p> <p>Approval for these updates is sought from the Boards, relevant Board Committees, or Management. The policies and procedures encompass standard operating practices and guidelines related to operational planning, capital expenditure, protection of assets from unauthorized use or disposition, maintenance of financial and accounting records, reporting systems, and monitoring of the Group's businesses and performance.</p> <p>The Executive Directors actively participate in the Group's business operations, including attending operational and management-level meetings to ensure ongoing monitoring and adherence to the Group's policies and procedures.</p> |
|    |                         | Employees' Code of Conduct               | <p>The Employees' Handbook is readily accessible to all employees, and they are required to adhere to it strictly, as it is essential for maintaining discipline and fostering a positive attitude in fulfilling their responsibilities.</p> <p>All employees have the responsibility to uphold and practice the Code of Conduct as part of their commitment to achieving the Group's overall objectives.</p> <p>The Handbook acts as a guiding document for employees, promoting discipline and a positive mindset in their work.</p>   |



| No | Element | Segment  | Deliberation   |
|----|---------|--|--|
|    |         | Whistleblowing Policy, Code of Ethics and Conduct, Anti- Corruption and Bribery Policy | <p>The Group is steadfast in its commitment to conducting its business and operations with the highest ethical, moral, and legal standards. To strengthen this commitment, the Group has established several key policies, including the Whistleblowing Policy, Code of Ethics and Conduct, and Anti-Corruption and Bribery Policy.</p> <p>These policies have been approved by the Board and provide channels through which employees or external parties can safely and confidentially report any breaches or suspected breaches of laws, regulations, business principles, or the Group's internal policies and guidelines.</p> <p>These policies are easily accessible on the Group's website, ensuring transparency and convenience for all stakeholder</p>   |
| 4  | Audit   | Internal Audit   | <p>The internal audit function is responsible for identifying instances of non-compliance with established policies, procedures, regulations, and standards within an organization. This includes the systematic review of operations and controls to assess adherence to applicable requirements.</p> <p>Upon the discovery of irregularities or significant findings, the internal audit function promptly reports these matters to the Audit Committee, providing detailed information and recommendations for corrective actions. These recommendations aim to mitigate risks, address root causes, and ensure compliance with relevant laws and regulations.</p> <p>Management is accountable for overseeing the implementation of corrective actions as outlined by the internal audit function. This includes establishing timelines, monitoring progress, and ensuring that the necessary steps are taken to address the identified non-compliance issues.</p> <p>By effectively fulfilling its role, the internal audit function contributes to the organization's overall compliance posture, risk management practices, and governance framework.</p> |
|    |         | External Audit   | The External Auditors present their detailed plan to the AC for review and approval. This plan includes the planned audit services, and non-audit services.  |
|    |         | AC   | <p>The AC conducts a thorough review of the audit findings submitted by both the Internal and External Auditors.</p> <p>This analysis is undertaken to assess the adequacy and effectiveness of the organization's risk management and internal control systems.</p>   |



The Group's internal control systems are continuously reviewed to ensure that changes in the Group's business and operating environment are adequately managed.

The Board has also received assurance from the Executive Directors that the risk management and internal control system of the Company and its subsidiaries are operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted.

## **INTERNAL AUDIT FUNCTION**

The Board has outsourced its internal audit function to an independent professional firm, Vaersa Advisory Sdn Bhd to carry out reviews and assess the adequacy and integrity of the system of internal control of the Group.

The internal auditors conduct periodic audits with emphasis on

risk-based areas, where weaknesses highlighted are rectified, and report directly to the AC on a quarterly basis.

Findings from the internal audit reviews are discussed with the Management, and the Management's responses and the internal auditors' recommendations are incorporated in the Internal Audit Reports and presented to the AC on a quarterly basis.

The AC takes note of the results of the internal audit reviews together with its recommendations and improvements to the system of internal control which are also shared with the Management and will be monitored and updated on a quarterly basis.

## **EMPLOYEES' COMPETENCY**

Specific training and development programmes are conducted to ensure that employees are equipped with the necessary knowledge, skills and competency required for them to perform effectively. e.g., Scheduled Wastes Management, Regulatory Compliance & Quality Objectives, Medical Guidance Document Licensing for Establishment and Requirement for Labelling Of Medical Devices.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the External Auditors as required under Rule 15.23 of the AMLR of Bursa Securities for inclusion in the Annual Report 2024. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Risk Management and Internal Control Statement included in this Annual Report 2024 issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risk and control, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board and Management thereon. The report from the External Auditor was made solely to the Board in connection with their compliance with the AMLR of Bursa Securities and for no other purpose or parties. The External Auditor do not assume responsibility to any person other than the Board in respect of any aspect of this statement.

## INTERNAL CONTROL

The Board has reviewed the adequacy and effectiveness of the risk management and internal control systems based on the information provided by the key management in the Company and assurances provided by External Auditors.

No material losses were incurred during the financial year under review as a result of weaknesses in risk management and internal control systems. The Board and Management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is satisfied that the risk management and internal control systems in place for FY2024 are adequate and effective to safeguard shareholders' investments, the Group's assets, and interest of other stakeholders.

This Statement on Risk Management and Internal Control was approved by the Board on 29 October 2024.

## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

### ANNUAL REPORT 2024

The Directors are required pursuant to Companies Act 2016 ("the Act") to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia.

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

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the Group and the Company's business;
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements;
- reviewing the adequacy and integrity of internal control systems and management information system in the Company and within the Group; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the requirements of the Act and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2024, then Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

## Reports and Financial Statements 30 June 2024

| CONTENTS  | Page No. |
|---|----------|
| DIRECTORS' REPORT   | 78       |
| STATEMENT BY DIRECTORS  | 84       |
| STATUTORY DECLARATION   | 85       |
| INDEPENDENT AUDITORS' REPORT                                  | 86       |
| FINANCIAL STATEMENTS  |          |
| • Statements of Profit or Loss and Other Comprehensive Income | 92       |
| • Statements of Financial Position                            | 93       |
| • Statements of Changes in Equity                             | 97       |
| • Statements of Cash Flows                                    | 101      |
| • Notes to the Financial Statements                           | 104      |



## ANNUAL REPORT 2024

### DIRECTORS' REPORT

The directors of **ZEN TECH INTERNATIONAL BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The information on the name, place of incorporation, principal activities and proportion of ownership held by the Company in each of the subsidiary companies are as disclosed in Note 17 to the financial statements.

### RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

|                             | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|-----------------------------|---------------------|-----------------------|
| Loss before tax             | (10,666,905)        | (3,298,128)           |
| Income tax expense/(credit) | (51,227)            | 957                   |
| Loss for the financial year | <u>(10,718,132)</u> | <u>(3,297,171)</u>    |
| Loss attributable to:       |                     |                       |
| Owners of the Company       | (10,281,051)        | (3,297,171)           |
| Non-controlling interests   | (437,081)           | -                     |
|                             | <u>(10,718,132)</u> | <u>(3,297,171)</u>    |

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

### DIVIDENDS

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

### RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company reduced its issued ordinary share capital from RM116,471,401 to RM76,471,401 by way of capital reduction exercise pursuant to Section 117 of the Companies Act, 2016 ("Act") and ordinary share capital of the Company was increased from 2,628,545,901 units to 3,110,651,656 units by way of:

- (a) the issuance of 36,720,570 ordinary shares of RM0.0378 each arising from the exercise of employees share option scheme;
- (b) the issuance of 260,000,000 ordinary shares of RM0.0151 each arising from the exercise of private placement;
- (c) the issuance of 185,185,185 ordinary shares of RM0.0362 each arising from the exercise of employees share option scheme;
- (d) the issuance of 200,000 ordinary shares of RM0.03 each arising from the exercise of detachable warrants.

The new ordinary shares issued during the financial year rank pari passu in all respects with existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year other than the issuance of Warrants B.

## WARRANTS

### Detachable Warrants B 2023/2025

The Warrants B were constituted under Deed Poll dated 22 December 2022. During the financial year, the number of Warrants B was decreased from 970,110,537 units to 969,910,537 units pursuant to conversion of Warrants B.

At 30 June 2024, the outstanding Warrants B 2023/2025 are 969,910,537. There are 200,000 number of Detachable Warrants B 2023/2025 which have been exercised. The outstanding warrants will be expired on 1 February 2025.

The details of Warrants B 2023/2025 are disclosed in Note 26(a) to the financial statements.

**ANNUAL REPORT  
2024**

## SHARE OPTIONS

During the financial year, a total of 221,905,755 units have been exercised.

The Employees Share Option Scheme ("ESOS") of the Company is governed by the ESOS By-Laws and is to be in force for a period of 5 years effective from 27 January 2023. The ESOS may be extended by the Board of Directors, upon the recommendation of the ESOS Committee.

The salient features and other terms of the ESOS are disclosed in the Note 26(b) to the financial statements.

## OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have 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 the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations 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 year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

## DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

Dato' Zhang Li\*

Edwin Silvester Das

Siva Kumar A/L Kalugasalam\*

Zhang Yang\*

Chow Hung Keey\*

Wong Kok Fong

Y.A.M. Tunku Kamariah Aminah Maimunah

Iskandariah Binti Sultan Iskandar

Dato' Zaidi Bin Mat Isa @ Hashim

(Appointed on 30 November 2023)

(Appointed on 27 March 2024)

\*Director of the Company and its subsidiary companies.

The directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Mahfuzal Bin Othman

Teo Xiong Sheng

Teo Yoek Leong

Manfred Gustav Von Nostitz

(Appointed on 05 July 2023)

## DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

|                                 | Balance as at<br>1.7.2023 | Number of Ordinary Shares |              | Balance as at<br>30.6.2024 |
|---------------------------------|---------------------------|---------------------------|--------------|----------------------------|
|                                 |                           | Bought                    | Sold         |                            |
| <b>Interests in the Company</b> |                           |                           |              |                            |
| <b>Direct interest</b>          |                           |                           |              |                            |
| Chow Hung Keey                  | 177,600                   | -                         | -            | 177,600                    |
| Dato' Zhang Li                  | -                         | 28,089,936                | (11,750,000) | 16,339,936                 |
| Siva Kumar A/L Kalugasalam      | -                         | 61,294,604                | (60,334,000) | 960,604                    |

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares, nor had beneficial interest in the shares of the Company or its related corporations during or at the beginning and end of the financial year.

**ANNUAL REPORT  
2024**

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the director is a member, or with a company in which the Director has a substantial financial interest.

The details of the directors' remuneration of the Group and of the Company for the financial year are as follows:

|                               | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|-------------------------------|---------------------|-----------------------|
| Executive directors:          |                     |                       |
| Fee                           | 348,000             | 348,000               |
| Salaries and other emoluments | 1,431,413           | 420,000               |
| Defined contribution plans    | 132,536             | 38,144                |
| Social security contribution  | 5,377               | 2,317                 |
|                               | <u>1,917,326</u>    | <u>808,461</u>        |
| Non-executive directors:      |                     |                       |
| Fee                           | 420,000             | 420,000               |
|                               | <u>2,337,326</u>    | <u>1,228,461</u>      |

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Group and of the Company in accordance with Section 289 of the Companies Act, 2016.

## AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 30 June 2024 are as follows:

|                         | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|-------------------------|---------------------|-----------------------|
| Auditors' remuneration: |                     |                       |
| Statutory audit         | 188,000             | 120,000               |
| Other services          | 8,000               | 8,000                 |
|                         | <u>196,000</u>      | <u>128,000</u>        |



AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

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

\_\_\_\_\_  
DATO' ZHANG LI

\_\_\_\_\_  
SIVA KUMAR A/L KALUGASALAM

Kuala Lumpur  
29 October 2024



**ANNUAL REPORT  
2024**

## STATEMENT BY DIRECTORS

The directors of **ZEN TECH INTERNATIONAL BERHAD** state that, in their opinion, the accompanying financial statements 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 30 June 2024 and of their financial performance and their cash flows for the financial year ended 30 June 2024.

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

.....  
**DATO' ZHANG LI**

.....  
**SIVA KUMAR A/L KALUGASALAM**

Kuala Lumpur  
29 October 2024

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **SIVA KUMAR A/L KALUGASALAM**, being the director primarily responsible for the financial management of **ZEN TECH INTERNATIONAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SIVA KUMAR A/L KALUGASALAM

Subscribed and solemnly declared by the abovenamed **SIVA KUMAR A/L KALUGASALAM** at **PETALING JAYA** in the state of Selangor Darul Ehsan on 29 October 2024.

Before me,

COMMISSIONER FOR OATHS



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEN TECH INTERNATIONAL BERHAD**

Registration No. 200401027289 (665797-D) (Incorporated in Malaysia)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of ZEN TECH INTERNATIONAL BERHAD, which comprise the statements of financial position as at 30 June 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 financial year ended 30 June 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year ended 30 June 2024 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 Standard) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

## Key Audit Matters

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

| Key Audit Matters  | Our audit performed and responses thereon  |
|--|--|
| <p><b>Impairment of goodwill and property, plant and equipment arising from cash generating unit - Gloves (Note 13 and Note 14 to the financial statements)</b></p> <p>The Group has goodwill of RM6.3mil (fully impaired during the year) which arose from the investment in Inix L&amp;S Gloves Sdn. Bhd. ("Inix L&amp;S") and its property, plant and equipment of RM49.7mil, which represents 8.4% and 66.6% of the Group's total assets. The principal activity of Inix L&amp;S is engaged in manufacturing of rubber gloves.</p> <p>The Group has designated goodwill and property, plant and equipment (PPE) as a single cash-generating unit (CGU) for the purpose of impairment assessment. The recoverable amount for this CGU is determined using the value-in-use (VIU) method, which estimates the present value of future cash flows expected from the CGU.</p> <p>For the impairment assessment, the VIU of the CGU is compared to the carrying amount of the CGU. Should the carrying amount exceed the recoverable amount, the resulting impairment loss is first allocated to goodwill, with any remaining impairment subsequently allocated to PPE.</p> <p>The key bases and assumptions used in the determination of VIU involve a significant degree of management judgement.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- compared prior year budgets to actual results to assess the reliability of management's forecasting purposes;</li> <li>- assessed and evaluated key assumptions used in forecasting revenues, operating profit margins, growth rate and the production capacity of the factory;</li> <li>- assessed appropriateness of pre-tax discount rates used by management by comparing to market data, the market weighted average cost of capital and the relevant risk factors;</li> <li>- challenged and made enquiries of the management on the key inputs used in measurement methods;</li> <li>- performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessments; and</li> <li>- agreed to the input data used by the management to supporting evidence by verifying the actual results and financial budgets approved by the management.</li> </ul> |



**ANNUAL REPORT  
2024**

| Key Audit Matters   | Our audit performed and responses thereon   |
|---|---|
| <p><b>Recoverability of trade receivables (Note 20 to the financial statements)</b></p> <p>The carrying amounts of the Group's trade receivables as at 30 June 2024 amounted to RM8,501,423.</p> <p>We determined this to be a key audit matter due to the significant management judgements and significant estimates involved, taking into consideration the aging, historical payment patterns, existence of disputes and other available information concerning the recoverability of the receivables and deposits.</p>   | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- reviewed the aging analysis of the trade receivables and assessed the adequacy of the allowance for credit losses;</li> <li>- evaluated management's methodology for estimating ECL, ensuring compliance with applicable accounting standards;</li> <li>- tested the accuracy and completeness of data used in the computation of the expected credit losses, including historical loss rates and forward-looking information;</li> <li>- conducted inquiries with management regarding significant changes in customer circumstances and their potential impact on collectability; and</li> <li>- reassessed the reasonableness of assumptions used in the ECL model by comparing them with historical trends.</li> </ul>  |
| <p><b>Valuation of deposits (Note 21 to the financial statements)</b></p> <p>As of 30 June 2024, the Group has paid RM6.5mil and RM7.5mil in previous financial year, respectively, amounting to RM14mil for the intention of investment in unquoted shares or targeted companies.</p> <p>This area has been identified as a key audit matter due to a historical pattern where the Group has made deposits for potential investments that subsequently did not materialize, leading to impairments. Given this trend, there is inherent uncertainty around the valuation and recoverability of the deposits.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- performed subsequent receipt testing on the outstanding receivables and deposits paid;</li> <li>- assessed the results from legal and financial due diligence and valuation report from independent valuers for the deposits paid for proposed new acquisition during the year;</li> <li>- assessed the independency, competency and objectivity of the independent valuer;</li> <li>- obtained the valuation report prepared by the independent valuer, assessed and challenged the reasonableness of the key assumptions used and appropriateness of the valuation methodology; and</li> <li>- read through the approved Directors' resolution and resolution from risk management and investment committee on the decision of proposed acquisition.</li> </ul> |

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

## Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the 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 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.

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.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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.

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

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

## Other Matters

- (a) The financial statements of the Group and the Company for the financial year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 October 2023.
- (b) 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.

