



SKP RESOURCES BHD

Registration No. 200001021690 (524297-T)

AN **INTEGRATED**
EMS PROVIDER



ANNUAL
REPORT **2024**

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth (24th) Annual General Meeting (“AGM”) of **SKP RESOURCES BHD (“the Company”)** will be held on a **fully virtual basis** at the following date, time and venue for the following purposes:-

Day, Date	:	Thursday, 26 September 2024
Time	:	11:00 a.m.
Online Meeting Platform	:	Securities Services e-Portal at https://sshsb.net.my/

AGENDA

ORDINARY BUSINESS

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to the Explanatory Notes |
| 2. | To re-elect Mr. Koh Chin Koon, a Director of the Company, who retires in accordance with Clause 119 of the Company’s Constitution and being eligible, has offered himself for re-election. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Goh Kah Im, a Director of the Company, who retires in accordance with Clause 119 of the Company’s Constitution and being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors’ fees of RM405,000 for the period from 1 October 2024 to 30 September 2025, to be payable on a quarterly basis in arrears. | Ordinary Resolution 3 |
| 5. | To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to fix their remuneration. | Ordinary Resolution 4 |

SPECIAL BUSINESS

To consider and if thought fit, with or without modification to pass the following resolutions:-

- | | | |
|----|---|------------------------------|
| 6. | AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 | Ordinary Resolution 5 |
|----|---|------------------------------|

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities;

AND FURTHER 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.”

NOTICE OF ANNUAL GENERAL MEETING

cont'd

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 6**

"THAT subject to Section 127 of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividends to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

NOTICE OF ANNUAL GENERAL MEETING

cont'd

8. To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC NO. 201908002648)

YAU JYE YEE (MAICSA 7059233) (SSM PC NO.: 202008000733)

Company Secretaries

Kuala Lumpur
31 July 2024

Explanatory Notes on Ordinary and Special Businesses:-

Audited Financial Statements

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require the formal approval of the shareholders for the audited financial statements. As such, this agenda item will not be put forward for voting.

Ordinary Resolutions 1 and 2 – Re-election of Directors

Clause 119 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 24th AGM, the Nomination Committee ("**NC**") has considered the following:-

- (i) satisfactory performance and meeting the Board's expectations in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria in discharging their roles as directors of the Company;
- (iii) for Independent Non-Executive Directors ("**INEDs**") only, the level of independence demonstrated by the INEDs; and
- (iv) their ability to act in the best interest of the Company.

The Board endorsed the NC's recommendation for the re-election of the retiring Directors pursuant to Clauses 119 of the Constitution of the Company. All the retiring Directors have consented to their re-election and abstained from deliberation and the decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings, where applicable.

Each of the Directors standing for re-election had provided their declaration on their fitness and propriety to continue acting as Director of the Company in accordance with the Directors' Fit and Proper Policy of the Company.

The profiles of the Directors standing for re-election are set out in the Directors' Profiles section of the Annual Report 2024.

Ordinary Resolution 3 – Directors' Fees

This proposed ordinary resolution is in accordance with Clause 132 of the Company's Constitution and to facilitate payment of Directors' fees on a current financial year basis. This resolution, if passed, will authorise the payment of Directors' fees to Directors of the Company for the period from 1 October 2024 to 30 September 2025, i.e. until the next AGM in 2025 and to be payable on a quarterly basis in arrears.

Ordinary Resolution 4 - Re-appointment of Auditors

The Audit Committee ("**AC**") have assessed the suitability and independence of the External Auditors and recommended the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 March 2025. The Board has in turn reviewed the recommendation of the AC and recommended the same to be tabled to the shareholders for approval at the forthcoming 24th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Ordinary Resolution 5 – Authority to Issue Shares Pursuant to the Act

The proposed ordinary resolution is intended to renew the authority granted to the Directors of the Company at the Twenty-Third (23rd) AGM of the Company held on 29 September 2023 (“**Previous Mandate**”) to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the “**General Mandate**”).

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders’ approval when such opportunities or needs arise.

As at the date of this Notice, no new shares were issued pursuant to the Previous Mandate and hence, no proceeds were raised therefrom.

Ordinary Resolution 6 – Proposed Renewal of Share Buy-Back Authority

This proposed ordinary resolution, if passed, would empower the Directors of the Company to purchase the Company’s ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities by utilising the funds allocated which shall not exceed the Company’s retained profits based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

Please refer to the Statement to Shareholders dated 31 July 2024 for further information.

Notes:

- (a) As a measure to support increased shareholder participation, the 24th AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting (“**RPV**”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal’s platform at <https://sshsb.net.my/>. Please read carefully and follow the procedures provided in the Administrative Guide to register, participate and vote remotely via the RPV facilities.
- (b) In respect of deposited securities, only members whose names appear in the Record of Depositors on **19 September 2024** (“**General Meeting Record of Depositors**”) shall be eligible to participate, speak and vote at the Meeting.
- (c) A member entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (d) A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

As guided by the Securities Commission Malaysia’s Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 24th AGM via real time submission of typed texts through a text box within Securities Services e-Portal’s platform during the live streaming of the 24th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the 24th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded to by the Chairman, Board of Directors and/or Management during the Meeting.

- (e) In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (g) A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the AGM via RPV facilities must request his/her proxy to register himself/herself for RPV facilities at Securities Services e-Portal at <https://sshsb.net.my/>. **Please refer to the Administrative Guide for procedures to utilise the RPV facilities.**

NOTICE OF ANNUAL GENERAL MEETING

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(h) **Submission of Proxy Form in either hard copy form or electronic form**

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof through either one of the following avenues:-

Mode of Submission

Designated Address

Hard copy

SS E Solutions Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490
Kuala Lumpur, Wilayah Persekutuan
Fax: 03-2094 9940 and/ or 03-2095 0292
Email: eservices@sshbsb.com.my

Electronic appointment

Securities Services e-Portal
Weblink: <https://sshbsb.net.my/>

- (i) Should you wish to personally participate in the 24th AGM remotely, please register electronically via Securities Services e-Portal at <https://sshbsb.net.my/> by the registration cut-off date and time. Please follow the procedures provided in the Administrative Guide for the 24th AGM to register, participate, speak and vote remotely.
- (j) If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in the 24th AGM by yourself, please write in to eservices@sshbsb.com.my to revoke the earlier appointed proxy twenty-four (24) hours before this meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the 24th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

There are no Directors standing for election as Director of the Company at the 24th Annual General Meeting.