**MORISON LC PLT**  
**202206000028 (LLP0032572-LCA)**  
**Chartered Accountants**

**ERIC LIM HOE KUAN**  
**03717/02/2025 J**  
**Chartered Accountant**

Kuala Lumpur,  
 29 October 2024

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

|  | Note | Group               |                          | Company            |                          |
|--|------|---------------------|--------------------------|--------------------|--------------------------|
|  |      | 2024<br>RM          | 2023<br>RM<br>(Restated) | 2024<br>RM         | 2023<br>RM<br>(Restated) |
| Revenue  | 6    | 49,291,117          | 31,674,142               | -                  | -                        |
| Cost of sales  |      | (41,134,529)        | (29,908,116)             | -                  | -                        |
| Gross profit   |      | 8,156,588           | 1,766,026                | -                  | -                        |
| Other operating income   | 7    | 831,357             | 228,064                  | 8,308              | 16,824                   |
| Net impairment loss on financial instruments   |      | -                   | (3,500,000)              | -                  | -                        |
| Administrative expenses  |      | (19,411,366)        | (24,701,851)             | (3,293,125)        | (21,935,963)             |
| <b>Loss from operations</b>  |      | (10,423,421)        | (26,207,761)             | (3,284,817)        | (21,919,139)             |
| Finance costs  | 8    | (243,484)           | (125,771)                | (13,311)           | (11,301)                 |
| <b>Loss before tax</b>   | 9    | (10,666,905)        | (26,333,532)             | (3,298,128)        | (21,930,440)             |
| Income tax (expense)/credit  | 11   | (51,227)            | 1,176,344                | 957                | -                        |
| <b>Loss for the financial year, representing total comprehensive loss for the financial year</b> |      | <b>(10,718,132)</b> | <b>(25,157,188)</b>      | <b>(3,297,171)</b> | <b>(21,930,440)</b>      |
| Loss for the financial year attributable to:   |      |                     |                          |                    |                          |
| Owners of the Company  |      | (10,281,051)        | (23,573,386)             | (3,297,171)        | (21,930,440)             |
| Non-controlling interests  |      | (437,081)           | (1,583,802)              | -                  | -                        |
|  |      | <b>(10,718,132)</b> | <b>(25,157,188)</b>      | <b>(3,297,171)</b> | <b>(21,930,440)</b>      |
| Loss per ordinary share attributable to owners of the Company:                                   |      |                     |                          |                    |                          |
| Basic (sen)  | 12   | (0.33)              | (0.90)                   |                    |                          |
| Diluted (sen)  | 12   | (0.003)             | (0.006)                  |                    |                          |

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



## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

|   | Note | 30.6.2024<br>RM   | Group<br>30.6.2023<br>RM<br>(Restated) | 1.7.2022<br>RM<br>(Restated) |
|---|------|-------------------|--|------------------------------|
| <b>ASSETS</b>                               |      |                   |  |                              |
| <b>Non-Current Assets</b>                   |      |                   |  |                              |
| Goodwill                                    | 13   | -                 | 6,319,438                              | 6,319,438                    |
| Property, plant and equipment               | 14   | 49,728,142        | 50,582,048                             | 31,255,886                   |
| Right-of-use assets                         | 15   | 2,534,132         | 2,375,413                              | 3,138,310                    |
| Intangible assets                           | 16   | -                 | -                                      | -                            |
| Other investment                            | 18   | 25,000            | 25,000                                 | 25,000                       |
| <b>Total Non-Current Assets</b>             |      | <b>52,287,274</b> | <b>59,301,899</b>                      | <b>40,738,634</b>            |
| <b>Current Assets</b>                       |      |                   |  |                              |
| Inventories                                 | 19   | 2,888,413         | 2,262,846                              | 2,129,721                    |
| Trade receivables                           | 20   | 8,501,423         | 6,944,756                              | 302,400                      |
| Other receivables, deposits and prepayments | 21   | 10,298,071        | 6,357,698                              | 6,190,046                    |
| Amount due from directors                   | 23   | 40,000            | -                                      | -                            |
| Tax recoverable                             |      | 208,787           | -                                      | -                            |
| Fixed deposits with licensed banks          | 24   | 47,400            | 47,400                                 | 529,250                      |
| Cash and bank balances                      |      | 405,434           | 1,040,030                              | 1,092,631                    |
| <b>Total Current Assets</b>                 |      | <b>22,389,528</b> | <b>16,652,730</b>                      | <b>10,244,048</b>            |
| <b>Total Assets</b>                         |      | <b>74,676,802</b> | <b>75,954,629</b>                      | <b>50,982,682</b>            |

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (Cont'd)

|   |      | 30.6.2024    | Group<br>30.6.2023 | 1.7.2022         |
|---|------|--------------|--------------------|------------------|
|   | Note | RM           | RM<br>(Restated)   | RM<br>(Restated) |
| <b>EQUITY AND LIABILITIES</b>                       |      |              |                    |                  |
| <b>Capital and Reserves</b>                         |      |              |                    |                  |
| Share capital                                       | 25   | 88,495,142   | 116,471,401        | 69,146,726       |
| Other reserves                                      | 26   | 23,399,588   | 27,840,703         | -                |
| Accumulated losses                                  |      | (45,939,011) | (75,657,960)       | (37,532,916)     |
| <b>Equity Attributable to Owners of the Company</b> |      | 65,955,719   | 68,654,144         | 31,613,810       |
| Non-controlling interests                           |      | (9,398,275)  | (8,961,194)        | (7,377,392)      |
| <b>Total Equity</b>                                 |      | 56,557,444   | 59,692,950         | 24,236,418       |
| <b>Non-Current Liabilities</b>                      |      |              |                    |                  |
| Lease liabilities                                   | 27   | 2,220,217    | 1,966,964          | 2,596,261        |
| Hire purchase payable                               |      | -            | -                  | 325,783          |
| Deferred tax liabilities                            | 28   | 54,445       | -                  | 1,204,595        |
| <b>Total Non-Current Liabilities</b>                |      | 2,274,662    | 1,966,964          | 4,126,639        |
| <b>Current Liabilities</b>                          |      |              |                    |                  |
| Trade payables                                      | 29   | 6,184,735    | 7,197,945          | 3,023,655        |
| Other payables and accruals                         | 30   | 4,907,819    | 3,204,845          | 9,248,025        |
| Amount due to directors                             | 23   | 1,452,548    | 355,172            | 1,259,907        |
| Lease liabilities                                   | 27   | 386,682      | 410,669            | 601,450          |
| Hire purchase payable                               |      | -            | -                  | 118,127          |
| Bank borrowings                                     | 31   | 2,912,912    | 3,031,653          | -                |
| Term loan   |      | -            | -                  | 8,000,000        |
| Tax payable   |      | -            | 94,431             | 368,461          |
| <b>Total Current Liabilities</b>                    |      | 15,844,696   | 14,294,715         | 22,619,625       |
| <b>Total Liabilities</b>                            |      | 18,119,358   | 16,261,679         | 26,746,264       |
| <b>Total Equity and Liabilities</b>                 |      | 74,676,802   | 75,954,629         | 50,982,682       |

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (Cont'd)

|   | Note | 30.6.2024<br>RM   | Company<br>30.6.2023<br>RM<br>(Restated) | 1.7.2022<br>RM<br>(Restated) |
|---|------|-------------------|--|------------------------------|
| <b>ASSETS</b>                               |      |                   |  |                              |
| <b>Non-Current Assets</b>                   |      |                   |  |                              |
| Property, plant and equipment               | 14   | 360,863           | 185,954                                  | 214,419                      |
| Right-of-use assets                         | 15   | 407,059           | 96,886                                   | 387,544                      |
| Investment in subsidiary companies          | 17   | 45,967,172        | 45,967,172                               | 15,824,108                   |
| Other investments                           | 18   | 25,000            | 25,000                                   | 25,000                       |
| <b>Total Non-Current Assets</b>             |      | <b>46,760,094</b> | <b>46,275,012</b>                        | <b>16,451,071</b>            |
| <b>Current Assets</b>                       |      |                   |  |                              |
| Other receivables, deposits and prepayments | 20   | 7,256,206         | 4,000,455                                | 200,378                      |
| Amount due from subsidiary companies        | 22   | 6,909,105         | 5,304,868                                | 1,691,243                    |
| Amount due from directors                   | 23   | 40,000            | -  | -                            |
| Cash and bank balances                      |      | 240,746           | 333,857                                  | 6,606                        |
| <b>Total Current Assets</b>                 |      | <b>14,446,057</b> | <b>9,639,180</b>                         | <b>1,898,227</b>             |
| <b>Total Assets</b>                         |      | <b>61,206,151</b> | <b>55,914,192</b>                        | <b>18,349,298</b>            |
| <b>EQUITY AND LIABILITIES</b>               |      |                   |  |                              |
| <b>Capital and Reserves</b>                 |      |                   |  |                              |
| Share capital                               | 25   | 88,495,142        | 116,471,401                              | 69,146,726                   |
| Other reserves                              | 26   | 23,399,588        | 27,840,703                               | -                            |
| Accumulated losses                          |      | (52,221,955)      | (88,924,784)                             | (52,442,686)                 |
| <b>Total Equity</b>                         |      | <b>59,672,775</b> | <b>55,387,320</b>                        | <b>16,704,040</b>            |
| <b>Non-Current Liabilities</b>              |      |                   |  |                              |
| Lease liabilities                           | 27   | 336,263           | -  | 104,844                      |
| <b>Total Non-Current Liabilities</b>        |      | <b>336,263</b>    | <b>-</b>                                 | <b>104,844</b>               |

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (Cont'd)

|                                    | Note | 30.6.2024<br>RM | Company<br>30.6.2023<br>RM<br>(Restated) | 1.7.2022<br>RM<br>(Restated) |
|------------------------------------|------|-----------------|--|------------------------------|
| <b>Current Liabilities</b>         |      |                 |  |                              |
| <b>Other payables and accruals</b> | 30   | 632,846         | 417,571                                  | 493,279                      |
| Amount due to directors            | 23   | 488,000         | 3,500                                    | 740,091                      |
| Lease liabilities                  | 27   | 76,267          | 104,844                                  | 306,087                      |
| Tax payable                        |      | -               | 957                                      | 957                          |
| Total Current Liabilities          |      | 1,197,113       | 526,872                                  | 1,540,414                    |
| Total Liabilities                  |      | 1,533,376       | 526,872                                  | 1,645,258                    |
| Total Equity and Liabilities       |      | 61,206,151      | 55,914,192                               | 18,349,298                   |

The accompanying notes form an integral part of the financial statements

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

| Group  | Share capital<br>RM | Non-distributable<br>Warrant reserve<br>RM | Non-distributable<br>Employee Share Option Reserve<br>RM | Accumulated losses<br>RM | Attributable to owners of the Company<br>RM | Non-controlling interests<br>RM | Total equity<br>RM |
|--|---------------------|--|--|--------------------------|---|---------------------------------|--------------------|
| <b>As at 1 July 2022</b>   |                     |  |  |                          |   |                                 |                    |
| As previously stated   | 69,146,726          | -  | -  | (29,857,916)             | 39,288,810                                  | (7,377,392)                     | 31,911,418         |
| Prior years' adjustments<br>(Note 38)  | -                   | -  | -  | (7,675,000)              | (7,675,000)                                 | -                               | (7,675,000)        |
| <b>As restated</b>   | 69,146,726          | -  | -  | (37,532,916)             | 31,613,810                                  | (7,377,392)                     | 24,236,418         |
| <b>Transactions with owners:</b>   |                     |  |  |                          |   |                                 |                    |
| Issuance of shares pursuant to the exercise of employee share option scheme  | 1,699,003           | -  | -  | -                        | 1,699,003                                   | -                               | 1,699,003          |
| Issuance of shares pursuant to the exercise of private placement             | 9,701,188           | -  | -  | -                        | 9,701,188                                   | -                               | 9,701,188          |
| Issuance of shares pursuant to the exercise of right issue                   | 24,252,973          | -  | -  | -                        | 24,252,973                                  | -                               | 24,252,973         |
| Issuance of shares pursuant to the exercise of settlement of loan            | 8,145,534           | -  | -  | -                        | 8,145,534                                   | -                               | 8,145,534          |
| Issuance of free detachable warrants pursuant to the exercise of right issue | -                   | 16,168,642                                 | -  | (14,551,658)             | 1,616,984                                   | -                               | 1,616,984          |
| Exercise of detachable warrants  | -                   | (1,616,984)                                | -  | -                        | (1,616,984)                                 | -                               | (1,616,984)        |
| Issuance of shares pursuant to the exercise of detachable warrants           | 1,616,984           | -  | -  | -                        | 1,616,984                                   | -                               | 1,616,984          |



Transactions with owners: (Cont'd)

|   | Share capital<br>RM | Non-distributable<br>Warrant reserve<br>RM | Non-distributable<br>Employee Share Option<br>Reserve<br>RM | Accumulated losses<br>RM | Attributable to owners of the<br>Company<br>RM | Non-controlling<br>interests<br>RM | Total equity<br>RM |
|---|---------------------|--|---|--------------------------|--|------------------------------------|--------------------|
| Issuance of shares pursuant to the exercise of employee share option scheme (Note 38) | 1,908,993           | -  | (1,908,993)   | -                        | -  | -                                  | -                  |
| Recognition of share option expenses (Note 38)  | -                   | -  | 15,198,038  | -                        | 15,198,038                                     | -                                  | 15,198,038         |
| Total transactions with owners  | 47,324,675          | 14,551,658                                 | 13,289,045  | (14,551,658)             | 60,613,720                                     | -                                  | 60,613,720         |
| <b>Total comprehensive loss for the financial year</b>                                | -                   | -  | -   | (23,573,386)             | (23,573,386)                                   | (1,583,802)                        | (25,157,188)       |
| <b>As at 30 June 2023/<br/>1 July 2023 (Restated)</b>                                 | 116,471,401         | 14,551,658                                 | 13,289,045  | (75,657,960)             | 68,654,144                                     | (8,961,194)                        | 59,692,950         |
| <b>Transaction with owners:</b>   |                     |  |   |                          |  |                                    |                    |
| Issuance of shares pursuant to the exercise of employee share option scheme           | 8,091,741           | -  | (4,438,115)   | -                        | 3,653,626                                      | -                                  | 3,653,626          |
| Issuance of shares pursuant to the exercise of private placement                      | 3,926,000           | -  | -   | -                        | 3,926,000                                      | -                                  | 3,926,000          |
| Issuance of shares pursuant to the exercise of detachable warrants                    | 6,000               | (3,000)                                    | -   | -                        | 3,000  | -                                  | 3,000              |
| Capital reduction of shares   | (40,000,000)        | -  | -   | 40,000,000               | -  | -                                  | -                  |
| Total transaction with owners   | (27,976,259)        | (3,000)                                    | (4,438,115)   | 40,000,000               | 7,582,626                                      | -                                  | 7,582,626          |
| <b>Total comprehensive loss for the financial year</b>                                | -                   | -  | -   | (10,281,051)             | (10,281,051)                                   | (437,081)                          | (10,718,132)       |
| <b>As at 30 June 2024</b>   | 88,495,142          | 14,548,658                                 | 8,850,930   | (45,939,011)             | 65,955,719                                     | (9,398,275)                        | 56,557,444         |

|   | Share<br>capital | Non-<br>distributable<br>Warrant<br>reserves | Non-<br>distributable<br>Employee<br>Share<br>Option<br>Reserve | Accumulated<br>losses | Total<br>equity |
|---|------------------|--|---|-----------------------|-----------------|
|   | RM               | RM   | RM  | RM                    | RM              |
| <b>Company</b>  |                  |  |   |                       |                 |
| <b>As at 1 July 2022</b>  |                  |  |   |                       |                 |
| As previously stated  | 69,146,726       | -  | -   | (44,767,686)          | 24,379,040      |
| Prior years' adjustments<br>(Note 38)   | -                | -  | -   | (7,675,000)           | (7,675,000)     |
| As restated   | 69,146,726       | -  | -   | (52,442,686)          | 16,704,040      |
| <b>Transactions with owners:</b>  |                  |  |   |                       |                 |
| Issuance of shares pursuant<br>to the exercise of employee<br>share option scheme           | 1,699,003        | -  | -   | -                     | 1,699,003       |
| Issuance of shares pursuant to<br>the exercise of private<br>placement                      | 9,701,188        | -  | -   | -                     | 9,701,188       |
| Issuance of shares pursuant to<br>the exercise of right issue                               | 24,252,973       | -  | -   | -                     | 24,252,973      |
| Issuance of shares pursuant to<br>the exercise of settlement<br>of loan                     | 8,145,534        | -  | -   | -                     | 8,145,534       |
| Issuance of free detachable<br>warrants pursuant to the<br>exercise of right issue          | -                | 16,168,642                                   | -   | (14,551,658)          | 1,616,984       |
| Exercise of detachable warrants   | -                | (1,616,984)                                  | -   | -                     | (1,616,984)     |
| Issuance of shares pursuant to<br>the exercise of detachable<br>warrants                    | 1,616,984        | -  | -   | -                     | 1,616,984       |
| Issuance of shares pursuant to<br>the exercise of employee share<br>option scheme (Note 38) | 1,908,993        | -  | (1,908,993)   | -                     | -               |
| Total transaction with owners   | 47,324,675       | 14,551,658                                   | (1,908,993)   | (14,551,658)          | 45,415,682      |
| Recognition of share option<br>expenses (restated) (Note 38)                                | -                | -  | 15,198,038  | -                     | 15,198,038      |
| Total comprehensive<br>income/(loss) for the financial<br>year                              | -                | -  | -   | (21,930,440)          | (21,930,440)    |

**ANNUAL REPORT  
2024**

|   | Share<br>capital<br>RM | Non-<br>distributable<br>Warrant<br>reserves<br>RM | Non-<br>distributable<br>Employee<br>Share<br>Option<br>Reserve<br>RM | Accumulated<br>losses<br>RM | Total<br>equity<br>RM |
|---|------------------------|--|---|-----------------------------|-----------------------|
| <b>As at 30 June 2023/<br/>1 July 2023</b>  | 116,471,401            | 14,551,658   | 13,289,045  | (88,924,784)                | 55,387,320            |
| <u>Transaction with owners:</u>   |                        |  |   |                             |                       |
| Issuance of shares pursuant<br>to the exercise of employee<br>share option scheme | 8,091,741              | -  | (4,438,115)   | -                           | 3,653,626             |
| Issuance of shares pursuant<br>to the exercise of private<br>placement            | 3,926,000              | -  | -   | -                           | 3,926,000             |
| Issuance of shares pursuant<br>to the exercise of<br>detachable warrants          | 6,000                  | (3,000)  | -   | -                           | 3,000                 |
| Capital reduction of shares   | (40,000,000)           | -  | -   | 40,000,000                  | -                     |
| Total transaction with owners   | (27,976,259)           | (3,000)  | (4,438,115)   | 40,000,000                  | 7,582,626             |
| Total comprehensive loss for<br>the financial year                                | -                      | -  | -   | (3,297,171)                 | (3,297,171)           |
| <b>As at 30 June 2024</b>   | <b>88,495,142</b>      | <b>14,548,658</b>                                  | <b>8,850,930</b>  | <b>(52,221,955)</b>         | <b>59,672,775</b>     |

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

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

|  | Group        |              | Company     |              |
|--|--------------|--------------|-------------|--------------|
|  | 2024         | 2023         | 2024        | 2023         |
|  | RM           | RM           | RM          | RM           |
|  |              | (Restated)   |             | (Restated)   |
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>         |              |              |             |              |
| Loss before taxation                                   | (10,666,905) | (26,333,532) | (3,298,128) | (21,930,440) |
| Adjustments for:                                       |              |              |             |              |
| Depreciation of property, plant and equipment          | 4,791,864    | 2,710,196    | 60,027      | 28,465       |
| Depreciation of right-of-use assets                    | 514,579      | 581,847      | 146,061     | 290,658      |
| Property, plant and equipment written off              | 156,479      | -            | 143,277     | -            |
| Gain on termination of rightsof-use assets             | (2,210)      | -            | (2,210)     | -            |
| Bad debt written off                                   | 71,449       | -            | -           | -            |
| Impairment losses on:                                  |              |              |             |              |
| Investment in subsidiary companies                     | -            | -            | -           | 3,443,387    |
| Other receivables and deposits                         | -            | 3,500,000    | -           | -            |
| Goodwill   | 6,319,438    | -            | -           | -            |
| Share option expenses                                  | -            | 15,198,038   | -           | 15,198,038   |
| Interest expense                                       | 243,484      | 125,771      | 13,311      | 11,301       |
| Interest income  | (780,916)    | (9,442)      | (1,166)     | (21)         |
| Gain on disposal of property, plant and equipment      | -            | (32,187)     | -           | -            |
| Gain on modification of right-of-use assets            | -            | (35,793)     | -           | -            |
| Net unrealised loss/(gain) on foreign exchange         | 43,903       | (12,700)     | -           | -            |
| Other payables written off                             | (4,854)      | -            | (4,854)     | -            |
| Operating profit/(loss) before working capital changes | 686,311      | (4,307,802)  | (2,943,682) | (2,958,612)  |
| Changes in working capital:                            |              |              |             |              |
| Increase in:   |              |              |             |              |
| Inventories  | (625,567)    | (133,125)    | -           | -            |
| Trade receivables                                      | (848,366)    | (6,642,356)  | -           | -            |
| Other receivables, deposits and prepayments            | (3,940,373)  | (3,667,652)  | (3,255,751) | (3,800,077)  |
| (Decrease)/Increase in:                                |              |              |             |              |
| Trade payables   | (1,013,210)  | 4,174,290    | -           | -            |
| Other payables and accruals                            | 1,707,828    | (6,043,180)  | 220,129     | (75,708)     |
| Cash used in operations                                | (4,033,377)  | (16,619,825) | (5,979,304) | (6,834,397)  |
| Interest received                                      | 1,166        | 9,442        | 1,166       | 21           |
| Income tax paid  | (300,000)    | (302,280)    | -           | -            |
| Net Cash Used In Operating Activities                  | (4,332,211)  | (16,912,663) | (5,978,138) | (6,834,376)  |