2. **Pursuant to Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note (under Ordinary Resolution 5 – Authority to Issue Shares Pursuant to the Companies Act 2016) of the Notice of the 24th Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Hussin Bin Haji Ismail
Independent Non-Executive Chairman

Gan Poh San
Managing Director

Anita Chew Cheng Im
Independent Non-Executive Director

Koh Chin Koon
Non-Independent Non-Executive Director

Goh Kah Im
Independent Non-Executive Director

AUDIT COMMITTEE

Goh Kah Im (Chairman)
Koh Chin Koon
Anita Chew Cheng Im

NOMINATION COMMITTEE

Anita Chew Cheng Im (Chairperson)
Koh Chin Koon
Goh Kah Im

REMUNERATION COMMITTEE

Goh Kah Im (Chairman)
Anita Chew Cheng Im
Koh Chin Koon

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

(merger of Risk Management and Sustainability Committee with effect from 5 December 2023)

Koh Chin Koon (Chairman)
Anita Chew Cheng Im
Goh Kah Im

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
(SSM PC No. 201908002648)
Yau Jye Yee (MAICSA 7059233)
(SSM PC No. 202008000733)

AUDITORS

Ernst & Young PLT
202006000003
(LLP0022760-LCA) & AF 0039
B-15, Medini 9,
Persiaran Medini Sentral 1,
Bandar Medini Iskandar Malaysia,
79250 Iskandar Puteri,
Johor, Malaysia.
Telephone : +607-288 3111

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Telephone : 603-2084 9000
Facsimile : 603-2094 9940
Email Address: info@sshbsb.com.my

HEAD OFFICE

No. 421, 4th Miles,
Jalan Kluang,
83000 Batu Pahat,
Johor Darul Takzim.
Telephone : 607-432 5707
Facsimile : 607-434 0213

PRINCIPAL BANKERS

Hong Leong Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
[199601006647 (378993-D)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan.
Telephone : 603-7890 4700
Facsimile : 603-7890 4670
Email Address: BSR.Helpdesk@
boardroomlimited.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Sector : Industrial Products
Stock Code : 7155
Stock Name : SKPRES

WEBSITE

www.skpres.com

CORPORATE STRUCTURE

AS AT 1 JULY 2024



DIRECTORS' PROFILE

TAN SRI DATUK HUSSIN BIN HAJI ISMAIL

Age 71 • Malaysian • Male | Independent Non-Executive Chairman

Date of Appointment	9 December 2022
Membership in Board Committees	Nil
Qualification and Working Experience	<p>Tan Sri Datuk began his career in the Royal Malaysia Police (RMP) in 1971. During his tenure with RMP for over 39 years, Tan Sri Datuk held various positions including Head of Special Branch of Perlis (1989-1992) and Officer in Charge of Police District of Shah Alam (2000-2002). He was seconded to the Ministry of Foreign Affairs and served in Moscow, Russia from 1992 to 1994.</p> <p>In 2002, Tan Sri Datuk was appointed as the Head of Special Branch of Perak before taking on the position of Chief of Police for Terengganu in 2004. In 2006, Tan Sri Datuk was appointed as the Chief of Police for Johor. In 2008, Tan Sri Datuk was made the Director of Internal Security and Public Order Department in Bukit Aman. Subsequently, Tan Sri Datuk was promoted to the rank of Deputy Inspector General (DIG) in 2010 before his retirement in 2011. As DIG, his key responsibilities included assisting the Inspector General of Police (IGP) in the process of achieving the vision, missions and objectives of the RMP. While holding the position of DIG, Tan Sri Datuk also worked closely with the IGP in formulating policies and the guiding principles in ensuring the preservation of peace and security of the nation.</p> <p>Tan Sri Datuk is presently an Independent Non-Executive Chairman of Ecomate Holdings Berhad and Independent Director of EP Manufacturing Bhd. He was previously the Chairman of Koperasi Polis DiRaja Malaysia (2016-2018). Currently, he is the Deputy Chairman of Yayasan Pengaman Malaysia.</p>
Present Directorship(s)	
(i) Other Listed Entities	(i) Ecomate Holdings Berhad (ii) EP Manufacturing Bhd
(ii) Other Public Companies	Nil
Family relationship with any director and/or major shareholder of the Company	Nil
Conflict of interest with the Company, or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries, if any	Nil
Convictions for offences within the past five (5) years and any particulars of public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Number of board meetings attended in the financial year	5/5

DIRECTORS' PROFILE

cont'd

GAN POH SAN

Age 48 • Malaysian • Male | Managing Director

Date of Appointment	3 December 2002 - Appointed as Executive Director 9 December 2022 - Re-designated as Managing Director
Membership in Board Committees	Nil
Qualification and Working Experience	<p>Mr. Gan received his Bachelor of Arts (Honours) majoring in Accounting and Finance from Staffordshire University and further obtained his MSc. in Finance from Imperial College (Management School), United Kingdom in 1998.</p> <p>In 1998, he joined Syarikat Sin Kwang Plastic Industries Sdn. Bhd., a wholly-owned subsidiary of the Company, as a management trainee and was subsequently sent to Kai Japanese School and Nissei Plastics School in Japan to study Japanese language and plastic engineering respectively. His proficiency in speaking Japanese language enables him to communicate easily with the Group's Japanese customers.</p>
Present Directorship(s)	
(i) Other Listed Entities	Nil
(ii) Other Public Companies	Nil
Family relationship with any director and/or major shareholder of the Company	Mr. Gan is the son of the late Dato' Gan Kim Huat, a major shareholder of the Company. Mr. Gan is also a major shareholder of the Company.
Conflict of interest with the Company, or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries, if any	Mr. Gan has no conflict of interest with the Company except as disclosed in the financial statements.
Convictions for offences within the past five (5) years and any particulars of public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Number of board meetings attended in the financial year	5/5

DIRECTORS' PROFILE

cont'd

KOH CHIN KOON

Age 54 • Malaysian • Male | Non-Independent Non-Executive Director

Date of Appointment	4 March 2005 - Appointed as Independent Non-Executive Director 27 July 2014 - Re-designated as the Senior Independent Non-Executive Director 24 September 2020 - Re-designated as the Non-Independent Non-Executive Director
Membership in Board Committees	Chairman of Risk Management and Sustainability Committee Member of Audit Committee Member of Nomination Committee Member of Remuneration Committee
Qualification and Working Experience	<p>Mr. Koh Chin Koon completed his Bachelor's Degree at University of Malaya in year 1995. He joined the Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia (CTIM) in July 1999 and September 2000 respectively.</p> <p>He became an approved tax agent under Section 153(3)(b) of the Income Tax Act, 1967. He was employed by Arthur Andersen & Co as a Tax Assistant after he completed his Bachelor's Degree and was promoted to a Tax Experience Senior during his employment. He left Arthur Andersen & Co and joined Chin & Co as a Tax Manager in February 2001. After having obtained a wide range of experience from his past employment involved in advising clients including private companies, public listed companies and quasi-government organisations, he set up Koh & Siow Management Services in May 2001.</p>
Present Directorship(s)	
(i) Other Listed Entities	Nil
(ii) Other Public Companies	Nil
Family relationship with any director and/or major shareholder of the Company	Nil
Conflict of interest with the Company, or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries, if any	Nil
Convictions for offences within the past five (5) years and any particulars of public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Number of board meetings attended in the financial year	5/5

DIRECTORS' PROFILE

cont'd

ANITA CHEW CHENG IM

Age 57 • Malaysian • Female | Independent Non-Executive Director

Date of Appointment	14 December 2020
Membership in Board Committees	Chairperson of Nomination Committee Member of Audit Committee Member of Remuneration Committee Member of Risk Management and Sustainability Committee
Qualification and Working Experience	<p>Ms. Anita started her career as an audit assistant at KPMG, Melbourne in 1990. While in KPMG, she was engaged in the audit of the media, retail and mining industries.</p> <p>In 1992, she joined the Corporate Finance Department of Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad after merging with Amanah Bank Berhad) and was with the investment bank for approximately 5 years. Subsequently, she held the position of Director, Corporate Finance at Alliance Investment Bank Berhad from 1997 to 2003. From 2003 to 2007, she worked at HwangDBS Investment Bank Berhad as the Senior Vice President, Equity Capital Market.</p> <p>She was mainly involved in corporate finance and related matters during her 15-year tenure in the various investment banks, having advised clients on numerous IPOs, fund raising and corporate and debt restructuring exercises.</p> <p>She graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in April 1990.</p> <p>Ms. Anita presently is an Independent Director of Fortress Minerals Ltd, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).</p>
Present Directorship(s)	
(i) Other Listed Entities	(i) K-One Technology Berhad (ii) Kimlun Corporation Berhad (iii) Kuchai Development Berhad (iv) Plytec Holding Berhad
(ii) Other Public Companies	Nil
Family relationship with any director and/or major shareholder of the Company	Nil
Conflict of interest with the Company, or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries, if any	Nil
Convictions for offences within the past five (5) years and any particulars of public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Number of board meetings attended in the financial year	5/5

DIRECTORS' PROFILE

cont'd

GOH KAH IM

Age 58 • Malaysian • Male | Independent Non-Executive Director

Date of Appointment	14 December 2020
Membership in Board Committees	Chairman of Audit Committee Member of Nomination Committee Chairman of Remuneration Committee Member of Risk Management and Sustainability Committee
Qualification and Working Experience	<p>Mr. Goh has 20 years of experience as senior manager and is presently a freelance management consultant. Prior to this, he had held various senior managerial positions in Oxford University Press Group, a department of the University of Oxford, United Kingdom and in the steel industry working for one of the largest companies in Australia, BHP/ BlueScope Group. In addition, Mr. Goh also served as group accountant at Star Cruise and audit senior at Deloitte Kassim Chan, an international public accounting firm based in Kuala Lumpur.</p> <p>Mr. Goh graduated from the University of Otago, New Zealand in 1989 with a Bachelor of Commerce (Accounting) degree. He is currently a Chartered Accountant registered with the Malaysian Institute of Accountants.</p> <p>Mr. Goh presently is an Independent Director of Fortress Minerals Ltd, a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).</p>
Present Directorship(s)	
(i) Other Listed Entities	Nil
(ii) Other Public Companies	Nil
Family relationship with any director and/or major shareholder of the Company	Nil
Conflict of interest with the Company, or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries, if any	Nil
Convictions for offences within the past five (5) years and any particulars of public sanction or penalty imposed by the relevant regulatory bodies during the financial year	Nil
Number of board meetings attended in the financial year	5/5

PROFILE OF KEY SENIOR MANAGEMENT

KAU WAI FAUN

Age 56 • Malaysian • Male | Group Financial Controller

Mr. Kau has joined the Group in 1994 as an Accountant, and was subsequently promoted to Group Financial Controller.

Mr. Kau is an Associate member of the Chartered Institute of Management Accountants (CIMA) in the United Kingdom, a member of the Chartered Global Management Accountants (CGMA) and also a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

He has more than 30 years of work experience in financial and management accounting.

He has no family relationship with other Directors nor major shareholders of SKP, no conflict of interest with SKP or potential conflict of interest, including interest in any competing business, with SKP or its subsidiaries and no conviction for offences, public sanction or penalty imposed by the relevant regulatory bodies within the past 5 years, other than traffic offences.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS



Strong Performance in a Difficult Year



Dear Shareholders,

For the Financial Year ended 31 March 2024 (FY2024), the Group delivered commendable financial results with a revenue of RM1.852 billion. This performance is anchored by our strong foundation and affirms the resilient business strategy that we have invested in over many years.

FY2024 was a challenging year; trade tensions, geopolitical uncertainties, and supply chain shortages tested the management team's dedication, resilience, and adaptability which represents qualities that the Group possesses. These challenges underscored our proactive business model, forward-looking strategy, and stringent financial discipline, which enabled us to navigate through this difficult environment and emerge stronger.