**ANNUAL REPORT  
2024**

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024  
(Cont'd)**

|   | <b>Group</b>       |                     | <b>Company</b>     |                     |
|---|--------------------|---------------------|--------------------|---------------------|
|   | <b>2024</b>        | <b>2023</b>         | <b>2024</b>        | <b>2023</b>         |
|   | <b>RM</b>          | <b>RM</b>           | <b>RM</b>          | <b>RM</b>           |
|   |                    | <b>(Restated)</b>   |                    | <b>(Restated)</b>   |
| <b>CASH FLOWS USED IN<br/>INVESTING ACTIVITIES</b>                  |                    |                     |                    |                     |
| Investment in subsidiary companies                                  | -                  | -                   | -                  | (33,586,451)        |
| Advances to director  | (40,000)           | -                   | (40,000)           | -                   |
| Amount due from subsidiary companies                                | -                  | -                   | (1,604,237)        | (3,613,625)         |
| Proceed from disposal of property, plant<br>and equipment           | -                  | 445,000             | -                  | -                   |
| Purchase of property, plant and equipment                           | (4,094,437)        | (22,449,171)        | (378,213)          | -                   |
| Net Cash Used In Investing Activities                               | <u>(4,134,437)</u> | <u>(22,004,171)</u> | <u>(2,022,450)</u> | <u>(37,200,076)</u> |
| <b>CASH FLOWS FROM<br/>FINANCING ACTIVITIES</b>                     |                    |                     |                    |                     |
| Drawdown of bankers' acceptance                                     | 8,381,656          | 4,204,034           | -                  | -                   |
| Repayment of bankers' acceptance                                    | (8,442,175)        | (1,876,515)         | -                  | -                   |
| Proceed from exercise of employees<br>share issuance share          | 3,653,626          | 1,699,003           | 3,653,626          | 1,699,003           |
| Proceed from exercise of private placement                          | 3,926,000          | 9,701,188           | 3,926,000          | 9,701,188           |
| Proceed from exercise of right issue                                | -                  | 24,252,973          | -                  | 24,252,973          |
| Proceed from exercise of settlement of loan                         | -                  | 8,145,534           | -                  | 8,145,534           |
| Proceed from exercise of warrants                                   | 3,000              | 1,616,984           | 3,000              | 1,616,984           |
| Interest paid   | (243,484)          | (125,771)           | (13,311)           | (11,301)            |
| Repayment of hire purchase  | -                  | (443,910)           | -                  | -                   |
| Repayment of lease liabilities                                      | (441,822)          | (603,236)           | (146,338)          | (306,087)           |
| Repayment of term loan  | -                  | (8,000,000)         | -                  | -                   |
| Advances from/(Repayment to)<br>directors                           | 1,097,376          | (904,735)           | 484,500            | (736,591)           |
| Net Cash Generated From<br>Financing Activities                     | <u>7,934,177</u>   | <u>37,665,549</u>   | <u>7,907,477</u>   | <u>44,361,703</u>   |
| <b>NET (DECREASE)/INCREASE<br/>IN CASH AND CASH<br/>EQUIVALENTS</b> |                    |                     |                    |                     |
| Effect of exchange differences                                      | (532,471)          | (1,251,285)         | (93,111)           | 327,251             |
|   | (43,903)           | 12,700              | -                  | -                   |



## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

|   | Group     |            | Company |            |
|---|-----------|------------|---------|------------|
|   | 2024      | 2023       | 2024    | 2023       |
|   | RM        | RM         | RM      | RM         |
|   |           | (Restated) |         | (Restated) |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b> | 383,296   | 1,621,881  | 333,857 | 6,606      |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>       | (193,078) | 383,296    | 240,746 | 333,857    |
| Fixed deposits with licensed banks                                  | 47,400    | 47,400     | -       | -          |
| Cash and bank balances  | 405,434   | 1,040,030  | 240,746 | 333,857    |
| Bank overdrafts   | (645,912) | (704,134)  | -       | -          |
|   | (193,078) | 383,296    | 240,746 | 333,857    |

### NOTE TO STATEMENTS OF CASH FLOWS

Cash outflows for right of use assets are as follows:

|   | Group   |         | Company |         |
|---|---------|---------|---------|---------|
|   | 2024    | 2023    | 2024    | 2023    |
|   | RM      | RM      | RM      | RM      |
| <u>Included in net cash used in operating activities:</u> |         |         |         |         |
| - Interest paid in relation to lease liabilities          | 89,824  | 86,151  | 13,311  | 11,301  |
| - Payment related to short-term leases                    | 105,510 | 104,828 | 5,405   | -       |
| - Payment related to small value assets                   | 18,260  | 20,613  | 8,280   | 8,280   |
| <u>Included in net cash used in financing activities:</u> |         |         |         |         |
| - Payment for the principal portion of lease liabilities  | 441,822 | 603,236 | 146,338 | 306,087 |
|   | 655,416 | 814,828 | 173,334 | 325,668 |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

### 1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 17 to the financial statements.

The address of the registered office of the Company is B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

The address of the principal place of business of the Company is Unit No. 53-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 29 October 2024.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

#### Adoption of new and amendments to MFRSs

During the financial year, the Group and the Company have adopted the following MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

|  |  |
|--|--|
| MFRS 17  | Insurance Contracts  |
| Amendments to MFRS 17                                | Insurance Contracts  |
| Amendments to MFRS 101 and MFRS Practice Statement 2 | Disclosure of Accounting Policies  |
| Amendments to MFRS 108                               | Definition of Accounting Estimates   |
| Amendments to MFRS 112                               | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 17                                | Initial Application of MFRS 17 and MFRS 9 - Comparative Information              |
| Amendments to MFRS 112                               | International Tax Reform - Pillar Two Model Rules                                |

The adoption of these new and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except for:

#### Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 *Presentation of Financial Statements* and for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

#### **New and amendments to MFRSs in issue but not yet effective**

The Group and the Company has not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective:

|                                    |  |
|------------------------------------|--|
| Amendments to MFRS 16              | Lease Liability in a Sale and Leaseback <sup>1</sup>   |
| Amendments to MFRS 101             | Classification of Liabilities as Current or Noncurrent <sup>1</sup>                                |
| Amendments to MFRS 101             | Non-current Liabilities with Covenants <sup>1</sup>  |
| Amendments to MFRS 107 and MFRS 7  | Supplier Finance Arrangements <sup>1</sup>   |
| Amendments to MFRS 121             | Lack of Exchangeability <sup>2</sup>   |
| Amendments to MFRS 9 and MFRS 7    | Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>             |
| Amendments to MFRSs                | Annual Improvements to MFRS Accounting Standards - Volume 11 <sup>3</sup>                          |
| MFRS 18                            | Presentation and Disclosure in Financial Statements <sup>4</sup>                                   |
| MFRS 19                            | Subsidiaries without Public Accountability: Disclosures <sup>4</sup>                               |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>5</sup> Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Basis of measurement**

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for certain financial instruments that are measured at fair value or at amortised cost at the end of the reporting date as explained in the material accounting policy information below.

#### **Functional and presentation currency**

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

#### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies. The financial statements of the subsidiary companies used in the preparation of the 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.

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

#### **Non-controlling interests**

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

#### **Investment in subsidiary companies**

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

#### **Revenue recognition**

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to customer which is when the customer obtain control of the good or services. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sales of goods

Revenue is measured at the fair value of consideration received or receivables, net of returns and allowances, trade discount and volume rebate. Revenue from sale of goods is recognised when the control over goods is transferred to the customers and performance obligations are satisfied to the customers and there is no continuity management involvement with the goods.

(b) Revenue from services rendered

Revenue from services is recognised in the accounting year in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(c) Commission from gateway platform

Commission from gateway platform are recognised upon remittance of settlement of payment that are due to the merchants.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, where applicable.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its estimated useful economic life. The principal annual rates used are as follows:

|  |           |
|--|-----------|
| Computer equipment and software                  | 20%       |
| Factory  | 10%       |
| Furniture and fittings                           | 10%       |
| Plant and machinery                              | 10%       |
| Motor vehicles                                   | 20%       |
| Office equipment and telecommunication equipment | 10% - 20% |
| Renovation                                       | 10%       |
| TNB sub station                                  | 10%       |

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The residual value, estimated useful lives and depreciation method of property, plant and equipment are reviewed at each end of reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



## ANNUAL REPORT 2024

### Leases

#### Lessee accounting

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjustment for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follows:

|                 |                       |
|-----------------|-----------------------|
| Factory         | Over the lease period |
| Office building | Over the lease period |

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group and the Company recognise the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

### Goodwill

Goodwill on consolidation is accounted for using the proportionate method. After initial recognition, goodwill on consolidation is measured at cost less any accumulated impairment losses.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary companies exceeds the cost of the business combinations, the excess is recognised as income immediately in profit and loss.

### Inventories

Inventories are stated at lower of cost or net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises the original cost of purchases plus the cost of bringing these inventories to their intended location and condition. The cost of finished goods and work-in-progress includes the cost of raw materials, direct labour and appropriate allocation of manufacturing overheads.

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

### Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Classification of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group and the Company determine the classification of their financial assets at initial recognition at amortised cost which include trade and other receivables and cash and bank balances.

### **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

#### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### **Impairment of non-financial assets**

The carrying amounts of non-financial 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 the Company make an estimate of the asset's recoverable amount.

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.

The recoverable amount of an asset or a cash-generating unit 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 cash-generating units. 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.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss.

## Impairment of assets

### *Financial assets*

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for other receivables and cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider 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, where available. Loss rates are based on actual credit loss experience over the past financial years. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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 the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources 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 procedures for recovery amounts due.

### **Cash and cash equivalents**

Cash and cash equivalents are readily convertible to a known amount of cash and not subject to a significant risk of changes in value that held for meeting short-term cash commitments. Cash and cash equivalents comprise cash in hand and bank balances and bank overdraft.

### **Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and monetary at the end of the reporting year are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

### **Statements of cash flow**

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents are presented cash in hand and bank balances including bank overdrafts.

## **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

### **(a) Critical judgements in applying the Group's and the Company's accounting policies**

In the process of applying the Group's and the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

### **(b) Key sources of estimation uncertainty**

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, except for:



### Impairment of investment in subsidiary companies

The Company assess impairment of investment in subsidiary companies whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

When such indication exists, the management determine the recoverable amount based on present value of the estimated future 5 years cash flows expected to be derived from the subsidiary companies. In estimating the present value of the estimated cash flows, the management applied a suitable discount rate and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.

The carrying amount for investments in subsidiary companies is disclosed in Note 17.

### Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there is any indication of impairment for property, plant and equipment and right-of-use assets and performs impairment assessment when such indicator exists. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. The recoverable amounts of the property, plant and equipment and right-of-use assets are determined based on higher of value in use or fair value less costs to sell.

For recoverable amounts determined based on value in use, significant judgement is required in the estimation of the present value of future 5 years cash flows generated by the cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates.

For recoverable amounts determined based on fair value less costs to sell, significant judgement involved by management to adjust the sales prices of comparable assets such as adjustments for property size, age, condition, location, and other relevant factors.

### Useful lives of property, plant and equipment and right-of-use assets

The cost of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and right-of-use assets to be within 5 to 10 years. These are common life expectancies applied in the manufacturing and investment industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

### Provision for ECL of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group 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.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables is disclosed in Note 20 to the financial statements.

#### Impairment of other receivables and deposits

The loss allowances for other receivables and deposits are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting year.

The carrying amount of other receivables and deposits is disclosed in Note 21 to the financial statements.

## **5. SEGMENT REPORTING**

The Group is organised into business units based on its products and services, and has three reportable operating segments as follow:

|            |   |  |
|------------|---|--|
| Gloves     | - | Manufacture of gloves  |
| E-commerce | - | Software development, system integration and system services |
| Corporate  | - | Investment holding and others                                |

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, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The following is an analysis of the Group's revenue and results by the operating segments.

|   | Software<br>and system<br>integration<br>RM | Gloves<br>RM | Corporate<br>RM | Elimination<br>RM | Total<br>RM  |
|---|---|--------------|-----------------|-------------------|--------------|
| <b>Group 2024</b>   |   |              |                 |                   |              |
| External sales  | 3,816,918                                   | 45,474,199   | -               | -                 | 49,291,117   |
| <b>Result</b>   |   |              |                 |                   |              |
| Profit/(Loss) from operations                             | 448,698                                     | (1,267,864)  | (3,284,817)     | (6,319,438)       | (10,423,421) |
| Finance costs   | -   | (230,173)    | (13,311)        | -                 | (243,484)    |
| Profit/(Loss) before tax                                  | 448,698                                     | (1,498,037)  | (3,298,128)     | (6,319,438)       | (10,666,905) |
| Income tax (expenses) credit                              | -   | (52,184)     | 957             | -                 | (51,227)     |
| Profit/(Loss) for the<br>financial year                   | 448,698                                     | (1,550,221)  | (3,297,171)     | (6,319,438)       | (10,718,132) |
| <b>Result</b>   |   |              |                 |                   |              |
| Segment assets  | 6,665,563                                   | 86,852,404   | 61,206,148      | (80,047,313)      | 74,676,802   |
| Segment liabilities                                       | (20,666,942)                                | (18,557,606) | (1,533,376)     | 22,638,566        | (18,119,358) |
| <b>Other information</b>                                  |   |              |                 |                   |              |
| Depreciation of right-of-<br>use assets                   | -   | (368,518)    | (146,061)       | -                 | (514,579)    |
| Depreciation of property,<br>plant and equipment          | (91,498)                                    | (4,640,340)  | (60,026)        | -                 | (4,791,864)  |
| Impairment of goodwill                                    | -   | -            | -               | (6,319,438)       | (6,319,438)  |
| Interest income   | -   | -            | (1,166)         | -                 | (1,166)      |
| Interest income charged to<br>client for overdue balances | 779,750                                     | -            | -               | -                 | 779,750      |
| Property, plant and<br>equipment written off              | (13,201)                                    | -            | (143,278)       | -                 | (156,479)    |
| Unrealised loss on foreign<br>exchange                    | -   | (43,903)     | -               | -                 | (43,903)     |
| <b>Group<br/>2023 (Restated)</b>                          |   |              |                 |                   |              |
| External sales  | 7,532,134                                   | 24,142,008   | -               | -                 | 31,674,142   |
| <b>Result</b>   |   |              |                 |                   |              |
| (Loss) from operations                                    | (3,623,517)                                 | (7,136,890)  | (21,919,139)    | 6,471,785         | (26,207,761) |
| Finance costs   | -   | (114,470)    | (11,301)        | -                 | (125,771)    |
| (Loss) before tax   | (3,623,517)                                 | (7,251,360)  | (21,930,440)    | 6,471,785         | (26,333,532) |
| Income tax credit   | -   | 1,176,344    | -               | -                 | 1,176,344    |
| (Loss) for the<br>financial year                          | (3,623,517)                                 | (6,075,016)  | (21,930,440)    | 6,471,785         | (25,157,188) |

**ANNUAL REPORT  
2024**

|   | Software<br>and system<br>integration<br>RM | Gloves<br>RM | Corporate<br>RM | Elimination<br>RM | Total<br>RM  |
|---|---|--------------|-----------------|-------------------|--------------|
| <b>Result</b>                                       |   |              |                 |                   |              |
| Segment assets                                      | 5,705,659                                   | 86,281,198   | 55,914,192      | 71,946,420        | 75,954,629   |
| Segment liabilities                                 | (20,155,738)                                | (16,436,180) | (526,872)       | 20,857,111        | (16,261,679) |
| <b>Other information</b>                            |   |              |                 |                   |              |
| Amortisation of right-of use assets                 | -   | (291,189)    | (290,658)       | -                 | (581,847)    |
| Depreciation of property, plant and equipment       | (99,742)                                    | (2,581,989)  | (28,465)        | -                 | (2,710,196)  |
| Impairment loss on investment in subsidiary company | -   | -            | 3,443,387       | (3,443,387)       | -            |
| Impairment loss on other receivables and deposits   | (3,500,000)                                 | -            | -               | -                 | (3,500,000)  |
| Interest income                                     | -   | 9,421        | 21              | -                 | 9,442        |
| Unrealised loss on foreign exchange                 | -   | 12,700       | -               | -                 | 12,700       |

**6. REVENUE**

|  | 2024<br>RM        | Group<br>2023<br>RM |
|--|-------------------|---------------------|
| Revenue from contracts with customers:                       |                   |                     |
| Commissions from gateway platform                            | -                 | 91,158              |
| Sales of hardware  | 2,012,380         | 4,725,750           |
| Sales of rubber gloves                                       | 45,474,199        | 24,142,008          |
| Software development, system integration and system services | 1,804,538         | 2,715,226           |
|  | <u>49,291,117</u> | <u>31,674,142</u>   |
| Timing of revenue recognition:                               |                   |                     |
| - at point of time   | <u>49,291,117</u> | <u>31,674,142</u>   |

**(a) Performance obligations**

The performance obligations for sale of hardware and gloves are satisfied upon delivery of goods.

The performance obligations for software development, system integration and system services are satisfied upon services are rendered.

The performance obligations for commissions from gateway platform are satisfied upon remittance of settlement of payment that are due to the merchants.

## 7. OTHER OPERATING INCOME

|   | Group          |                | Company      |               |
|---|----------------|----------------|--------------|---------------|
|   | 2024<br>RM     | 2023<br>RM     | 2024<br>RM   | 2023<br>RM    |
| Interest income from financial institution                | 1,166          | 9,442          | 1,166        | 21            |
| Interest income charged to client<br>for overdue balances | 779,750        | -              | -            | -             |
| Gain on disposal of property, plant and<br>equipment      | -              | 32,187         | -            | -             |
| Gain on modification of right-of use assets               | -              | 35,793         | -            | -             |
| Gain on termination of right-of use assets                | 2,210          | -              | 2,210        | -             |
| Gain on realised foreign exchange                         | 28,650         | 13,760         | -            | -             |
| Other income  | 14,727         | 110,382        | 78           | 16,803        |
| Subsidy from PERKESO                                      | -              | 26,500         | -            | -             |
| Waiver of debts   | 4,854          | -              | 4,854        | -             |
|   | <b>831,357</b> | <b>228,064</b> | <b>8,308</b> | <b>16,824</b> |

## 8. FINANCE COSTS

|                              | Group          |                | Company       |               |
|------------------------------|----------------|----------------|---------------|---------------|
|                              | 2024<br>RM     | 2023<br>RM     | 2024<br>RM    | 2023<br>RM    |
| Bankers' acceptance interest | 81,291         | 22,986         | -             | -             |
| Bank overdraft interest      | 162,193        | 86,151         | 13,311        | 11,301        |
| Hire purchase interest       | -              | 16,634         | -             | -             |
|                              | <b>243,484</b> | <b>125,771</b> | <b>13,311</b> | <b>11,301</b> |



**ANNUAL REPORT  
2024**

## 9. LOSS BEFORE TAX

Loss before tax for the financial year is arrived at after charging/(crediting):

|  | <b>Group</b> |                   | <b>Company</b> |                   |
|--|--------------|-------------------|----------------|-------------------|
|  | <b>2024</b>  | <b>2023</b>       | <b>2024</b>    | <b>2023</b>       |
|  | <b>RM</b>    | <b>RM</b>         | <b>RM</b>      | <b>RM</b>         |
|  |              | <b>(Restated)</b> |                | <b>(Restated)</b> |
| Auditors' remuneration                         |              |                   |                |                   |
| - current year provision                       | 196,000      | 168,500           | 128,000        | 116,000           |
| - over provision in respect of prior year      | -            | (8,000)           | -              | -                 |
| Bad debts written off                          | 71,449       | -                 | -              | -                 |
| Depreciation of right-of-use assets            | 514,579      | 581,847           | 146,061        | 290,658           |
| Depreciation of property, plant and equipment  | 4,791,864    | 2,710,196         | 60,072         | 28,465            |
| Expenses relating to lease of low value assets | 18,260       | 20,613            | 8,280          | 8,280             |
| Expenses relating to short term leases         | 105,510      | 104,828           | 5,405          | -                 |
| Property, plant and equipment written off      | 156,479      | -                 | 143,277        | -                 |
| Impairment loss on:                            |              |                   |                |                   |
| - other receivables and deposits               | -            | 3,500,000         | -              | -                 |
| - investment in subsidiary companies           | -            | -                 | -              | 3,443,387         |
| Share based payment expenses                   | -            | 302,065           | -              | 302,065           |
| Employee benefits (Note 10)                    | 7,099,475    | 22,749,835        | 1,586,778      | 16,694,662        |
| Unrealised loss on foreign exchange            | 43,903       | -                 | -              | -                 |
| Unrealised gain on foreign exchange            | -            | (12,700)          | -              | -                 |
| Realised gain on foreign exchange              | (28,650)     | (1,060)           | -              | -                 |
| Rental income                                  | -            | (15,000)          | -              | (15,000)          |

## 10. EMPLOYEES BENEFITS EXPENSE

The employee benefits recognised in profit or loss are as follows:

|                               | <b>Group</b>     |                   | <b>Company</b>   |                   |
|-------------------------------|------------------|-------------------|------------------|-------------------|
|                               | <b>2024</b>      | <b>2023</b>       | <b>2024</b>      | <b>2023</b>       |
|                               | <b>RM</b>        | <b>RM</b>         | <b>RM</b>        | <b>RM</b>         |
|                               |                  | <b>(Restated)</b> |                  | <b>(Restated)</b> |
| Salaries, bonus and allowance | 5,817,559        | 5,788,767         | 618,681          | 549,062           |
| Defined contribution plan     | 239,718          | 342,551           | 76,127           | 66,736            |
| Other employee benefits       | 1,042,198        | 16,618,517        | 891,970          | 16,078,864        |
|                               | <b>7,099,475</b> | <b>22,749,835</b> | <b>1,586,778</b> | <b>16,694,662</b> |

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

|                                   | Group     |           | Company   |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
|                                   | 2024      | 2023      | 2024      | 2023      |
|                                   | RM        | RM        | RM        | RM        |
| Directors' remuneration (Note 32) | 2,337,326 | 1,937,451 | 1,228,461 | 1,064,119 |

## 11. INCOME TAX EXPENSE/(CREDIT)

|  | Group   |             | Company |      |
|--|---------|-------------|---------|------|
|  | 2024    | 2023        | 2024    | 2023 |
|  | RM      | RM          | RM      | RM   |
| Estimate tax payable:                            |         |             |         |      |
| Current financial year                           | -       | 2,261       | -       | -    |
| (Over)/Under provision in respect of prior years | (3,218) | 25,990      | (957)   | -    |
|  | (3,218) | 28,251      | -       | -    |
| Deferred tax liabilities:                        |         |             |         |      |
| (Note 28)  |         |             |         |      |
| Current year provision                           | 30,293  | (639,707)   | -       | -    |
| Under/(Over) provision in respect of prior years | 24,152  | (564,888)   | -       | -    |
|  | 54,445  | (1,204,595) | -       | -    |
| Income tax expenses/(credit)                     | 51,227  | (1,176,344) | (957)   | -    |

**ANNUAL REPORT  
2024**

A reconciliation of income tax expense/(credit) applicable to loss before tax at the applicable statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company are as follows:

|   | <b>Group</b> |                   | <b>Company</b> |                   |
|---|--------------|-------------------|----------------|-------------------|
|   | <b>2024</b>  | <b>2023</b>       | <b>2024</b>    | <b>2023</b>       |
|   | <b>RM</b>    | <b>RM</b>         | <b>RM</b>      | <b>RM</b>         |
|   |              | <b>(Restated)</b> |                | <b>(Restated)</b> |
| Loss before tax   | (10,666,905) | (26,333,532)      | (3,298,128)    | (21,930,440)      |
| Taxation at statutory rate of 24%<br>(2022: 24%)  | (2,560,057)  | (6,320,048)       | (791,551)      | (5,263,306)       |
| Tax effects of:   |              |                   |                |                   |
| Non-taxable income  | (190,335)    | (24,662)          | (1,695)        | -                 |
| Expenses not deductible   | 2,204,090    | 4,284,033         | 246,197        | 4,838,894         |
| Under/(Over) provision of<br>deferred tax liabilities in prior years                                  | 24,152       | (564,888)         | -              | -                 |
| Deferred tax assets not recognised<br>(Over)/Under provision of income tax<br>expenses in prior years | 576,595      | 1,423,231         | 547,049        | 424,412           |
|   | (3,218)      | 25,990            | (957)          | -                 |
| Income tax expenses/(credit)  | 51,227       | (1,176,344)       | (957)          | -                 |

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

|                                     | <b>Group</b> |             | <b>Company</b> |             |
|-------------------------------------|--------------|-------------|----------------|-------------|
|                                     | <b>2024</b>  | <b>2023</b> | <b>2024</b>    | <b>2023</b> |
|                                     | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| Temporary differences arising from: |              |             |                |             |
| Property, plant and equipment       | (21,843)     | 227         | (30,658)       | (14,810)    |
| Right-of-use assets                 | (407,059)    | (96,886)    | (407,059)      | (96,886)    |
| Lease liabilities                   | 412,531      | 104,844     | 412,531        | 104,844     |
| Unabsorbed capital allowances       | 82,055       | 25,707      | 39,340         | -           |
| Unabsorbed business losses          | 10,961,604   | 8,590,917   | 2,258,365      | -           |
|                                     | 11,027,288   | 8,624,809   | 2,272,519      | (6,852)     |

The potential deferred tax assets in respect of these items have not been recognised as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiaries can utilise the benefits. The unabsorbed business losses and unutilised capital allowances of the Company and of the Group are available for offsetting against future taxable profits of respective subsidiaries, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and subject to the relevant provision of Income Tax Act, 1967.

The unabsorbed business losses are available for carry forward for a period of 10 (2023:10) consecutive years. Upon expiry of the 10 (2023: 10) years, the unabsorbed business losses will be disregarded. The expiry terms of the unabsorbed business losses of the Group and of the Company is until 2034.

## 12. LOSS PER ORDINARY SHARE

Basic and diluted loss per ordinary share attributable to owner of the Company are computed by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

### Basic loss per share

The basic loss per ordinary share of the Group has been calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

|  | Group         |                          |
|--|---------------|--------------------------|
|  | 2024<br>RM    | 2023<br>RM<br>(Restated) |
| Loss attributable to owners of the Company (RM)                | (10,281,051)  | (23,573,386)             |
| Weighted average number of ordinary shares (units):            |               |                          |
| Ordinary shares as at 1 July 2023/2022                         | 2,628,545,901 | 513,264,020              |
| Effect of new ordinary shares issued during the financial year | 482,105,755   | 2,115,281,881            |
| Weighted average number of ordinary shares as at 30 June       | 3,110,651,656 | 2,628,545,901            |
| Basic loss per ordinary share (sen)                            | (0.33)        | (0.90)                   |

### Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the outstanding warrants and employees share option scheme, adjusted by the number of such shares that would have been issued at fair value as follows:

**ANNUAL REPORT  
2024**

|   | 2024<br>RM    | Group<br>2023<br>RM<br>(Restated) |
|---|---------------|-----------------------------------|
| Loss attributable to owners of the Company          | (10,281,051)  | (23,573,386)                      |
| Weighted average number of ordinary shares          | 3,110,651,656 | 2,628,545,901                     |
| Effect of dilution:                                 |               |                                   |
| Warrant B   | 969,910,537   | 970,110,537                       |
| Employees share option scheme                       | 442,547,448   | 664,453,203                       |
| Adjusted weighted average number of ordinary shares | 4,523,109,641 | 4,263,109,641                     |
| Diluted loss per ordinary share (sen)               | (0.003)       | (0.006)                           |

### 13. GOODWILL

|  | 2024<br>RM | Group<br>2023<br>RM |
|--|------------|---------------------|
| <b>At cost</b>                           |            |                     |
| At beginning of the year/end of the year | 6,319,438  | 6,319,438           |
| <b>Accumulated impairment losses</b>     |            |                     |
| At beginning of the year                 | -          | -                   |
| Recognised during the financial year     | 6,319,438  | -                   |
| At 30 June                               | 6,319,438  | -                   |
| <b>Carrying amount</b>                   |            |                     |
| At 30 June                               | -          | 6,319,438           |

The carrying amounts of goodwill has been fully impaired during the year (2023:RM6,319,438), this originally has been allocated to the investment in Inix L&S Gloves Sdn. Bhd.

The recoverable amount of the cash generating unit ("CGU") is determined based on the value in use using cash flows projections on financial budgets approved by directors for a five years period. The future cash flows are based on management's five years business plan, which is the best estimate of future performance.



The recoverable amount of goodwill on consolidation of the CGU is determined based on the value in use using cash flow projections using the following assumptions:

- (i) Budgeted revenue - Revenue is derived based on the 7 production lines, capacity of production of 10,546 gloves per line per hour, 20.88 hours per day and with the 97% capital efficiency of the factory production over the 5 years;
- (ii) Budgeted gross margin - Gross margin is based on historical margin achieved and management average target margin of 22%, which is probable to be achieved;
- (iii) Growth rates - The growth rate is 4% per annum based on Malaysia Consumer Price Index; and
- (iv) Pre-tax discount rate - Discount rate of 10% represents the cost of capital of the CGU.

The value assigned to the key assumptions represents directors' assessment of future production lines, pricing mechanism, target margin and the market pricing of rubber gloves based on both external and internal sources.

The Group undertakes an annual test for impairment evaluation. Impairment loss was recognised for the aforesaid carrying amount of goodwill assessed at the reporting date as its recoverable amount was in deficit of its carrying amount.

### **Sensitivity to changes in assumptions**

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

**ANNUAL REPORT  
2024**

**14. PROPERTY, PLANT AND EQUIPMENT**

|                                 | Computer<br>equipment<br>and<br>software<br>RM | Factory<br>RM | Furniture<br>and<br>fittings<br>RM | Plant<br>and<br>machinery<br>RM | Motor<br>vehicles<br>RM |
|---------------------------------|--|---------------|------------------------------------|---------------------------------|-------------------------|
| <b>Group</b>                    |  |               |                                    |                                 |                         |
| <b>Cost</b>                     |  |               |                                    |                                 |                         |
| As at 1 July 2022               | 184,297  | -             | 98,269                             | 7,075,896                       | 1,172,921               |
| Additions                       | 9,697  | -             | -                                  | 10,028,124                      | -                       |
| Reclassification                | -  | -             | -                                  | 2,824,686                       | -                       |
| Disposal                        | -  | -             | -                                  | -                               | (728,494)               |
| As at 30 June 2023/1 July 2023  | 193,994  | -             | 98,269                             | 19,928,706                      | 444,427                 |
| Additions                       | 6,750  | 21,000        | 130,823                            | 2,248,434                       | 44,000                  |
| Reclassification                | -  | 5,868,546     | -                                  | -                               | -                       |
| Written off                     | -  | -             | -                                  | -                               | -                       |
| As at 30 June 2024              | 200,744  | 5,889,546     | 229,092                            | 22,177,140                      | 488,427                 |
| <b>Group</b>                    |  |               |                                    |                                 |                         |
| <b>Accumulated depreciation</b> |  |               |                                    |                                 |                         |
| As at 1 July 2022               | 125,877  | -             | 29,806                             | 702,055                         | 377,881                 |
| Charge for the financial year   | 33,252   | -             | 16,437                             | 1,391,207                       | 190,456                 |
| Disposal                        | -  | -             | -                                  | -                               | (315,681)               |
| As at 30 June 2023/1 July 2023  | 159,129  | -             | 46,243                             | 2,093,262                       | 252,656                 |
| Charge for the financial year   | 22,235   | 294,477       | 29,456                             | 2,103,735                       | 84,848                  |
| Reclassification                | -  | -             | -                                  | -                               | -                       |
| Written off                     | -  | -             | -                                  | -                               | -                       |
| As at 30 June 2024              | 181,364  | 294,477       | 75,699                             | 4,196,997                       | 337,504                 |
| <b>Carrying amount</b>          |  |               |                                    |                                 |                         |
| As at 30 June 2023              | 34,865   | -             | 52,026                             | 17,835,444                      | 191,771                 |
| As at 30 June 2024              | 19,380   | 5,595,069     | 153,393                            | 17,980,143                      | 150,923                 |

| Office<br>equipment and<br>telecommunication<br>equipment<br>RM | Renovation<br>RM | TNB sub<br>station<br>RM | Capital<br>work-in<br>progress<br>RM | Total<br>RM |
|---|------------------|--------------------------|--------------------------------------|-------------|
| 179,486   | 379,765          | 199,290                  | 23,317,907                           | 32,607,831  |
| 2,157   | 5,993,741        | -                        | 6,415,452                            | 22,449,171  |
| -   | 8,168,023        | -                        | (10,992,709)                         | -           |
| -   | -                | -                        | -                                    | (728,494)   |
| 181,643   | 14,541,529       | 199,290                  | 18,740,650                           | 54,328,508  |
| 68,747  | 209,677          | 28,600                   | 1,336,406                            | 4,094,437   |
| -   | -                | -                        | (5,868,546)                          | -           |
| (33,793)  | (225,285)        | -                        | -                                    | (259,078)   |
| 216,597   | 14,525,921       | 227,890                  | 14,208,510                           | 58,163,867  |
| 36,000  | 70,361           | 9,965                    | -                                    | 1,351,945   |
| 26,530  | 1,032,385        | 19,929                   | -                                    | 2,710,196   |
| -   | -                | -                        | -                                    | (315,681)   |
| 62,530  | 1,102,746        | 29,894                   | -                                    | 3,746,460   |
| 30,840  | 2,204,739        | 21,534                   | -                                    | 4,791,864   |
| -   | -                | -                        | -                                    | -           |
| (19,887)  | (82,712)         | -                        | -                                    | (102,599)   |
| 73,483  | 3,224,773        | 51,428                   | -                                    | 8,435,725   |
| 119,113   | 13,438,783       | 169,396                  | 18,740,650                           | 50,582,048  |
| 143,114   | 11,301,148       | 176,462                  | 14,208,510                           | 49,728,142  |

**ANNUAL REPORT  
2024**

|  | Computer<br>equipment<br>and<br>software<br>RM | Furniture<br>and<br>fittings<br>RM | Office<br>equipment<br>RM | Renovation<br>RM | Tele-<br>communication<br>equipment<br>RM | Total<br>RM    |
|--|--|------------------------------------|---------------------------|------------------|---|----------------|
| <b>Company Cost</b>                        |  |                                    |                           |                  |   |                |
| As at 1 July 2022/30 June 2023/1 July 2023 | 31,266   | 12,740                             | 8,590                     | 225,285          | 409                                       | 278,290        |
| Additions                                  | -  | 116,786                            | 23,255                    | 209,677          | 28,495                                    | 378,213        |
| Written off                                | -  | -                                  | (792)                     | (225,285)        | -   | (226,077)      |
| As at 30 June 2024                         | <u>31,266</u>                                  | <u>129,526</u>                     | <u>31,053</u>             | <u>209,677</u>   | <u>28,904</u>                             | <u>430,426</u> |
| <b>Accumulated depreciation</b>            |  |                                    |                           |                  |   |                |
| As at 1 July 2022                          | 16,511   | 3,392                              | 579                       | 43,287           | 102                                       | 63,871         |
| Charge for the financial year              | <u>3,722</u>                                   | <u>1,274</u>                       | <u>859</u>                | <u>22,528</u>    | <u>82</u>                                 | <u>28,465</u>  |
| As at 30 June 2023/1 July 2023             | 20,233   | 4,666                              | 1,438                     | 65,815           | 184                                       | 92,336         |
| Charge for the financial year              | <u>3,651</u>                                   | <u>12,688</u>                      | <u>3,054</u>              | <u>37,788</u>    | <u>2,846</u>                              | <u>60,027</u>  |
| Written off                                | -  | -                                  | (88)                      | (82,712)         | -   | (82,800)       |
| As at 30 June 2024                         | <u>23,884</u>                                  | <u>17,354</u>                      | <u>4,404</u>              | <u>20,891</u>    | <u>3,030</u>                              | <u>69,563</u>  |
| <b>Carrying amount</b>                     |  |                                    |                           |                  |   |                |
| As at 30 June 2023                         | <u>11,033</u>                                  | <u>8,074</u>                       | <u>7,152</u>              | <u>159,470</u>   | <u>225</u>                                | <u>185,954</u> |
| As at 30 June 2024                         | <u>7,382</u>                                   | <u>112,172</u>                     | <u>26,649</u>             | <u>188,786</u>   | <u>25,874</u>                             | <u>360,863</u> |

## 15. RIGHT-OF-USE ASSETS

The information about leases for which the Group and the Company are lessee are presented below:

|                                 | Office<br>building<br>RM | Factory<br>RM | Total<br>RM |
|---------------------------------|--------------------------|---------------|-------------|
| <b>Group</b>                    |                          |               |             |
| Cost                            |                          |               |             |
| As at 1 July 2022               | 871,974                  | 3,124,835     | 3,996,809   |
| Additions                       | -                        | 1,670,978     | 1,670,978   |
| Termination                     | -                        | (2,178,794)   | (2,178,794) |
| As at 30 June 2023/1 July 2023  | 871,974                  | 2,617,019     | 3,488,993   |
| Additions                       | 480,463                  | -             | 480,463     |
| Termination                     | (871,974)                | -             | (871,974)   |
| Lease modification              | -                        | 217,064       | 217,064     |
| As at 30 June 2024              | 480,463                  | 2,834,083     | 3,314,546   |
| <b>Accumulated depreciation</b> |                          |               |             |
| As at 1 July 2022               | 484,430                  | 374,069       | 858,499     |
| Charge for the financial year   | 290,658                  | 291,189       | 581,847     |
| Termination                     | -                        | (326,766)     | (326,766)   |
| As at 30 June 2023/1 July 2023  | 775,088                  | 338,492       | 1,113,580   |
| Charge for the financial year   | 146,061                  | 368,518       | 514,579     |
| Termination                     | (847,745)                | -             | (847,745)   |
| As at 30 June 2024              | 73,404                   | 707,010       | 780,414     |
| <b>Carrying amount</b>          |                          |               |             |
| As at 30 June 2023              | 96,886                   | 2,278,527     | 2,375,413   |
| As at 30 June 2024              | 407,059                  | 2,127,073     | 2,534,132   |



**ANNUAL REPORT  
2024**

|  | <b>Office<br/>building<br/>RM</b> |
|--|-----------------------------------|
| <b>Company</b>                             |                                   |
| <b>Cost</b>                                |                                   |
| As at 1 July 2022/30 June 2023/1 July 2023 | 871,974                           |
| Additions                                  | 480,463                           |
| Termination                                | <u>(871,974)</u>                  |
| As at 30 June 2024                         | <u>480,463</u>                    |
| <b>Accumulated depreciation</b>            |                                   |
| As at 1 July 2022                          | 484,430                           |
| Charge for the financial year              | <u>290,658</u>                    |
| As at 30 June 2023/1 July 2023             | 775,088                           |
| Charge for the financial year              | 146,061                           |
| Termination                                | <u>(847,745)</u>                  |
| As at 30 June 2024                         | <u>73,404</u>                     |
| <b>Carrying amount</b>                     |                                   |
| As at 30 June 2023                         | <u>96,886</u>                     |
| As at 30 June 2024                         | <u>407,059</u>                    |

The Group and Company lease the buildings of which the leasing activities are summarised below:

Office Building

The Group and Company have entered into 3 years (2023: 3 years) renewable operating lease agreement for the use of the office building. The operating lease will be further reviewed yearly at least one month before the expiry of the tenancy agreement.