During the year, the Group remained focused on delivering innovative manufacturing solutions while swiftly addressing persistent headwinds caused by inflation and softer, more volatile demand across the global supply chain.

Throughout the year, we continue to gain good traction within our industry, particularly in the EMS and non-EMS segments, becoming a preferred partner for many global clients who are leaders in their respective fields. Our strategic investments in both EMS and non-EMS businesses ensure that we deliver sustainable manufacturing solutions that meet the rigorous requirements of our end customers.

Our non-EMS segment had an exceptional year in 2024, generating noteworthy revenue growth. This success results from a multi-year strategy built on a strong foundation and expanding our solutions across this industry. To this end, we expanded our offerings in packaging and bottling products through our expertise, which several global brands have adopted subsequently.

Over the past few years, we have been recognized as a market leader in the packaging segment, and we will continue to expand our market share within and outside Malaysia. Our investments in cutting-edge technologies, lean manufacturing studies, and the development of our people have yielded improved efficiency, scalability, and quality enhancements.

Our commitment to innovation reflects our confidence in staying ahead of the competition, even in uncertain times. Operational excellence is the pillar of our success. Our management team continues to drive improvement and quality excellence across the organization, delivering value to our end customers and cementing our position as a trusted business partner.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

cont'd

	FY2024 RM'000	FY2023 RM'000	Variance RM'000	Variance %
Revenue	1,852,307	2,515,038	(662,731)	(26)
EBITDA	169,279	223,774	(54,495)	(24)
PBT	120,080	177,184	(57,104)	(32)
PAT	90,989	140,518	(49,529)	(35)
Inventories	187,481	252,836	(65,355)	(26)
Trade and other receivables	453,480	475,025	(21,545)	(5)
Other investments (current)	178,156	70,099	108,057	154
Cash and bank balances	41,203	46,907	(5,704)	(12)
Total assets	1,340,368	1,293,542	46,826	4
Trade and other payables (current)	324,123	304,535	19,588	6
Loans and Borrowings (current)	48,000	48,720	(720)	(1)
Loans and Borrowings (non-current)	8,950	11,950	(3,000)	(25)
Equity attributable to owners of the Company	889,004	868,321	20,683	2

FINANCIAL PERFORMANCE REVIEW

For the FY2024, the Group reported a revenue of RM1.852 billion, a decrease of 26% compared to the previous financial year, primarily due to softer demand across the industry. Despite this decline in the above mentioned revenue, our EBITDA stood at RM169.3 million, reflecting lesser extent of decrease of 24% from RM223.8 million in FY2023 as compared to the extent of decrease in revenue. The reduction is attributable to increased operational costs and inflationary pressures whereby its corresponding impact have been mitigated by stringent cost control measures and increased operational efficiencies.

Our Profit Before Tax (PBT) for the year was RM120.1 million, a decrease of 32% from RM177.2 million in the previous year. This reduction reflects the impact of the challenging market conditions and the strategic investments we made to secure long-term growth.

The Group registered a net profit of RM91.0 million, maintaining a robust net profit margin of 4.91%, demonstrating our continued focus on operational efficiency and cost management.

FINANCIAL POSITION REVIEW

Despite the challenging economic environment, our financial position remains strong and resilient, supported by prudent financial management and strategic investments.

Our inventories stood at RM187.5 million as of 31 March 2024, a decrease of 26% from RM252.8 million in the previous financial year. This reduction reflects our successful efforts in optimizing inventory levels and aligning them with the current demand environment.

Trade and other receivables decreased by 5% to RM453.5 million from RM475.0 million, indicating improved collection processes and efficient credit management, ensuring we maintain healthy cash flow despite market fluctuations.

Current trade and other payables increased by 6% to RM324.1 million from RM304.5 million. This increase reflects our ongoing commitments to suppliers and strategic procurement activities aimed at ensuring uninterrupted operations.

Current loans and borrowings remained stable at RM48.0 million compared to RM48.7 million in the previous year, demonstrating our ability to manage short-term debt effectively. Non-current loans and borrowings decreased by 25% to RM9.0 million from RM12.0 million, indicating our continued focus on reducing long-term debt and strengthening our financial stability.

Overall, our financial position remains robust, underpinned by prudent financial management and strategic investments. We continue to focus on maintaining a healthy balance sheet, which will enable us to capitalize on future opportunities and drive sustainable growth.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

cont'd

REVIEW OF RISK AREAS

Risk management framework has been established by the Group as a guidance to identification, analysis, evaluation, treatment and monitoring of key risks.

Primarily, the Group face the key risk of reliance towards one customer. The Group is invariably exploring options to diversify the customer base and persistently maintain high customer satisfaction through timely delivery and the provision of high quality products and services at competitive cost. Notwithstanding of the above statement, the Group believes that there is no significant concentration of credit risk that may arise from one customer in view of the length of relationship with the customer.

The Group also face key risk of shortage of material supply that may arise due to unforeseen disruption to supply chain. Against the headwinds from trade tensions, geopolitical uncertainties, the Group acknowledged the paramount importance of keeping close cooperation with existing suppliers and continuously source for alternate/new suppliers, depending on limitation imposed by client's stringent supply chain requirements and exercise prudent inventory management at all time.

OUTLOOK

Looking ahead, it is vital that we remain vigilant, adaptable, and focused on value creation for both our customers and business partners. As we move into 2025, we will continue to drive sustainable, diversified growth and increase our capabilities and product offerings with ongoing investments geared towards bolstering competitiveness and efficiency, in addition to developing new clientele for the future.

Our recently completed construction of a new 650,000 square feet manufacturing facility in Johor Bahru further expands our presence in the Southern region of Malaysia, where we have operated for the past 30 years. This facility will enhance our capacity and capabilities to address the evolving needs of our customers. Additionally, the Company has invested approximately RM54 million in capital expenditure, underscoring our commitment to maintaining and expanding our operational capabilities.

We continue to view the long-term opportunities in both our EMS and non-EMS businesses as key drivers of our business strategy. Overall, we are confident and strongly believe that we are well-positioned to capitalize on the opportunities created by this dynamic environment and will continue to navigate effectively through business cycles.