Factory

The Group has entered into 2 lease agreements that have tenancy periods of 9 and 10 years respectively (2023: 9 and 10 years) with an option to renew the lease after that date.

The Group and Company also have leases with terms of 12 months or less. The Group and the Company has applied the “short-term lease” recognition exemptions for these leases.

## 16. INTANGIBLE ASSETS

|   | License<br>RM | Software and<br>development<br>RM | Total<br>RM |
|---|---------------|-----------------------------------|-------------|
| <b>Group Cost</b>   |               |                                   |             |
| As at 1 July 2022/30 June 2023/<br>1 July 2023/30 June 2024 | 50,000        | 3,731,599                         | 3,781,599   |
| <b>Accumulated amortisation</b>                             |               |                                   |             |
| As at 1 July 2022/30 June 2023/<br>1 July 2023/30 June 2024 | 50,000        | 3,731,599                         | 3,781,599   |
| <b>Net carrying amount</b>                                  |               |                                   |             |
| As at 30 June 2023  | -             | -                                 | -           |
| As at 30 June 2024  | -             | -                                 | -           |

License relates to the mobile game soft code license where the Group have unlimited usage and modification rights to the Intellectual Property. The estimated useful lives are 2 years.

Software development represents costs incurred on development projects relating to the design and testing of new or improved products. Capitalised development costs are amortised when the asset is ready for use on a straight-line basis over its estimated useful life of 5 years.

## 17. INVESTMENT IN SUBSIDIARY COMPANIES

|  | Company    |            |
|--|------------|------------|
|  | 2024<br>RM | 2023<br>RM |
| Unquoted shares - at cost:                       |            |            |
| As at 1 July                                     | 54,556,268 | 1,850,246  |
| Add: Equity contribution to subsidiary companies | -          | 19,119,571 |
| Converted to investment                          | -          | 33,586,451 |
| As at 30 June                                    | 54,556,268 | 54,556,268 |
| Less: Accumulated impairment loss                |            |            |
| As at 1 July                                     | 8,589,096  | 5,145,709  |
| Addition   | -          | 3,443,387  |
| As at 30 June                                    | 8,589,096  | 8,589,096  |
|  | 45,967,172 | 45,967,172 |

**ANNUAL REPORT  
2024**

The details of the subsidiary companies are as follows:

| Name of Company                                   | Place of incorporation | Effective equity interest |           | Principal activities  |
|---|------------------------|---------------------------|-----------|---|
|   |                        | 2024<br>%                 | 2023<br>% |   |
| Direct holding:                                   |                        |                           |           |   |
| Ansi Systems Sdn. Bhd. (“ASSB”)                   | Malaysia               | 51                        | 51        | Software development and system integration   |
| Inix Glove Manufacturing Sdn. Bhd. (“Inix Glove”) | Malaysia               | 100                       | 100       | Software development, system integration, information technology management consultancy and other related professional services |
| Zen Tech Network Sdn. Bhd. (“ZT Network”)         | Malaysia               | 100                       | 100       | Software development, system integration, information technology management consultancy and other related professional services |
| Indirect holding:                                 |                        |                           |           |   |
| Subsidiaries of Inix Glove                        |                        |                           |           |   |
| Inix L&S Gloves Sdn. Bhd. (“IL&S”)                | Malaysia               | 51                        | 51        | Manufacturing of rubber gloves  |

All the subsidiary companies are audited by Morison LC PLT.

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, financial performance and cash flows of these subsidiary companies are not expected to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiary companies.

Non- controlling interests

Details of non-wholly-owned subsidiary companies that have non-controlling interest

The table below shows details of non-wholly-owned subsidiary companies that have non-controlling interest.

| Name of Company | Proportion of ownership interests held by non-controlling interest |           | Profit/(Loss) allocated to non-controlling interest |             | Accumulated noncontrolling interest |              |
|-----------------|--|-----------|---|-------------|-------------------------------------|--------------|
|                 | 2024<br>%  | 2023<br>% | 2024<br>RM  | 2023<br>RM  | 2024<br>RM                          | 2023<br>RM   |
| ASSB            | 49   | 49        | (101,548)   | (158,879)   | (10,806,456)                        | (10,704,908) |
| IL&S            | 49   | 49        | (335,533)   | (1,424,923) | 1,408,181                           | 1,743,714    |
|                 |  |           | (437,081)   | (1,583,802) | (9,398,275)                         | (8,961,194)  |

Summarised financial information in respect of the subsidiary companies that have non-controlling interests are set out as below. The summarised financial information below represents amounts before intragroup eliminations.

### ASSB

#### Statement of financial position

|  | 2024<br>RM   | 2023<br>RM   |
|--|--------------|--------------|
| Non-current assets                           | 18,598       | 33,533       |
| Current assets                               | 461,248      | 679,686      |
| Current liabilities                          | (15,547,034) | (15,573,157) |
| Net liabilities                              | (15,067,188) | (14,859,948) |
| Equity attributable to owners of the Company | (7,684,266)  | (7,578,573)  |
| Non-controlling interest                     | (7,382,922)  | (7,281,375)  |
|  | (15,067,188) | (14,859,948) |

**ANNUAL REPORT  
2024**

|   | <b>2024<br/>RM</b> | <b>2023<br/>RM</b> |
|---|--------------------|--------------------|
| <b>ASSB (cont'd)</b>  |                    |                    |
| <u>Statement of profit or loss and other comprehensive income</u>     |                    |                    |
| Revenue   | 1,804,538          | 2,806,384          |
| Cost of sales   | (1,372,732)        | (2,568,657)        |
| Other operating income  | 6,540              | 59,756             |
| Administrative expenses   | (645,586)          | (621,726)          |
| Loss for the year, representing total comprehensive loss for the year | <u>(207,240)</u>   | <u>(324,243)</u>   |
| Loss attributable to owners of the Company                            | (108,880)          | (165,364)          |
| Loss attributable to non-controlling interest                         | (104,611)          | (158,879)          |
| Loss for the year   | <u>(207,240)</u>   | <u>(324,243)</u>   |
| <u>Statement of cash flows</u>  |                    |                    |
| Net cash used in:   |                    |                    |
| Operating activities  | (5,588)            | (866,915)          |
| Investing activities  | -                  | (8,155)            |
| Net changes in cash and cash equivalents                              | <u>(5,588)</u>     | <u>(875,070)</u>   |
| <b>IL&amp;S</b>   |                    |                    |
| <u>Statement of financial position</u>                                |                    |                    |
| Non-current assets  | 33,395,755         | 35,353,302         |
| Current assets  | 8,252,614          | 5,582,669          |
| Non-current liabilities   | (1,330,671)        | (1,261,180)        |
| Current liabilities   | (13,686,348)       | (12,358,679)       |
| Net assets  | <u>26,631,350</u>  | <u>27,316,112</u>  |
| Equity attributable to owners of the Company                          | 13,581,989         | 13,931,218         |
| Non-controlling interest  | 13,049,361         | 13,384,894         |
|   | <u>26,631,350</u>  | <u>27,316,112</u>  |

|   | 2024<br>RM   | 2023<br>RM   |
|---|--------------|--------------|
| <b>IL&amp;S (cont'd)</b>  |              |              |
| <u>Statement of profit or loss and other comprehensive income</u>       |              |              |
| Revenue   | 44,046,199   | 24,142,008   |
| Cost of sales   | (36,483,329) | (22,915,716) |
| Other operating income  | 108,410      | 115,691      |
| Administrative expenses   | (8,098,450)  | (5,336,584)  |
| Finance cost  | (205,408)    | (89,749)     |
| Income tax (expense)/credit   | (52,184)     | 1,176,344    |
| Loss for the year, representing total comprehensive income for the year | (684,762)    | (2,908,006)  |
| Loss attributable to owners of the Company                              | (349,229)    | (1,482,083)  |
| Loss attributable to non-controlling interest                           | (335,533)    | (1,424,923)  |
| Lost for the year   | (684,762)    | (2,908,006)  |
| <u>Statement of cash flows</u>  |              |              |
| Net cash from/(used in):  |              |              |
| Operating activities  | 2,278,854    | (3,673,389)  |
| Investing activities  | (2,418,058)  | (23,884,902) |
| Financing activities  | 315,580      | 26,222,992   |
| Net changes in cash and cash equivalents                                | 176,376      | (1,335,299)  |

## 18. OTHER INVESTMENT

|   | Group and Company |                               |                              |
|---|-------------------|-------------------------------|------------------------------|
|   | 30.6.2024<br>RM   | 30.6.2023<br>RM<br>(Restated) | 1.7.2022<br>RM<br>(Restated) |
| <b>Fair value through profit or loss:</b> |                   |                               |                              |
| Unquoted shares in Malaysia, at cost      |                   |                               |                              |
| At 1 July 2023/2022                       | 7,700,000         | 7,700,000                     | 7,700,000                    |
| Less: Accumulated impairment loss         |                   |                               |                              |
| At 1 July 2023/2022                       | (7,675,000)       | (7,675,000)                   | (7,675,000)                  |
| At 30 June                                | 25,000            | 25,000                        | 25,000                       |

The Group and the Company have irrevocably elected to classify the equity instrument as FVTPL as they are not held for trading but for medium to long-term strategic purposes.



**ANNUAL REPORT  
2024**

**19. INVENTORIES**

|                   | Group            |                  |
|-------------------|------------------|------------------|
|                   | 2024             | 2023             |
|                   | RM               | RM               |
| At cost:          |                  |                  |
| Raw materials     | 1,314,764        | 839,783          |
| Packing materials | 74,134           | 48,725           |
| Finished goods    | 1,499,515        | 1,374,338        |
|                   | <u>2,888,413</u> | <u>2,262,846</u> |

Inventories recognised in cost of sales for the financial year ended 30 June 2024 amounted to RM31,060,614 (2023: RM18,629,480).

**20. TRADE RECEIVABLES**

|                         | Group            |                  |
|-------------------------|------------------|------------------|
|                         | 2024             | 2023             |
|                         | RM               | RM               |
| Trade receivables       | 8,519,223        | 6,962,556        |
| Less: Impairment losses | (17,800)         | (17,800)         |
|                         | <u>8,501,423</u> | <u>6,944,756</u> |

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2023: 30 to 120 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

There is one trade receivable that is interest bearing at 1.5% and is generally on 30 to 120 days.

The aged analysis of trade receivables as at end of the reporting period:

|                               | Gross amount<br>RM | Loss allowance<br>RM | Net amount<br>RM |
|-------------------------------|--------------------|----------------------|------------------|
| <b>Group</b>                  |                    |                      |                  |
| <b>2024</b>                   |                    |                      |                  |
| Neither past due nor impaired | 1,370,399          | -                    | 1,370,399        |
| Past due but not impaired:    |                    |                      |                  |
| Less than 30 days             | 1,099,927          | -                    | 1,099,927        |
| 31 to 60 days                 | 70,886             | -                    | 70,886           |
| 61 to 90 days                 | 435,772            | -                    | 435,772          |
| More than 90 days             | 5,524,439          | -                    | 5,524,439        |
|                               | 7,131,024          | -                    | 7,131,024        |
|                               | 8,501,423          | -                    | 8,501,423        |
| Individually impaired         | 17,800             | (17,800)             | -                |
|                               | 8,519,223          | (17,800)             | 8,501,423        |
| <b>2023</b>                   |                    |                      |                  |
| Neither past due nor impaired | 6,672,244          | -                    | 6,672,244        |
| Past due but not impaired:    |                    |                      |                  |
| Less than 30 days             | -                  | -                    | -                |
| 31 to 60 days                 | -                  | -                    | -                |
| 61 to 90 days                 | 272,512            | -                    | 272,512          |
| More than 90 days             | -                  | -                    | -                |
|                               | 272,512            | -                    | 272,512          |
|                               | 6,944,756          | -                    | 6,944,756        |
| Individually impaired         | 17,800             | (17,800)             | -                |
|                               | 6,962,556          | (17,800)             | 6,944,756        |

**ANNUAL REPORT  
2024**

**21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

|  | Group        |              | Company     |             |
|--|--------------|--------------|-------------|-------------|
|  | 2024         | 2023         | 2024        | 2023        |
|  | RM           | RM           | RM          | RM          |
| Other receivables:                     |              |              |             |             |
| - related parties                      | 532,500      | 532,500      | 532,500     | 532,500     |
| - third parties                        | 5,465,697    | 5,199,714    | 4,418,216   | 4,453,216   |
| Deposits                               | 14,023,682   | 9,752,096    | 8,588,190   | 5,297,439   |
|  | 20,021,879   | 15,484,310   | 13,538,906  | 10,283,155  |
| Less: Accumulated<br>impairment losses | (10,092,700) | (10,092,700) | (6,282,700) | (6,282,700) |
|  | 9,929,179    | 5,391,610    | 7,256,206   | 4,000,455   |
| Prepayments                            | 368,892      | 966,088      | -           | -           |
|  | 10,298,071   | 6,357,698    | 7,256,206   | 4,000,455   |

On 2 April 2024, the Group and the Company entered into a share sale agreement with Kok Chee Siong for the acquisition of 4,165,000 shares in Alpha Fintech Sdn. Bhd. ("Alpha"), representing 70% equity interest in Alpha, for a purchase consideration of RM10,000,000. The Group and the Company have made a payment of RM6,500,000 as the deposit of the investment during the year. As of the date of the report, the sale that has not been completed which pending for completion of the audit of Alpha.

Movement in the accumulated impairment losses are as follows:

|                          | Group      |            | Company   |           |
|--------------------------|------------|------------|-----------|-----------|
|                          | 2024       | 2023       | 2024      | 2023      |
|                          | RM         | RM         | RM        | RM        |
| At beginning of the year | 10,092,700 | 6,592,700  | 6,282,700 | 6,282,700 |
| Additions                | -          | 3,500,000  | -         | -         |
| At end of the year       | 10,092,700 | 10,092,700 | 6,282,700 | 6,282,700 |

**22. AMOUNT DUE FROM SUBSIDIARY COMPANIES**

|                                      | Company      |              |
|--------------------------------------|--------------|--------------|
|                                      | 2024         | 2023         |
|                                      | RM           | RM           |
| Amount due from subsidiary companies | 19,199,761   | 17,595,524   |
| Less: Accumulated impairment losses  | (12,290,656) | (12,290,656) |
|                                      | 6,909,105    | 5,304,868    |

Amount due from subsidiary companies is non-trade in nature, unsecured, interest-free and repayable on demand.

## 23. AMOUNTS DUE FROM/(TO) DIRECTORS

Amounts due from/(to) directors are non-trade in nature, unsecured, interest-free and payable/(repayable) on demand.

## 24. FIXED DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

### Group

The fixed deposits with a financial institution earn effective interest at 2.65% (2023: 1.85% to 2.65%) per annum and are pledged as securities for banking facilities granted to the Group.

## 25. SHARE CAPITAL

|  | Group and Company         |               |              |             |
|--|---------------------------|---------------|--------------|-------------|
|  | Number of ordinary shares |               | Amount       |             |
|  | 2024                      | 2023          | 2024         | 2023        |
|  | RM                        | RM            | RM           | RM          |
|  |                           |               |              | (Restated)  |
| <b>Issued and fully paid:</b>  |                           |               |              |             |
| <u>Ordinary shares</u>   |                           |               |              |             |
| As at 1 July 2023/2022   | 2,628,545,901             | 513,264,020   | 116,471,401  | 69,146,726  |
| Issuance of shares pursuant to the exercise of employees share option scheme | 221,905,755               | 95,449,637    | 8,091,741    | 3,607,996   |
| Issuance of shares pursuant to the exercise of private placement             | 260,000,000               | 186,561,300   | 3,926,000    | 9,701,188   |
| Issuance of shares pursuant to the exercise of right issue                   | -                         | 1,616,864,884 | -            | 24,252,973  |
| Issuance of shares pursuant to the exercise of settlement of loan            | -                         | 108,607,122   | -            | 8,145,534   |
| Issuance of shares pursuant to the exercise of warrants                      | 200,000                   | 107,798,938   | 6,000        | 1,616,984   |
| Capital reduction of shares  | -                         | -             | (40,000,000) | -           |
| As at 30 June  | 3,110,651,656             | 2,628,545,901 | 88,495,142   | 116,471,401 |

## 26. OTHER RESERVES

|                    |             | <b>Group and Company</b> |                   |
|--------------------|-------------|--------------------------|-------------------|
|                    |             | <b>2024</b>              | <b>2023</b>       |
|                    | <b>Note</b> | <b>RM</b>                | <b>RM</b>         |
|                    |             |                          | <b>(Restated)</b> |
| Non-distributable: |             |                          |                   |
| Warrant reserve    | (a)         | 14,548,658               | 14,551,658        |
| ESOS reserves      | (b)         | 8,850,930                | 13,289,045        |
|                    |             | <u>23,399,588</u>        | <u>27,840,703</u> |

### (a) Warrant reserve

The warrant reserve arose from the 1,077,909,475 free detachable warrants issued pursuant to the renounceable right issue on the basis of 2 free warrants for every 3 rights shares subscribed for free detachable Warrants B 2023/2025 ("Warrants B 2023/2025"). The warrant reserve was arrived at based on the theoretical fair value of RM0.0289 per warrant determined based on the Trinomial Options Pricing Model.