DIVIDEND

Despite the challenging year, marked by a decline in both sales and profit, the Board of Directors remains committed to our dividend payout policy of distributing 50% of profit after tax to our valued shareholders.

Accordingly, we are proposing a final dividend of 2.92 sen per share for the financial year ended 31 March 2024. The abovementioned distribution of final dividend reaffirmed our dedication in delivering value to our shareholders even in difficult times.

APPRECIATION TO STAKEHOLDERS

On behalf of the Board, I would like to extend our deepest appreciation to all our stakeholders for their unwavering support and trust in the Group throughout this challenging year.

To our shareholders, thank you for your continued investment and confidence in our vision and strategy. Your support is a vital pillar of our resilience and long-term success.

To our employees, your dedication, hard work, and adaptability have been crucial in navigating this year's challenges. Your innovative spirit and perseverance have been instrumental in maintaining our operations and striving for excellence.

To our customers, thank you for your loyalty and trust in our products and services. Your satisfaction remains our top priority, and we are committed to continuously meeting and exceeding your expectations.

To our business partners and suppliers, your collaboration and support have been essential in sustaining our operations. We value our strong partnerships and look forward to continuing our mutual success.

Lastly, I would like to thank my fellow Board members for their wise counsel and unwavering commitment to the Group's vision and mission.

As we move forward, we remain dedicated to driving sustainable growth, creating value for all our stakeholders, and contributing positively to the broader community. Together, we will continue to build on our successes and strive for greater heights in the years to come.

Thank you.

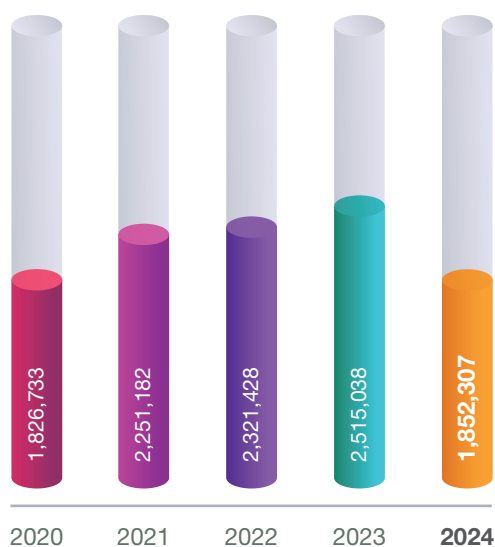
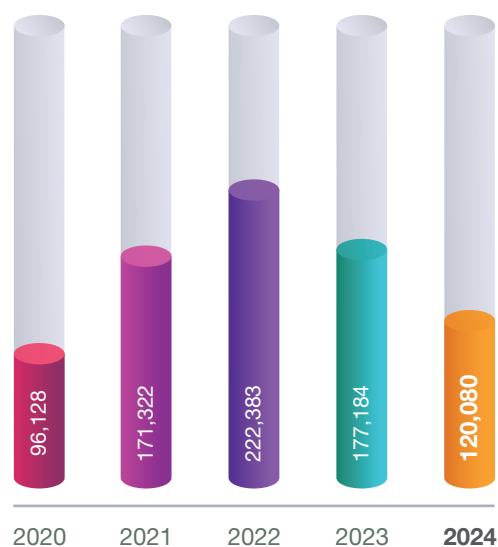
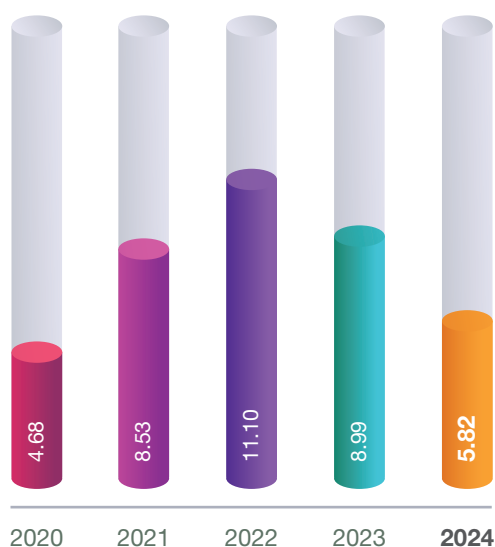
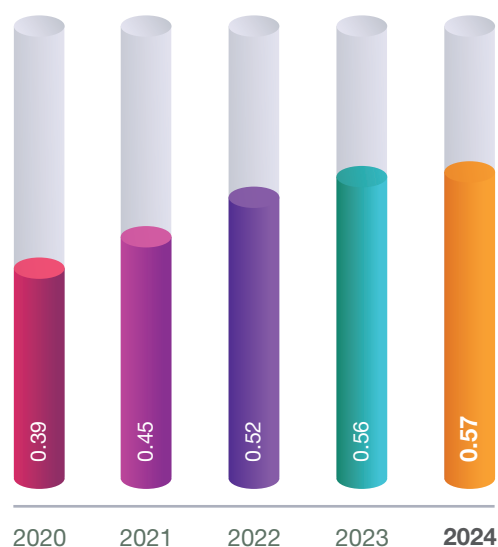
Tan Sri Datuk Hussin Bin Haji Ismail
Independent Non-Executive Chairman

FIVE YEARS GROUP FINANCIAL SUMMARY

		2024	2023	2022	2021	2020
OPERATING RESULTS						
Revenue	RM'000	1,852,307	2,515,038	2,321,428	2,251,182	1,826,733
EBITDA	RM'000	169,279	223,774	261,806	206,898	124,763
EBIT	RM'000	123,162	178,900	222,560	171,590	96,355
Profit Before Taxation	RM'000	120,080	177,184	222,383	171,322	96,128
Profit After Taxation	RM'000	90,989	140,518	173,396	133,243	72,136
Profit Attributable to equity holders	RM'000	90,989	140,518	173,396	133,243	73,161
KEY BALANCE SHEET DATA						
Total Assets	RM'000	1,340,368	1,293,542	1,252,152	1,048,766	1,002,609
Total Borrowings	RM'000	56,950	60,670	-	-	175
Paid-up Capital	RM'000	296,126	296,126	296,126	296,126	296,126
Equity Attributable to Owners of the Company	RM'000	889,004	868,321	814,514	707,831	611,210
VALUATION						
Basic Earnings/Net Earnings Per Share *	sen	5.82	8.99	11.10	8.53	4.68
Gross Dividend *	sen	2.92	4.50	5.55	4.27	2.34
Net Asset Per Share *	RM	0.57	0.56	0.52	0.45	0.39
PROFITABILITY RATIOS						
Return on Total Assets	%	9	14	18	16	10
Return on Capital Employed	%	13	20	27	24	15
Return on Equity ("ROE")	%	10.2	16.2	21.3	18.8	11.8
GEARING RATIO						
Net Debt to Equity Attributable to Owners of the Company	times	0.06	0.07	-	-	0.00

* The comparative net assets per share, basic earnings per share and net dividend have been restated taken into account the effect of bonus issue on the basis of one (1) Bonus Share for every four (4) shares held in financial year ended 2022.

FINANCIAL HIGHLIGHT

REVENUE
(RM'000)PROFIT BEFORE TAXATION
(RM'000)BASIC EARNINGS/NET
EARNINGS PER SHARE
(SEN)NET ASSET PER SHARE
(RM)

SUSTAINABILITY STATEMENT



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SUSTAINABILITY STATEMENT

cont'd

A Brief Introduction to SKP's Sustainability Statement

SKP Resources Berhad and its subsidiaries ("SKP" or "the Group") presents our Sustainability Statement for the financial year ended 31st March 2024 ("FY2024"). This statement outlines our sustainability performance, material disclosures, and our efforts for sustainability.

With over 40 years of manufacturing experience in the electrical and electronics plastic industries, SKP serves a diverse customer base, focused on quality and advanced technology. In integrating sustainability into our business strategy and operations, we enhance our environmental, social and governance ("ESG") performance and work towards achieving our long-term goals.

On 5 March 2024, the Group joined the United Nations Global Compact ("UNGC") Network Malaysia & Brunei, further solidifying our pursuit to global sustainability practices. To date, we have also installed solar panels at our subsidiary, Plastictecnic (M) Sdn. Bhd.'s factory located at Bangi as we seek to cut emissions and decrease our dependence on fossil fuels as part of our efforts for a greener future.

Further to this, we have significantly increased our focus on employee training, particularly in regards of health and safety by providing a substantial number of training hours compared to the previous year. The Group has adopted Anti-Bribery & Anti-Corruption Policy & Guidelines with effect from 1 December 2023. We have also assessed anti-corruption risks and ensured that our employees have completed their anti-bribery training. Our adherence to laws and regulations has been stringent, with no incidents of non-compliance recorded for the year as well.

As we report on our ESG performance, we strive to balance financial resilience with sustainability, contributing actively to the global sustainability agenda.

Defining the Scope and Boundary

Our Sustainability Statement encompasses the period from April 1, 2023 to March 31, 2024. It provides a detailed account of sustainability practices and performance across all active subsidiaries of SKP Resources Berhad:

- Syarikat Sin Kwang Plastic Industries Sdn. Bhd.
- S.P.I. Plastic Industries (M) Sdn. Bhd.
- Goodhart Industries Sdn. Bhd.
- Plastictecnic (M) Sdn. Bhd.
- Bangi Plastics Sdn. Bhd.
- Sun Tong Seng Mould-Tech Sdn. Bhd.
- SKP BM Electronics Sdn. Bhd.

Operational disclosures for the below mentioned subsidiaries are excluded either due to their principal activity concerning letting of property, property holding or their dormant status:

- Goodhart Land Sdn. Bhd.
- Goodhart Premier Sdn. Bhd.
- Goodhart World Sdn. Bhd.
- Sun Sparkle Sdn. Bhd.
- Tan Brothers Business Machines (Segamat) Sdn. Bhd.
- Tecnicware Products Sdn. Bhd.

SUSTAINABILITY STATEMENT

cont'd

Reporting Framework and Guidelines

SKP's sustainability statement has been prepared with reference to the Main Market Listing Requirements, Bursa Malaysia's Sustainability Reporting Guide (3rd edition) and the Illustrative Sustainability Reporting Guide ("ISR"). It also aligns with the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDGs").



Ensuring Data Integrity

Data disclosed in this statement have been sourced and verified internally. Acknowledging the value of third-party verification, SKP is committed to continuously refining our data collection and analysis methods to further enhance accuracy and effectiveness for future reporting cycles. This statement has not been subjected to an internal review by the outsourced internal function nor independent assurance performed in accordance with recognised assurance standards.

Welcoming Feedback

We welcome your feedback on our sustainability reporting to help us enhance our practices. Please share your thoughts and suggestions with us. For more information or to provide feedback, kindly reach out to us using the details as outlined below.

Name	: Kau Wai Faun
Email	: kauwf@skpres.com
Telephone no.	: 07-432 5707 / 07-433 1273
Office address	: No. 421, 4 th Miles, Jalan Kluang, 83000 Batu Pahat, Johor