As at 30 June 2024, 969,910,537 Warrants B 2023/2025 remained unexercised.

The salient terms of Warrants B 2023/2025 are as follows:

- (i) The Warrants are contributed by a Deed Poll executed on 22 December 2022;
- (ii) The Warrants are traded separately;
- (iii) The Warrants may be exercised at any time during tenure of the Warrants 2 years commencing from the date of issuance 26 January 2023 ("Exercise Period") at exercise price of RM0.015 each. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The exercise price of RM0.015 per share. The exercise price and the number of outstanding warrants shall be subject to the adjustments that may be required during the Exercise Period by the Company, in consultation with and certified by the approved adviser or auditors appointed by the Company in accordance with the terms and provision of the Deed Poll; and
- (v) Subject to the provision in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. Warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in a general meeting.

The details of the outstanding warrants are as below:

|   | 2024<br>Unit | 2023<br>Unit  | 2024<br>RM | 2023<br>RM  |
|---|--------------|---------------|------------|-------------|
| At beginning of the year/date of issuance | 970,110,537  | 1,077,909,475 | 14,551,658 | 16,168,642  |
| Exercised during the year                 | (200,000)    | (107,798,938) | (3,000)    | (1,616,984) |
| At end of the year                        | 969,910,537  | 970,110,537   | 14,548,658 | 14,551,658  |

(b) Employees share option scheme ("ESOS")

The employee share option reserve represents the cash-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of cash-settled share options, and is reduced by the expiry of the share options.

At an Extraordinary General Meeting held on 9 June 2022, the Company's shareholders approved the establishment of a new ESOS of up to 30% of the issued and paid-up share capital of the Company at the point of the time throughout the duration of the scheme to eligible Directors and employees of the Group. The ESOS is to be in force for a period of 5 years effective from 27 January 2023.

The salient features and other terms of the ESOS are as follows:

- (i) Any employees of the Group (excluding dormant subsidiaries) shall be eligible to participate if as at the date of offer, the employees of the Group;
- (ii) Any Directors of the Group shall be eligible to participate if as at the date of offer, the Directors of the Group:
  - is at least eighteen (18) years old;
  - has been appointed as a Director of the Company within the Group, which is not dormant; and
  - fulfils any other criteria that the Option Committee may from time to time determine at its discretion.
- (iii) The maximum number of new shares to be issued pursuant to exercise of the ESOS which may be granted under the ESOS shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of the time throughout the duration of the ESOS;



**ANNUAL REPORT  
2024**

- (iv) The Scheme shall be in force for a period of five (5) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendations of the ESOS Committee, without having to obtain approval from the Company's shareholders, for a further period up to five (5) years immediately from the expiry of the first five (5) years but will not in aggregate exceed ten (10) years;
- (v) The option price shall be determined by the ESOS committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%;
- (vi) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all as any part of the new ordinary shares of the Company comprised in the ESOS; and
- (vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allocated and issued, will not be entitled to any dividend, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

The movement in the number of share options and the weighted average exercise price are as follows:

| Granted date | Exercise price RM | At 1 July 2023 Unit | Granted Unit | Exercised Unit | At 30 June 2024 Unit |
|--------------|-------------------|---------------------|--------------|----------------|----------------------|
| 4.4.2023     | 0.0178            | 664,453,203         | -            | (221,905,755)  | 442,547,448          |

**27. LEASE LIABILITIES**

|                       | Group     |             | Company   |           |
|-----------------------|-----------|-------------|-----------|-----------|
|                       | 2024 RM   | 2023 RM     | 2024 RM   | 2023 RM   |
| At 1 July             | 2,377,633 | 3,197,711   | 104,844   | 410,931   |
| Additions             | 480,463   | 1,670,978   | 480,463   | -         |
| Disposal              | (26,439)  | (1,887,820) | (26,440)  | -         |
| Lease modification    | 217,064   | -           | -         | -         |
| Accretion of interest | 89,824    | 86,151      | 13,311    | 11,301    |
| Payment of interest   | (89,824)  | (86,151)    | (13,311)  | (11,301)  |
| Payment of principal  | (441,822) | (603,236)   | (146,336) | (306,087) |
| At 30 June            | 2,606,899 | 2,377,633   | 412,531   | 104,844   |

|   | Group      |            | Company    |            |
|---|------------|------------|------------|------------|
|   | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| Minimum lease payments:                           |            |            |            |            |
| Less than one year                                | 459,600    | 477,796    | 87,600     | 105,796    |
| Later than one year but not later than five years | 1,838,400  | 1,488,000  | 350,400    | -          |
| Later than five years                             | 565,300    | 678,000    | 7,300      | -          |
| Total minimum lease payments                      | 2,863,300  | 2,643,796  | 445,300    | 105,796    |
| Less: Unearned interest                           | (256,401)  | (266,163)  | (32,770)   | (952)      |
| Present value of lease liabilities                | 2,606,899  | 2,377,633  | 412,530    | 104,844    |
| <b>Present value of minimum lease payments:</b>   |            |            |            |            |
| Less than one year                                | 386,681    | 410,669    | 76,267     | 104,844    |
| Later than one year but not later than five years | 1,667,970  | 1,315,253  | 328,981    | -          |
| Later than five years                             | 552,248    | 651,711    | 7,282      | -          |
|   | 2,606,899  | 2,377,633  | 412,530    | 104,844    |
| Less: Amount due within twelve months             | (386,682)  | (410,669)  | (76,267)   | (104,844)  |
| Amount due after twelve months                    | 2,220,217  | 1,966,964  | 336,263    | -          |

The Group does not face a significant liquidity risk with regard to their lease liabilities.

The lease liabilities are denominated in Ringgit Malaysia and are in relation to leases on land and buildings.

The incremental borrowing rate of lease liabilities of the Group and the Company is 3.00% (2023: 2.75% to 3%) per annum.

## 28. DEFERRED TAX LIABILITIES

|  | Group      |            |
|--|------------|------------|
|  | 2024<br>RM | 2023<br>RM |
| At beginning of year   | -          | 1,204,595  |
| Recognised in profit loss (Note 11)                            | 30,293     | (639,707)  |
| Under/(Over) provision of deferred tax in prior year (Note 11) | 24,152     | (564,888)  |
| At the end of year   | 54,445     | -          |

The deferred tax liabilities are in respect of taxable temporary differences arising from the qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation.

**ANNUAL REPORT  
2024**

**29. TRADE PAYABLES**

|                 | <b>Group</b> |             |
|-----------------|--------------|-------------|
|                 | <b>2024</b>  | <b>2023</b> |
|                 | <b>RM</b>    | <b>RM</b>   |
| Trade payables  |              |             |
| - Third parties | 6,184,735    | 7,197,945   |

Trade payables are non-interest bearing and are generally on 90 days (2023: 90 days) credit terms.

**30. OTHER PAYABLES AND ACCRUALS**

|                   | <b>Group</b>     |                  | <b>Company</b> |                |
|-------------------|------------------|------------------|----------------|----------------|
|                   | <b>2024</b>      | <b>2023</b>      | <b>2024</b>    | <b>2023</b>    |
|                   | <b>RM</b>        | <b>RM</b>        | <b>RM</b>      | <b>RM</b>      |
| Other payables    | 2,076,922        | 1,510,274        | 492,379        | 301,571        |
| Accruals          | 1,391,951        | 1,106,121        | 140,467        | 116,000        |
| Deposits received | 1,438,946        | 588,450          | -              | -              |
|                   | <b>4,907,819</b> | <b>3,204,845</b> | <b>632,846</b> | <b>417,571</b> |

**31. BANK BORROWINGS**

|                     | <b>Group</b>     |                  |
|---------------------|------------------|------------------|
|                     | <b>2024</b>      | <b>2023</b>      |
|                     | <b>RM</b>        | <b>RM</b>        |
| Secured:            |                  |                  |
| Bank overdraft      | 645,912          | 704,134          |
| Bankers' acceptance | 2,267,000        | 2,327,519        |
|                     | <b>2,912,912</b> | <b>3,031,653</b> |

The Group's banking facilities amounting to RM2,912,912 (2023: RM3,031,653) are secured by the following:

- (i) Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Berhad's guarantee under WSGS-1;
- (ii) Joint and Several Guarantee (JSG) to be executed by directors;
- (iii) personal guaranteed by a director of the company; and
- (iv) corporate guaranteed by holding company.

Bankers' acceptance bear interest at rates ranging from 3.42% to 3.71 % (2023: 3.42% to 3.71 %) per annum.

## 32. RELATED PARTY TRANSACTIONS

### (a) Identify related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

### (b) Significant related party transactions and balances

Amount due from subsidiary companies which arose mainly from advances, is unsecured, interest-free and receivable on demand.

Amounts due from/(to) Directors are non-trade in nature, unsecured, interest-free and repayable/(payable) on demand.

### (c) Compensation of key management personnel

Directors' remuneration of the Group and of the Company during the financial year is as follows:

|                                 | Group            |                  | Company          |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | 2024<br>RM       | 2023<br>RM       | 2024<br>RM       | 2023<br>RM       |
| <b>Executive directors:</b>     |                  |                  |                  |                  |
| Fees                            | 348,000          | 338,000          | 348,000          | 338,000          |
| Salaries and other emoluments   | 1,431,413        | 1,223,720        | 420,000          | 420,000          |
| Defined contribution plans      | 132,536          | 105,536          | 38,144           | 38,880           |
| Social security contribution    | 5,377            | 5,195            | 2,317            | 2,239            |
|                                 | <b>1,917,326</b> | <b>1,672,451</b> | <b>808,461</b>   | <b>799,119</b>   |
| <b>Non-executive directors:</b> |                  |                  |                  |                  |
| Fees                            | 420,000          | 265,000          | 420,000          | 265,000          |
|                                 | <b>2,337,326</b> | <b>1,937,451</b> | <b>1,228,461</b> | <b>1,064,119</b> |

**ANNUAL REPORT  
2024**

### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows used in financing activities.

|                         | At 1 July<br>RM  | Financing<br>cash flows<br>RM | Non-cash<br>changes<br>RM | At 30 June<br>RM |
|-------------------------|------------------|-------------------------------|---------------------------|------------------|
| <b>Group</b>            |                  |                               |                           |                  |
| <b>2024</b>             |                  |                               |                           |                  |
| Lease liabilities       | 2,377,633        | (441,822)                     | 671,088                   | 2,606,899        |
| Amount due to directors | 355,172          | 1,097,376                     | -                         | 1,452,548        |
| Short term borrowings   | 2,327,519        | (60,519)                      | -                         | 2,267,000        |
|                         | <b>5,060,324</b> | <b>595,035</b>                | <b>671,088</b>            | <b>6,326,447</b> |
| <b>2023</b>             |                  |                               |                           |                  |
| Lease liabilities       | 3,197,711        | (603,236)                     | (216,842)                 | 2,377,633        |
| Amount due to directors | 1,259,907        | (1,855,277)                   | 950,542                   | 355,172          |
| Short term borrowings   | -                | 2,327,519                     | -                         | 2,327,519        |
|                         | <b>4,457,618</b> | <b>(130,994)</b>              | <b>733,700</b>            | <b>5,060,324</b> |
| <b>Company</b>          |                  |                               |                           |                  |
| <b>2024</b>             |                  |                               |                           |                  |
| Lease liabilities       | 104,844          | (146,338)                     | 454,024                   | 412,530          |
| Amount due to directors | 3,500            | 484,500                       | -                         | 488,000          |
|                         | <b>108,344</b>   | <b>338,162</b>                | <b>454,024</b>            | <b>900,530</b>   |
| <b>2023</b>             |                  |                               |                           |                  |
| Lease liabilities       | 410,931          | (306,087)                     | -                         | 104,844          |
| Amount due to directors | 740,091          | (736,591)                     | -                         | 3,500            |
|                         | <b>1,151,022</b> | <b>(1,042,678)</b>            | <b>-</b>                  | <b>108,344</b>   |

## 34. FINANCIAL INSTRUMENTS

### Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|   | 30.6.2024 | Group<br>30.6.2023 | 1.7.2023         |
|---|-----------|--------------------|------------------|
|   | RM        | RM<br>(Restated)   | RM<br>(Restated) |
| <b>Financial assets</b>                         |           |                    |                  |
| <i><u>Fair value through profit or loss</u></i> |           |                    |                  |
| Other investments                               | 25,000    | 25,000             | 25,000           |
| <i><u>At amortised cost</u></i>                 |           |                    |                  |
| Trade receivables                               | 8,501,423 | 6,944,756          | 302,400          |
| Other receivables and refundable deposits       | 3,429,179 | 5,391,610          | 5,223,512        |
| Amount due from directors                       | 40,000    | -                  | -                |
| Fixed deposits with licensed banks              | 47,400    | 47,400             | 529,250          |
| Cash and bank balances                          | 405,434   | 1,040,030          | 1,092,631        |
| <b>Financial liabilities</b>                    |           |                    |                  |
| <i><u>At amortised cost</u></i>                 |           |                    |                  |
| Trade payables                                  | 6,184,735 | 7,197,945          | 3,023,655        |
| Other payables and accruals                     | 4,907,819 | 3,204,845          | 9,248,021        |
| Amount due to directors                         | 1,452,548 | 355,172            | 1,259,907        |
| Bank borrowings                                 | 2,912,912 | 3,031,653          | -                |
| Hire purchase payable                           | -         | -                  | 443,910          |
| Lease liabilities                               | 2,606,899 | 2,377,633          | 3,197,711        |



**ANNUAL REPORT  
2024**

|   | 30.6.2024<br>RM | Company<br>30.6.2023<br>RM<br>(Restated) | 1.7.2023<br>RM<br>(Restated) |
|---|-----------------|--|------------------------------|
| <b>Financial assets</b>                   |                 |  |                              |
| <i>Fair value through profit or loss</i>  |                 |  |                              |
| Other investments                         | 25,000          | 25,000                                   | 25,000                       |
| <i>At amortised cost</i>                  |                 |  |                              |
| Other receivables and refundable deposits | 756,206         | 555,828                                  | 200,378                      |
| Amount due from directors                 | 40,000          | -  | -                            |
| Amount due from subsidiary companies      | 6,909,105       | 5,304,868                                | 1,691,243                    |
| Cash and bank balances                    | 240,746         | 333,857                                  | 6,606                        |
| <b>Financial liabilities</b>              |                 |  |                              |
| <i>At amortised cost</i>                  |                 |  |                              |
| Other payables and accruals               | 632,846         | 417,571                                  | 493,279                      |
| Amount due to directors                   | 488,000         | 3,500                                    | 740,091                      |
| Lease liabilities                         | 412,530         | 104,844                                  | 410,931                      |

**Financial risk management objectives and policies**

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables, other receivables and refundable deposits and contract assets; whereas the exposure to credit risk arises mainly from other receivables and refundable deposits, amount due from subsidiary companies and financial guarantee given to licensed banks.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

### Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group monitors various portfolios to identify and assess risk concentration.

### Exposure to credit risk

The carrying amount of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from trade payables, other payables and accruals, bank borrowings and lease liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**ANNUAL REPORT  
2024**

Analysis of financial instruments by remaining contractual maturities

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

| Group                       | Weighted<br>average<br>effective<br>interest rate<br>% | Total<br>carrying<br>amount<br>RM | On demand<br>or within 1<br>year<br>RM | Within 2<br>to 5 years<br>RM | More than<br>5 years<br>RM | Total<br>contractual<br>undiscounted<br>cash flow<br>RM |
|-----------------------------|--|-----------------------------------|--|------------------------------|----------------------------|---|
| <b>2024</b>                 |  |                                   |  |                              |                            |   |
| Trade payables              |  | 6,184,735                         | 6,184,735                              | -                            | -                          | 6,184,735   |
| Other payables and accruals |  | 4,907,819                         | 4,907,819                              | -                            | -                          | 4,907,819   |
| Amount due to directors     |  | 1,452,548                         | 1,452,548                              | -                            | -                          | 1,452,548   |
| Bank borrowings             | 3.42 - 3.71  | 2,912,912                         | 2,912,912                              | -                            | -                          | 2,912,912   |
| Lease liabilities           | 3.00   | 2,606,899                         | 459,600                                | 1,838,400                    | 565,300                    | 2,863,300   |
|                             |  | <b>18,064,913</b>                 | <b>15,917,614</b>                      | <b>1,838,400</b>             | <b>565,300</b>             | <b>18,321,314</b>                                       |
| <b>2023</b>                 |  |                                   |  |                              |                            |   |
| Trade payables              |  | 7,197,945                         | 7,197,945                              | -                            | -                          | 7,197,945   |
| Other payables and accruals |  | 3,204,845                         | 3,204,845                              | -                            | -                          | 3,204,845   |
| Amount due to directors     |  | 355,172                           | 355,172                                | -                            | -                          | 355,172   |
| Bank borrowings             | 3.42 - 3.71  | 3,031,653                         | 3,031,653                              | -                            | -                          | 3,031,653   |
| Lease liabilities           | 2.75 - 3.00  | 2,377,633                         | 477,796                                | 1,488,000                    | 678,000                    | 2,643,796   |
|                             |  | <b>16,167,248</b>                 | <b>14,267,411</b>                      | <b>1,488,000</b>             | <b>678,000</b>             | <b>16,433,411</b>                                       |

| Company                     | Weighted<br>average<br>effective<br>interest rate<br>% | Total<br>carrying<br>amount<br>RM | On demand<br>or within 1<br>year<br>RM | Within 2<br>to 5 years<br>RM | More than<br>5 years<br>RM | contractual<br>undiscounted<br>cash flow<br>RM | Total |
|-----------------------------|--|-----------------------------------|--|------------------------------|----------------------------|--|-------|
|                             |  |                                   |  |                              |                            |  |       |
| 2024                        |  |                                   |  |                              |                            |  |       |
| Other payables and accruals |  | 632,846                           | 632,846                                | -                            | -                          | 632,846  |       |
| Amount due to directors     |  | 488,000                           | 488,000                                | -                            | -                          | 488,000  |       |
| Lease liabilities           | 3.00   | 412,532                           | 87,600                                 | 350,400                      | 7,300                      | 445,300  |       |
|                             |  | 1,533,378                         | 1,208,446                              | 350,400                      | 7,300                      | 1,566,146                                      |       |
| 2023                        |  |                                   |  |                              |                            |  |       |
| Other payables and accruals |  | 417,571                           | 417,571                                | -                            | -                          | 417,571  |       |
| Amount due to directors     |  | 3,500                             | 3,500                                  | -                            | -                          | 3,500  |       |
| Lease liabilities           | 2.75 - 3.00  | 104,844                           | 105,796                                | -                            | -                          | 105,796  |       |
|                             |  | 525,915                           | 526,867                                | -                            | -                          | 526,867  |       |

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates risk will affect the Group's and the Company's financial position or cash flows.

Foreign currency risk

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

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

*Exposure foreign currency risk*

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

|                           | <b>Group</b>   |                |
|---------------------------|----------------|----------------|
|                           | <b>2024</b>    | <b>2023</b>    |
|                           | <b>RM</b>      | <b>RM</b>      |
| <b>Denominated in USD</b> |                |                |
| Trade receivables         | 500,993        | 123,518        |
| Bank balances             | 10,143         | 3,346          |
|                           | <u>511,136</u> | <u>126,864</u> |

*Foreign currency sensitivity analysis*

The following table details the Group's sensitivity to a 5% increase and decrease in the Ringgit Malaysia against United States Dollar. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. A positive number below indicates a profit where the Ringgit Malaysia strengthens 5% against United States Dollar and vice versa.

|   | <b>Group</b>               |                |
|---|----------------------------|----------------|
|   | <b>Increase/(Decrease)</b> |                |
|   | <b>Profit net of tax</b>   |                |
|   | <b>2024</b>                | <b>2023</b>    |
|   | <b>RM</b>                  | <b>RM</b>      |
| <b>USD/RM</b>                           |                            |                |
| - strengthening of USD by 5% (2023: 5%) | 19,423                     | 4,821          |
| - weakening of USD by 5% (2023: 5%)     | <u>(19,423)</u>            | <u>(4,821)</u> |

Interest rate risk

The Group and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

|                                  | 2024<br>RM | 2023<br>RM |
|----------------------------------|------------|------------|
| <b>Group</b>                     |            |            |
| <b>Fixed rate instrument</b>     |            |            |
| Lease liabilities                | 2,606,899  | 2,377,633  |
| <b>Floating rate instruments</b> |            |            |
| Bank borrowings                  | 2,912,912  | 3,031,653  |
| <b>Company</b>                   |            |            |
| <b>Fixed rate instrument</b>     |            |            |
| Lease liabilities                | 412,531    | 104,844    |

**Fair values of financial instruments**

The carrying amounts of short-term receivables and payables, cash and cash equivalents and bank borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the financial reporting period.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.



**ANNUAL REPORT  
2024**

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

**Fair value hierarchy**

Fair value hierarchy of the Group and the Company is as follows:

|                          | Level 1<br>RM | Level 2<br>RM | Level 3<br>RM | Total<br>RM |
|--------------------------|---------------|---------------|---------------|-------------|
| <b>Group and Company</b> |               |               |               |             |
| <b>2024</b>              |               |               |               |             |
| Other investment         | -             | -             | 25,000        | 25,000      |
| <b>2023</b>              |               |               |               |             |
| Other investment         | -             | -             | 25,000        | 25,000      |

### 35. CAPITAL RISK MANAGEMENT

The Group and the Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at end of the reporting period are as follows:

|                                 | Group      |             | Company    |            |
|---------------------------------|------------|-------------|------------|------------|
|                                 | 2024<br>RM | 2023<br>RM  | 2024<br>RM | 2023<br>RM |
| Bank borrowings                 | 2,912,912  | 3,031,653   | -          | -          |
| Lease liabilities               | 2,606,899  | 2,377,633   | 412,531    | 104,844    |
| Less: Cash and cash equivalents | (405,434)  | (1,040,030) | (240,746)  | (333,857)  |
| Total net (cash)/debts          | 5,114,377  | 4,369,256   | 171,785    | (229,013)  |
| Total equity                    | 56,557,444 | 59,692,950  | 59,672,775 | 55,387,320 |
| Gearing ratio                   | 0.09       | 0.07        | 0.003      | *-         |

\*- The gearing ratio is not applicable as the Company has sufficient cash and cash equivalents to settle the total loans and borrowings as at the financial year end.

### 36. CAPITAL COMMITMENT

|                              | Group      |            | Company    |            |
|------------------------------|------------|------------|------------|------------|
|                              | 2024<br>RM | 2023<br>RM | 2024<br>RM | 2023<br>RM |
| Approved and contracted for: |            |            |            |            |
| Investments (Note 21)        | 3,500,000  | 2,500,000  | 3,500,000  | 2,500,000  |
| Capital work-in-progress     | 6,000,000  | -          | -          | -          |

### 37. SIGNIFICANT EVENT

#### Proposed Acquisition of Shares in Alpha Fintech Sdn. Bhd. ("Alpha")

On 2 April 2024, the Group and the Company entered into a share sale agreement with Kok Chee Siong for the acquisition of 4,165,000 shares in Alpha Fintech Sdn. Bhd. ("Alpha") representing 70% equity interest in Alpha for a purchase consideration of RM10,000,000. The Group and the Company has paid a deposit of RM6,500,000 for the acquisition and the remaining of RM3,500,000 is expected to be paid upon completion of acquisition.

### 38. PRIOR YEARS' ADJUSTMENTS

In preparing the consolidated financial statements of the Group and of the Company for the financial year ended 30 June 2024, the directors had noted that the previously issued financial statements of the Group and of the Company were misstated. The amounts presented in the financial statements of the Group and of the Company in respect of the year ended 30 June 2023 and 1 July 2022 have been restated to correct those errors identified. The effects of the restatements to the financial statements of the Group and of the Company are summarised as below:

- (a) During financial year ended 2020, the additional allotment of shares in HyperQB Sdn. Bhd. ("HyperQB") has resulted in the dilution of the Group's and the Company's shareholding in HyperQB from 25% to 2.5%. This has measured of fair value downward adjustment to the investment in HyperQB in the financial year ended 2020.

Upon reassessment, the directors concluded that the fair value should be adjusted in the prior years. This has resulted in the overstatement of other investment and retained earnings of RM7,675,000. These misstatements represent prior period errors that have been corrected by way of prior year adjustments.

- (b) During the financial year ended 2023, Employees Share Option Scheme ("ESOS") had been granted to several employees. As there is no vesting period or vesting condition attached to the grant, the ESOS become exercisable immediately. The expenses related to the ESOS have to be fully recognised in the statement of profit or loss. This transaction has not been taken up by the Group and the Company during the year. As a result, the administrative expenses and employees' share option scheme reserve were understated by RM15,045,038 in prior year. These misstatements have been corrected by way of prior year adjustments.

- (c) During the financial year ended 2023, the ESOS was exercised but was not taken up by the Group and the Company. There is issuance of shares pursuant to exercise of ESOS amounting to RM1,908,993. This amount needs to be adjusted from the employees' share option reserve to share capital. This has caused an understatement of share capital and share option reserve for the financial year ended 30 June 2023 and have been corrected by way of prior year adjustments.

Other than the above mentioned, certain comparative figures in prior year's statements of financial position as shown below have been reclassified to enhance comparability with current year's presentation. As a result, certain line items have been amended on the face of the statements of financial position.

These misstatements as mentioned above represent prior period errors that have been corrected by way of prior year adjustments. The effect of the prior years' adjustments are as follows:

|  | As<br>previously<br>stated<br>RM | (a)<br>RM   | Prior years' adjustments<br>(b)<br>RM | (c)<br>RM | As<br>restated<br>RM |
|--|----------------------------------|-------------|---------------------------------------|-----------|----------------------|
| <b>Group</b>   |                                  |             |                                       |           |                      |
| <b>Statement of financial position as at 30 June 2023</b>  |                                  |             |                                       |           |                      |
| <b>Non-current Assets</b>  |                                  |             |                                       |           |                      |
| Other investment   | 7,700,000                        | (7,675,000) | -                                     | -         | 25,000               |
| <b>Capital and Reserves</b>  |                                  |             |                                       |           |                      |
| Share capital  | 114,562,408                      | -           | -                                     | 1,908,993 | 116,471,401          |
| Reserves   | 14,704,658                       | -           | 15,045,038                            | 1,908,993 | 27,840,703           |
| Accumulated losses   | (52,937,922)                     | (7,675,000) | (15,045,038)                          | -         | (75,657,960)         |
| <b>Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2023</b> |                                  |             |                                       |           |                      |
| Administrative expenses  | 13,156,813                       | -           | (15,045,038)                          | -         | 28,201,851           |
| <b>Group</b>   |                                  |             |                                       |           |                      |
| <b>Statement of financial position as at 1 July 2022</b>   |                                  |             |                                       |           |                      |
| <b>Non-current Assets</b>  |                                  |             |                                       |           |                      |
| Other investment   | 7,700,000                        | (7,675,000) | -                                     | -         | 25,000               |
| <b>Capital and Reserves</b>  |                                  |             |                                       |           |                      |
| Accumulated losses   | (29,857,916)                     | (7,675,000) | -                                     | -         | (37,532,916)         |

**ANNUAL REPORT  
2024**

|  | As<br>previously<br>stated<br>RM | (a)<br>RM   | Prior years' adjustments<br>(b)<br>RM | (c)<br>RM   | As<br>restated<br>RM |
|--|----------------------------------|-------------|---------------------------------------|-------------|----------------------|
| <b>Company</b>   |                                  |             |                                       |             |                      |
| <b>Statement of financial position as at 30 June 2023</b>  |                                  |             |                                       |             |                      |
| <b>Non-current Assets</b>  |                                  |             |                                       |             |                      |
| Other investment   | 7,700,000                        | (7,675,000) | -                                     | -           | 25,000               |
| <b>Capital and Reserves</b>  |                                  |             |                                       |             |                      |
| Share capital  | 114,562,408                      | -           | -                                     | 1,908,993   | 116,471,401          |
| Reserves   | 14,704,658                       | -           | 15,045,038                            | (1,908,993) | 27,840,703           |
| Accumulated losses   | (66,204,756)                     | (7,675,000) | (15,045,038)                          | -           | (88,924,784)         |
| <b>Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2023</b> |                                  |             |                                       |             |                      |
| Administrative expenses  | (6,890,925)                      | -           | (15,045,038)                          | -           | (21,935,963)         |
| <b>Company</b>   |                                  |             |                                       |             |                      |
| <b>Statement of financial position as at 1 July 2022</b>   |                                  |             |                                       |             |                      |
| <b>Non-current Assets</b>  |                                  |             |                                       |             |                      |
| Other investment   | 7,700,000                        | (7,675,000) | -                                     | -           | 25,000               |
| <b>Capital and Reserves</b>  |                                  |             |                                       |             |                      |
| Accumulated losses   | (44,767,686)                     | (7,675,000) | -                                     | -           | (52,442,686)         |

*This page left blank purposely*



## Analysis Of Shareholdings as at 1 October 2024

**ANNUAL REPORT  
2024**

### SHARE CAPITAL

Total Number of Issued Shares : 3,110,651,656  
Class of Shares : Ordinary Shares  
Voting Rights : One vote for each ordinary share held

#### DISTRIBUTION OF SHAREHOLDINGS AS AT 1 OCTOBER 2024

| SIZE OF SHAREHOLDINGS                    | No. of<br>shareholders | Percentage of<br>shares (%) | No. of shares        | Percentage<br>of shares (%) |
|--|------------------------|-----------------------------|----------------------|-----------------------------|
| Less Than 100                            | 74                     | 0.84                        | 3,207                | 0.00                        |
| 100 to 1,000                             | 661                    | 7.52                        | 384,840              | 0.01                        |
| 1,001 to 10,000                          | 2,509                  | 28.54                       | 15,544,281           | 0.50                        |
| 10,001 to 100,000                        | 3,571                  | 40.62                       | 155,280,395          | 4.99                        |
| 100,001 to less than 5% of Issued Shares | 1,976                  | 22.47                       | 2,439,438,933        | 78.42                       |
| 5% and above of Issued Shares            | 1                      | 0.01                        | 500,000,000          | 16.07                       |
| <b>TOTAL</b>                             | <b>8,792</b>           | <b>100.00</b>               | <b>3,110,651,656</b> | <b>100.00</b>               |

#### DIRECTORS' SHAREHOLDINGS AS AT 1 OCTOBER 2024

| No. | Names  | Direct           |                                     | Indirect                  |                                     |
|-----|--|------------------|-------------------------------------|---------------------------|-------------------------------------|
|     |  | No. of<br>Shares | Percentage<br>of shares<br>held (%) | No. of<br>Shares          | Percentage<br>of shares<br>held (%) |
| 1.  | YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (appointed w.e.f. 30 November 2023) | -                | -                                   | -                         | -                                   |
| 2.  | Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir   | -                | -                                   | -                         | -                                   |
| 3.  | Dato' Zhang Li   | 16,339,936       | 0.53                                | -                         | -                                   |
| 4.  | Siva Kumar A/L Kalugasalam   | 960,604          | 0.03                                | -                         | -                                   |
| 5.  | Chow Hung Keey   | 177,600          | 0.01                                | -                         | -                                   |
| 6.  | Edwin Silvester Das  | -                | -                                   | -                         | -                                   |
| 7.  | Zhang Yang   | -                | -                                   | 16,339,936 <sup>(1)</sup> | 0.53                                |
| 8.  | Wong Kok Fong  | -                | -                                   | -                         | -                                   |
| 9.  | Dato' Zaidi bin Mat Isa @ Hashim (appointed w.e.f. 27 March 2024)  | -                | -                                   | -                         | -                                   |

Notes:

<sup>(1)</sup> Deemed interested by virtue of his mother, Dato' Zhang Li's direct shareholding in the Company.

#### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2024

| No. | Names | Direct           |                                     | Indirect         |                                     |
|-----|-------|------------------|-------------------------------------|------------------|-------------------------------------|
|     |       | No. of<br>Shares | Percentage<br>of shares<br>held (%) | No. of<br>Shares | Percentage<br>of shares<br>held (%) |
| 1.  | -     | -                | -                                   | -                | -                                   |

**LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS AS AT 1 OCTOBER 2024**

| No. | Name of Shareholders  | No. of Shares | Percentage of shares held (%) |
|-----|---|---------------|-------------------------------|
| 1.  | CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD   | 500,000,000   | 16.07                         |
| 2.  | MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR VALUEVEST VENTURES SDN. BHD. (RESIDENT)                                     | 135,169,000   | 4.35                          |
| 3.  | KENANGA NOMINEES (TEMPATAN) SDN BHD TAN POW CHOO @ WONG SENG ENG (EM1-CN)   | 125,000,046   | 4.02                          |
| 4.  | CHUA SIEW CHEN  | 105,448,600   | 3.39                          |
| 5.  | LING SHENG CHUNG  | 94,815,600    | 3.05                          |
| 6.  | PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH BOON KEE (E-SGM)  | 73,750,000    | 2.37                          |
| 7.  | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)   | 60,000,000    | 1.93                          |
| 8.  | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FLORENCE LIM HUI LENG                                      | 50,777,200    | 1.63                          |
| 9.  | TA SECURITIES HOLDINGS BERHAD IVT (P07) TEOH SIEW HUI   | 49,394,000    | 1.59                          |
| 10. | APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK  | 33,180,900    | 1.07                          |
| 11. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VALUEVEST VENTURES SDN. BHD. (MY4453) | 30,000,000    | 0.96                          |
| 12. | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG                                     | 28,576,800    | 0.92                          |
| 13. | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN POW CHOO @ WONG SENG ENG                               | 25,000,000    | 0.80                          |
| 14. | KOH BOON POH  | 23,000,087    | 0.74                          |
| 15. | ZEN HERITAGE CAPITAL SDN BHD  | 21,127,200    | 0.68                          |
| 16. | LIM SOON GUAN   | 20,600,000    | 0.66                          |
| 17. | ONG EE LING   | 19,723,200    | 0.63                          |
| 18. | KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI  | 16,339,936    | 0.53                          |
| 19. | LIEW THAU SEN   | 15,237,200    | 0.49                          |
| 20. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (8089889)                             | 14,000,000    | 0.45                          |
| 21. | Q HOLDINGS CAPITAL SDN. BHD.  | 14,000,000    | 0.45                          |
| 22. | KWANG BEE CHING   | 13,260,000    | 0.43                          |
| 23. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (7003273)                             | 12,720,000    | 0.41                          |
| 24. | CHIA LEE LEE  | 12,500,000    | 0.40                          |
| 25. | YIN YIT FUN   | 11,300,000    | 0.36                          |

**ANNUAL REPORT  
2024**

| No.          | Name of Shareholders   | No. of Shares        | Percentage of shares held (%) |
|--------------|--|----------------------|-------------------------------|
| 26.          | AFFIN HWANG INVESTMENT BANK BERHAD IVT (YIH) CHEAH YIH JUANG | 11,000,600           | 0.35                          |
| 27.          | ALAN CHUA HOCK KWANG   | 10,500,000           | 0.34                          |
| 28.          | LAU POH CHYE   | 10,150,000           | 0.33                          |
| 29.          | CHAN WAI LIEH  | 10,000,000           | 0.32                          |
| 30.          | TAN HUI KOON   | 10,000,000           | 0.32                          |
| <b>Total</b> |  | <b>1,556,570,369</b> | <b>50.04</b>                  |

**ANALYSIS OF WARRANTS B AS AT 1 OCTOBER 2024**

Class of Shares : Warrants B  
Total Number of Warrants B : 969,910,537

**DISTRIBUTION OF WARRANTS B HOLDINGS AS AT 1 OCTOBER 2024**

| SIZE OF HOLDINGS                           | No. of Warrants B Holders | Percentage of Warrants B (%) | No. of Warrants B  | Percentage of Warrants B (%) |
|--|---------------------------|------------------------------|--------------------|------------------------------|
| Less Than 100                              | 104                       | 6.22                         | 4,979              | 0.00                         |
| 100 to 1,000                               | 46                        | 2.75                         | 19,988             | 0.00                         |
| 1,001 to 10,000                            | 194                       | 11.60                        | 1,082,585          | 0.11                         |
| 10,001 to 100,000                          | 714                       | 42.70                        | 33,527,908         | 3.46                         |
| 100,001 to less than 5% of Issued warrants | 613                       | 36.66                        | 801,120,144        | 82.60                        |
| 5% and above of issued warrants            | 1                         | 0.06                         | 134,154,933        | 13.83                        |
| <b>TOTAL</b>                               | <b>1,672</b>              | <b>100.00</b>                | <b>969,910,537</b> | <b>100.00</b>                |

**DIRECTORS' INTERESTS IN WARRANTS B AS AT 1 OCTOBER 2024**

| No. | Names  | Direct            |                                   | Indirect                  |                                   |
|-----|--|-------------------|-----------------------------------|---------------------------|-----------------------------------|
|     |  | No. of Warrants B | Percentage of Warrants B held (%) | No. of Warrants B         | Percentage of Warrants B held (%) |
| 1.  | YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (appointed w.e.f. 30 November 2023) |                   |                                   |                           |                                   |
| 2.  | Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir   | -                 | -                                 | -                         | -                                 |
| 3.  | Dato' Zhang Li   | 18,454,666        | 1.90                              | -                         | -                                 |
| 4.  | Siva Kumar A/L Kalugasalam   | -                 | -                                 | -                         | -                                 |
| 5.  | Chow Hung Keey   | -                 | -                                 | -                         | -                                 |
| 6.  | Edwin Silvester Das  | -                 | -                                 | -                         | -                                 |
| 7.  | Zhang Yang   | -                 | -                                 | 18,454,666 <sup>(1)</sup> | 1.90                              |
| 8.  | Wong Kok Fong  | -                 | -                                 | -                         | -                                 |
| 9.  | Dato' Zaidi bin Mat Isa @ Hashim (appointed w.e.f. 27 March 2024)  |                   |                                   |                           |                                   |

**Notes:**

<sup>(1)</sup> Deemed interested by virtue of his mother, Dato' Zhang Li's direct warrants holding in the Company.