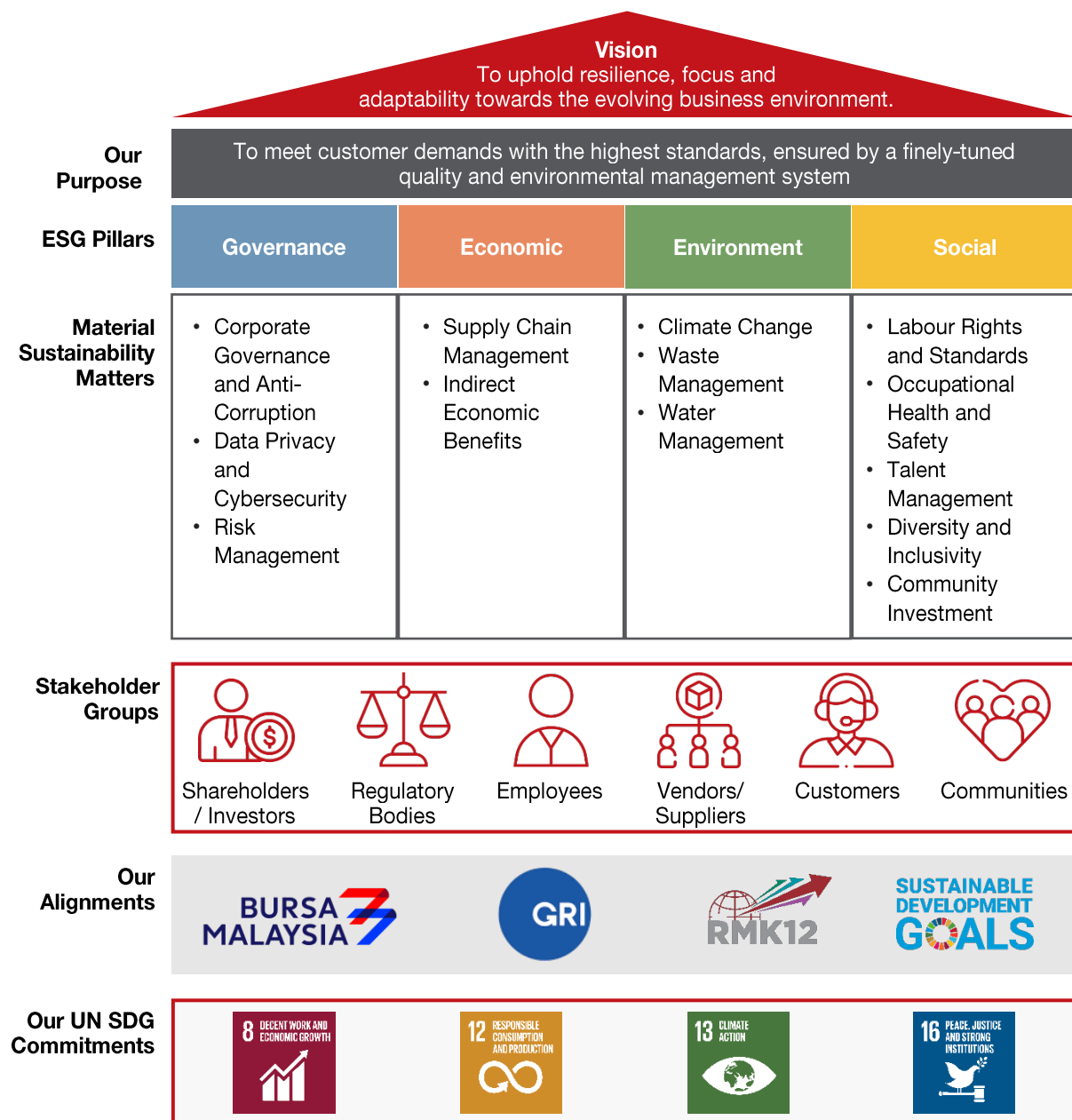
SUSTAINABILITY STATEMENT

cont'd

SKP's Approach to Sustainability

The Framework for ESG Progress

SKP's ESG framework aligns with four pillars and the UN SDGs where it guides our role as responsible corporate citizens. Through the ESG framework, we aim to foster lasting positive impacts as we address sustainability matters across our diversified pillars.



SUSTAINABILITY STATEMENT




cont'd

Guidelines for Sustainability

SKP's Sustainability Policy is central to our sustainable development and growth. It addresses ESG impacts across all products, services, subsidiaries, and supply chains. This policy guides our actions and ensures transparency, communicated to all stakeholders via our corporate website. To read the full policy, please go to <https://www.skpres.com/pdf/Sustainability-Policy.pdf>.

Supporting the UN SDGs

The Group has aligned our focus with the specific UN SDG goals to ensure that our initiatives are effectively directed while driving meaningful progress towards global sustainability.

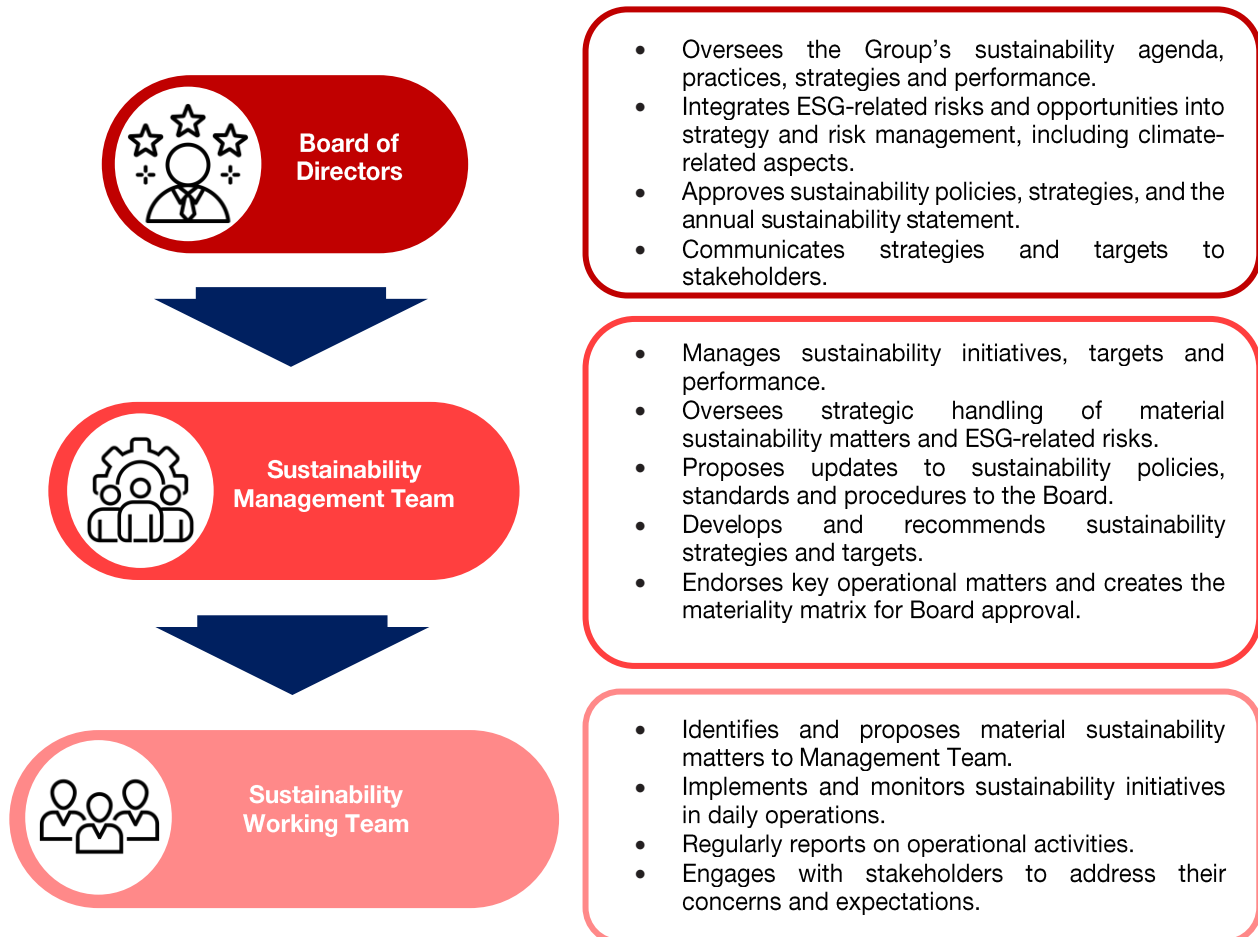
Alignment with UN SDG Targets	Our Focus
 <p>8.5 Full and productive employment and decent work for all</p> <p>8.8 Protection of labour rights and promotion of safe and secure working environments for all</p>	<ul style="list-style-type: none"> • Safeguarding the rights of workers according to labour laws and regulations • Providing training programmes for employees • Establishing the Code of Ethics and Conduct to guide employees on professional conduct
 <p>12.4 Environmentally sound management of waste</p> <p>12.5 Significant reduction in waste generation</p>	<ul style="list-style-type: none"> • Responsible management of manufacturing waste by appointing authorised contractors to discard waste effluent • Minimisation of waste during production
 <p>13.2 Integration of climate change measures into policies, strategies, and planning</p>	<ul style="list-style-type: none"> • Replaced old amenities to increase energy efficiency
 <p>16.4 Reduction in illicit financial and arms flow and combat all forms of organised crime</p> <p>16.5 Reduction in all forms of corruption and bribery</p>	<ul style="list-style-type: none"> • Established codes, policies and procedures: <ul style="list-style-type: none"> ○ Integrity Policy and Anti-Bribery & Anti-Corruption Policy & Guidelines ○ Whistleblowing Policy