**LIST OF TOP 30 WARRANTS B HOLDERS/ DEPOSITORS AS AT 1 OCTOBER 2024**

| No. | Name of Warrants Holders  | No. of Warrants B | Percentage of Warrants B held (%) |
|-----|---|-------------------|-----------------------------------|
| 1.  | CHUA SIEW CHEN  | 134,154,933       | 13.83                             |
| 2.  | LING SHENG CHUNG  | 40,406,933        | 4.17                              |
| 3.  | TAI SUE YEAN  | 34,663,900        | 3.57                              |
| 4.  | LEE MING CHAI   | 32,000,000        | 3.30                              |
| 5.  | ALAN CHUA HOCK KWANG  | 30,000,000        | 3.09                              |
| 6.  | TAI TEAN SENG   | 28,590,600        | 2.95                              |
| 7.  | TAN WAH KIONG   | 25,996,900        | 2.68                              |
| 8.  | LOW PIT KOON  | 20,742,000        | 2.14                              |
| 9.  | KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI              | 18,454,666        | 1.90                              |
| 10. | TEH CHEE TEONG (DATO' SRI)  | 15,859,866        | 1.64                              |
| 11. | APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK        | 11,500,000        | 1.19                              |
| 12. | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008) | 10,786,100        | 1.11                              |
| 13. | SANG SAK MIN  | 10,009,200        | 1.03                              |
| 14. | SOM KIT A/L EH SOON   | 10,009,200        | 1.03                              |
| 15. | TAN WAH KIONG   | 10,000,000        | 1.03                              |

**ANNUAL REPORT  
2024**

| No.          | Name of Warrants Holders  | No. of Warrants B  | Percentage of Warrants B held (%) |
|--------------|---|--------------------|-----------------------------------|
| 16.          | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (8089889) | 9,333,333          | 0.96                              |
| 17.          | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (7003273) | 8,480,000          | 0.87                              |
| 18.          | HENG KEAR HUAT  | 8,000,000          | 0.82                              |
| 19.          | TAN SIEW LIAN   | 7,334,000          | 0.76                              |
| 20.          | TAN SIOK HIANG  | 7,300,000          | 0.75                              |
| 21.          | CHANG HUI KEE   | 6,937,333          | 0.72                              |
| 22.          | YAP KOW CHAI  | 6,700,000          | 0.69                              |
| 23.          | TAN HUI KOON  | 6,666,666          | 0.69                              |
| 24.          | TAN KIM TING  | 6,666,666          | 0.69                              |
| 25.          | KENANGA INVESTMENT BANK BERHAD IVT (22708) YONG SIOW CHIN   | 6,491,700          | 0.67                              |
| 26.          | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KIAM LAM (001)             | 5,993,466          | 0.62                              |
| 27.          | TEH KOK WAI   | 5,666,666          | 0.58                              |
| 28.          | SAFIAH BINTI IBRAHIM  | 5,500,000          | 0.57                              |
| 29.          | LEE THENG HAI   | 5,333,333          | 0.55                              |
| 30.          | NGAN TANG FOO   | 5,333,333          | 0.55                              |
| <b>Total</b> |   | <b>534,910,794</b> | <b>55.15</b>                      |

# Notice of Annual General Meeting

Overview

Reflections From The Top

Governance

Financials

Appendix



## ZEN TECH INTERNATIONAL BERHAD

Registration No. 200401027289 (665797-D)

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19<sup>th</sup>) Annual General Meeting ("AGM") of Zen Tech International Berhad ("Zen Tech" or "the Company") will be conducted on a virtual basis through live streaming and online remote voting via the remote participation and voting (RPV) facilities at <http://rebrand.ly/zentech-agm> provided by InsHub Sdn. Bhd. in Malaysia on Friday, 29 November 2024 at 10:00 a.m. for the following purposes:-

### AGENDA

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees and other benefits payable of up to RM800,000.00 payable to Non-Executive Directors of the Company for the period commencing from the conclusion of the 19<sup>th</sup> AGM up to the conclusion of the 20<sup>th</sup> AGM of the Company.
- To re-elect the following Directors who retire in accordance with Clause 97.1 of the Company's Constitution and who being eligible, have offered themselves for re-election: -
  - Tan Sri Syed Mohd Yusof bin Tun Syed Nasir
  - Edwin Silvester Das
- To re-elect the following Directors who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, have offered themselves for re-election: -
  - YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar
  - Dato' Zaidi bin Mat Isa @ Hashim
- To re-appoint Messrs. Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

(Please refer  
Explanatory Notes 1)

**Ordinary Resolution 1**

**Ordinary Resolution 2**

**Ordinary Resolution 3**

**Ordinary Resolution 4**

**Ordinary Resolution 5**

**Ordinary Resolution 6**

#### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions: -

- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**  
 "THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons, firms or corporations and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.  
  
 AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."
- To transact any other business of which due notice have been given in accordance with the Companies Act 2016.

**Ordinary Resolution 7**



## ANNUAL REPORT 2024

BY ORDER OF THE BOARD

**TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)**

**LAU HOOI PIN (MAICSA 7081620) (SSM PC No. 202408000447)**

Company Secretaries

Kuala Lumpur  
29 October 2024

### Notes:

- Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.
- A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), may appoint one or more proxies to attend on the same occasion.
- Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an 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.
- If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.
- To be valid, the duly completed Form of Proxy must be deposited with the office of the share registrar of the Company, Aldpro Corporate Services Sdn Bhd, at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2024. Only members whose name appears on the Record of Depositors as at 20 November 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 19<sup>th</sup> AGM will be put to vote by way of poll.

### Explanatory Notes:

#### 1. Audited Financial Statements for the Financial Year Ended 30 June 2024

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Therefore, this Agenda item is not put forward for voting.

#### 2. Ordinary Resolution 1: To Approve the Payment of Directors' Fees and Other Benefits Payable

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the Non-Executive Directors ("NEDs"). The Board wishes to seek shareholders' approval for the payment of a maximum aggregate amount of RM800,000.00 for Directors' fees to the NEDs of the Company for the period commencing from the conclusion of the 19<sup>th</sup> AGM up to the conclusion of the 20<sup>th</sup> AGM of the Company.

Directors' benefits include allowances and other claimable benefits which calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 19<sup>th</sup> AGM up to the conclusion of the 20<sup>th</sup> AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

#### 3. Ordinary Resolutions 2 - 5: Re-election of Directors who retire in accordance with Clauses 97.1 and 104 of the Company's Constitution

Clause 97.1 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Whereby Clause 104 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with the Company's Constitution. Any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Pursuant to Clause 97.1 of the Company's Constitution, Tan Sri Syed Mohd Yusof bin Tun Syed Nasir and Mr. Edwin Silvester Das shall retire at the forthcoming AGM of the Company.

YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar and Dato' Zaidi bin Mat Isa @ Hashim who were appointed as an Independent Non-Executive Chairperson of the Company on 30 November 2023 and Independent Non-Executive Director on 27 March 2024 respectively are required to submit themselves for re-election at the 19<sup>th</sup> AGM of the Company pursuant to the Clause 104 of the Company's Constitution.

The performance of the Directors who are recommended for re-election has been assessed through the Board's annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, Mr. Edwin Silvester Das, YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar and Dato' Zaidi bin Mat Isa @ Hashim who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 19<sup>th</sup> AGM of the Company.

#### 4. Ordinary Resolution 7: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 7, if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

The Company had allotted and issued 285,065,100 ordinary shares pursuant to the general mandate granted to the Directors at the 18<sup>th</sup> AGM held on 30 November 2023.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

*"85. Pre-emptive rights to new shares*

- (1) *Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

*Clause 54 of the Company's Constitution provides as follows:*

*"54. Subject to any direction to the contrary that may be given by the Company in general meeting any new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities as aforesaid which, by reason of the ratio borne by them to the number of shares or securities held by persons entitled to such offer of new shares or securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided."*

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

### ANNUAL REPORT 2024

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 19<sup>th</sup> AGM of the Company.

2. General mandate for issue of securities in accordance with Rule 6.04 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.





**ZEN TECH INTERNATIONAL BERHAD**  
Registration No. 200401027289 (665797-D)  
(Incorporated in Malaysia)

## FORM OF PROXY

|                         |  |
|-------------------------|--|
| <b>Number of Shares</b> |  |
| <b>CDS Account No.</b>  |  |

\* I/We .....  
(full name in block letters)

NRIC/Passport/Co. No. ....of .....  
..... Tel No. ....  
(full address)

being a Member/ Members of ZEN TECH INTERNATIONAL BERHAD, hereby appoint (Proxy 1).....  
..... NRIC/Passport No. ....  
(full name in block letters)  
.....of.....  
(full address)

Tel No. .... Email address .....failing

\*him/her (Proxy 2) ..... NRIC/Passport No. ....  
(full name in block letters)

of.....  
(full address)

Email address ..... or failing whom, the Chairman of the Meeting as \*my/our \*proxy/proxies to vote for \*me/us and on \*my/our behalf at the Nineteenth Annual General Meeting ("19<sup>th</sup> AGM") of ZEN TECH INTERNATIONAL BERHAD ("ZENTECH" or "the Company") will be conducted on a virtual basis through live streaming and online remote voting via the remote participation and voting (RPV) facilities at <http://rebrand.ly/zentech-agm> provided by InsHub Sdn. Bhd. on Friday, 29 November 2024 at 10:00 a.m. or at any adjournment thereof:

\*I/We direct \*my/our proxy to vote for or against the resolution to be proposed at the 19<sup>th</sup> AGM of the Company as indicated hereunder:

| Ordinary Resolution |   | For | Against |
|---------------------|---|-----|---------|
| 1                   | To approve the payment of Directors' fees and other benefits payable of up to RM800,000.00 to Non-Executive Directors of the Company for the period commencing from the conclusion of the 19 <sup>th</sup> AGM up to the conclusion of the 20 <sup>th</sup> AGM of the Company; |     |         |
| 2                   | To re-elect Tan Sri Syed Mohd Yusof bin Tun Syed Nasir who retires in accordance with Clause 97.1 of the Company's Constitution and who being eligible, has offered himself for re-election.  |     |         |
| 3                   | To re-elect Edwin Silvester Das who retires in accordance with Clause 97.1 of the Company's Constitution and who being eligible, has offered himself for re-election.   |     |         |
| 4                   | To re-elect YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar, who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, has offered herself for re-election   |     |         |
| 5                   | To re-elect Dato' Zaidi bin Mat Isa @ Hashim, who retires in accordance with Clause 104 of the Company's Constitution and who being eligible, has offered himself for re-election   |     |         |
| 6                   | To re-appoint Messrs. Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.  |     |         |
| 7                   | Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016  |     |         |

Please indicate with an "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote / abstain at his/her discretion.

Dated this..... day of ..... 2024

Signature / Common Seal of shareholder

\*strike out whichever is inapplicable

The proportions of \*my/our holdings to be represented by \*my/our proxy(ies) are as follows:

Proxy 1  
No. of Shares : ..... Percentage : .....%

Proxy 2  
No. of Shares : ..... Percentage : .....%

### Notes:

- Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.
- A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), may appoint one or more proxies to attend on the same occasion.
- Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an 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.
- If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.
- To be valid, the duly completed Form of Proxy must be deposited with the office of the share registrar of the Company, Aldpro Corporate Services Sdn Bhd, at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 November 2024. Only members whose name appears on the Record of Depositors as at 20 November 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 19<sup>th</sup> AGM will be put to vote by way of poll.



*Fold this flap for sealing*

---

*Then fold here*

---

The Share Registrar of  
**ZEN TECH INTERNATIONAL BERHAD**  
[Registration No. 200401027289 (665797-D)]

c/o Aldpro Corporate Services Sdn Bhd  
B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur

AFFIX  
STAMP

*1st fold here*

---



# Administrative Guide for 19<sup>th</sup> Annual General Meeting (“AGM”)

Overview

Reflections From The Top

Governance

Financials

Appendix

|                         |   |
|-------------------------|---|
| Meeting Day and Date    | : Friday, 29 November 2024  |
| Time                    | : 10:00 a.m. or at any adjournment thereof  |
| Online Meeting Platform | : will be conducted on a virtual basis through live streaming and online remote voting via the remote participation and voting (RPV) facilities at <a href="http://rebrand.ly/zentech-agm">http://rebrand.ly/zentech-agm</a> provided by InsHub Sdn. Bhd. |

## 1. Virtual Meeting

- 1.1 The 19<sup>th</sup> AGM of the Company will be conducted entirely virtual through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities.
- 1.2 Kindly ensure that you are connected to the internet at all times in order to participate and/or vote at our virtual Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants. The Company, the Board and its management, registrar and other professional advisers (if any) shall not be held responsible or be liable for any disruption in internet line resulting in the participants being unable to participate and/or vote at the Meeting.

## 2. Entitlement to Participate and Vote

- 2.1 Only depositors whose names appear on the Record of Depositors as at 20 November 2024 shall be entitled to participate and/or vote at the meeting or appoint proxy(ies) / corporate representative(s) to participate and/or vote on his/her behalf by returning the duly executed Form(s) of Proxy.

## 3. Appointment of Proxy

- 3.1 If you are unable to attend and participate at the meeting via RPV facilities, you may appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
- 3.2 The instrument appointing a proxy and the power of attorney or other authority i.e. the corporate representatives / authorised nominees or exempt authorised nominees who wishes to attend and participate at the meeting via RPV facilities, please ensure the duly executed original Form(s) of Proxy or the original / duly certified Certificate(s) of Appointment of its corporate / authorised representative / power of attorney / letter of authority or other documents proving authority must be deposited to Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan at least 48 hours before the time appointed for holding the meeting i.e. not later than Wednesday, 27 November 2024 at 10:00 a.m.

## 4. Submission of Questions

- 4.1 Members and proxies may submit their questions via the real time submission of typed texts through a Q&A panel during the live streaming of the 19<sup>th</sup> AGM. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser during the meeting.



## 5. Voting Procedure

- 5.1 Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll.
- 5.2 For the purpose of the Meeting, e-Voting can be carried out using personal smart mobile phones, tablets, personal computers or laptops.
- 5.3 The polling will commence from the scheduled starting time of the Meeting and close upon the Chairman announces the closing of voting period towards the end of the Meeting after the question-and-answer session.
- 5.4 The Independent Scrutineer will verify the poll results reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or not.

## 6. Remote Participation and Voting ("RPV")

- 6.1 Please note that all shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees, and proxies shall use the RPV facilities to participate and/or vote remotely at the meeting [(ii) to (iv) through their authorised representatives].
- 6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, pose questions and/or submit your votes in real time whilst the Meeting is in progress.
- 6.3 Kindly follow the procedures to register for RPV.

### Procedures To Remote Participation And Voting Facilities (RPV)

Members / proxies / corporate representatives / attorneys who wish to participate the 19<sup>th</sup> AGM remotely using RPV must follow the following procedures:-

| Step | Action   | Procedure   |
|------|--|---|
| (a)  | <ul style="list-style-type: none"> <li>To register as a user using the website:<br/><a href="http://rebrand.ly/zentech-agm">http://rebrand.ly/zentech-agm</a></li> </ul> | <ul style="list-style-type: none"> <li>Using your computer, access the registration website at <a href="http://rebrand.ly/zentech-agm">http://rebrand.ly/zentech-agm</a></li> <li>If you are using mobile devices, you can also scan the QR provided on the left to access the registration page.</li> <li>Click Register and enter your email followed by Next to fill in your details to register for the AGM session.</li> <li>Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification.</li> <li>The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.</li> </ul> |

|                                     |   |
|-------------------------------------|---|
| (b) Submit your online registration | <ul style="list-style-type: none"> <li>• Members, who wish to participate and vote remotely at the AGM via RPV Facilities, are required to register prior to the Meeting. The registration is open from 10:00 a.m. on 1 November 2024 and will close at 10:00 a.m. on 27 November 2024.</li> <li>• Clicking on the link mentioned in item (a) will redirect you to the AGM event page. Click on the Register link for the online registration form.</li> <li>• Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy).</li> <li>• Insert your CDS account number(s) and indicate the number of shares you hold.</li> <li>• Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>• Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected.</li> <li>• System will send an email to notify that your registration for remote participation is received and will be verified.</li> <li>• After verification of your registration with the General Meeting Record of Depositors of the Company as at 20 November 2024, the system will send you an email to notify you if your registration is approved or rejected after 20 November 2024.</li> <li>• If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.</li> </ul> |
|-------------------------------------|---|

| Procedure                    |                             | Action   |
|------------------------------|-----------------------------|--|
| <b>ON THE DAY OF THE AGM</b> |                             |  |
| (a)                          | Attending AGM               | <ul style="list-style-type: none"> <li>Two reminder emails will be sent to your inbox. First email will be sent one day before the date of the AGM, while the second email will be sent 1 hour before the commencement of the AGM session.</li> <li>Click Join Webinar in the reminder email to participate the RPV.</li> </ul>  |
| (b)                          | Participate with live video | <ul style="list-style-type: none"> <li>You will be given a short brief about the system.</li> <li>Your microphone is muted throughout the whole session.</li> <li>If you have any questions for the Chairman/Board, you may use the Q&amp;A panel to send in your questions. The Chairman/Board will try to respond to the relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email.</li> <li>The whole session will be recorded.</li> <li>Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.</li> </ul> |
| (c)                          | Online Remote Voting        | <ul style="list-style-type: none"> <li>The Chairman will announce the commencement of the voting session and the duration allowed at the AGM.</li> <li>The list of resolutions for voting will appear at the right-hand side of your computer screen under the "Slido" panel. You are required to indicate your votes for the resolutions within the given stipulated time frame.</li> <li>Click on the Submit button when you have completed.</li> <li>Votes cannot be changed once it is submitted.</li> </ul>   |
| (d)                          | End of RPV Facility         | <ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the AGM, the live session will end.</li> </ul>  |

#### **RPV for Authorised Nominee and Exempt Authorised Nominee**

Write in to [admin@aldpro.com.my](mailto:admin@aldpro.com.my) by providing the name of Member, CDS Account Number accompanied with the Proxy Form to submit the request.

**Enquiry**

If you have any enquiries prior to the 19<sup>th</sup> AGM, please contact the following during office hours from Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except public holiday): -

**The Share Registrar****Aldpro Corporate Services Sdn. Bhd.**

Address : B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur, Wilayah Persekutuan

Email Address : admin@aldpro.com.my

Contact Persons : Pn. Martini

Telephone No. : +603 9770 2200

**OR****RPV Technical Support**

If you have any enquiry in relation to registration, logging in and system related, please contact the Technical Support:

Technical Support : Mr Calvin / Ms Eris

Tel No. : 03-7688 1013

Email : vgm@mlabs.com



**ZEN TECH**  
INTERNATIONAL  
B E R H A D

Unit No. 53-6 The Boulevard,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur.

[www.zentech.com.my](http://www.zentech.com.my)