SUSTAINABILITY STATEMENT

cont'd

Establishing Ethical Governance

SKP's sustainability approach integrates ethical governance across all levels to ensure a holistic oversight process.




SUSTAINABILITY STATEMENT

cont'd

Addressing Stakeholder Concerns

We prioritise stakeholder engagement to align our sustainability initiatives with their needs, shaping our ESG focus and strategic direction.


**Shareholders/
Investors**

Understanding shareholder and investor expectations helps us make informed decisions that drive growth and continuity.

Areas of Concern:

- Corporate governance
- Risk management
- Financial performance
- Sustainability performance


Engagement Channel and Engagement Frequency:

A Annual general meeting
A Analyst briefings

Ad Meetings and discussions
A Corporate website

OUR RESPONSE

- Implementing best corporate governance practices through the Integrity Policy, Anti-Bribery & Anti-Corruption Policy & Procedures and Whistleblowing Policy.
- Conducting Risk Management to identify and address potential risks.
- Reporting on ESG topics and sustainability performance.


Regulatory Bodies

Staying updated on relevant regulations and maintaining strong relationships with regulatory bodies to ensure smooth processes.

Areas of Concern:

- Regulatory compliance
- Anti-corruption practices
- Data privacy and cybersecurity
- Waste management
- Labour practices

Engagement Channel and Engagement Frequency:

A Audits
A Site inspections

M Meetings and consultations
Q Discussions and briefings

OUR RESPONSE

- Upholding compliance with laws and regulations.
- Ensuring legal registers are kept up-to-date and current.
- Assessing operations for corruption.
- Undergoing regulatory inspections and audits.

SUSTAINABILITY STATEMENT

cont'd



Employees

Recognising employee needs and fostering a supportive working environment is crucial to driving our business.

Areas of Concern:

Occupational health and safety

Labour standards

Job security

Employee benefits

OUR RESPONSE

- Establishing stringent occupational health and safety procedures.
- Offering safety training to boost awareness.
- Providing skill development programmes to cater for career growth.
- Offering employee benefits and competitive pay.
- Conducting employee engagement activities.

Engagement Channel and Engagement Frequency:

Ad Safety briefings

Ad Safety trainings

A Skills development trainings

Q Management meetings with employees



Vendors/ Suppliers

Ensuring a smooth supply of quality materials and upholding sustainable principles enables us to maintain high standards across our value chain.

Areas of Concern:

Supply chain management

Procurement practices and policies

Business integrity

OUR RESPONSE

- Ensuring a fair and transparent tender process.
- Evaluating suppliers and vendors.

Engagement Channel and Engagement Frequency:

A Supplier audit and evaluation

Ad Site visits

A Business partnership review

Q Meetings and consultations



Customers

Delivering exceptional products and services to meet customer needs and gathering feedback for improvement are critical to our business success.

Areas of Concern:

Product quality and delivery performance

Customer service and experience

OUR RESPONSE

- Conducting rigorous quality control processes.
- Reducing rejection rates in manufacturing through the Six Sigma Programme.


Engagement Channel and Engagement Frequency:

A Customer satisfaction survey

Ad Dialogue sessions

SUSTAINABILITY STATEMENT

cont'd

 Communities	<p>Building strong relationships with local communities and fulfilling our corporate citizenship responsibilities allow us to enhance societal well-being.</p>
<p>Areas of Concern:</p> <ul style="list-style-type: none"> Supply chain management Procurement practices and policies Business integrity <p>Engagement Channel and Engagement Frequency:</p>	<p>OUR RESPONSE</p> <ul style="list-style-type: none"> Contributing to the underprivileged with monetary donations. Encouraging employees to donate quality items to charity. <p> A Donations and financial contributions A Community programmes </p>

Legend

Engagement Frequency

A : Annually

M : Monthly

Q : Quarterly

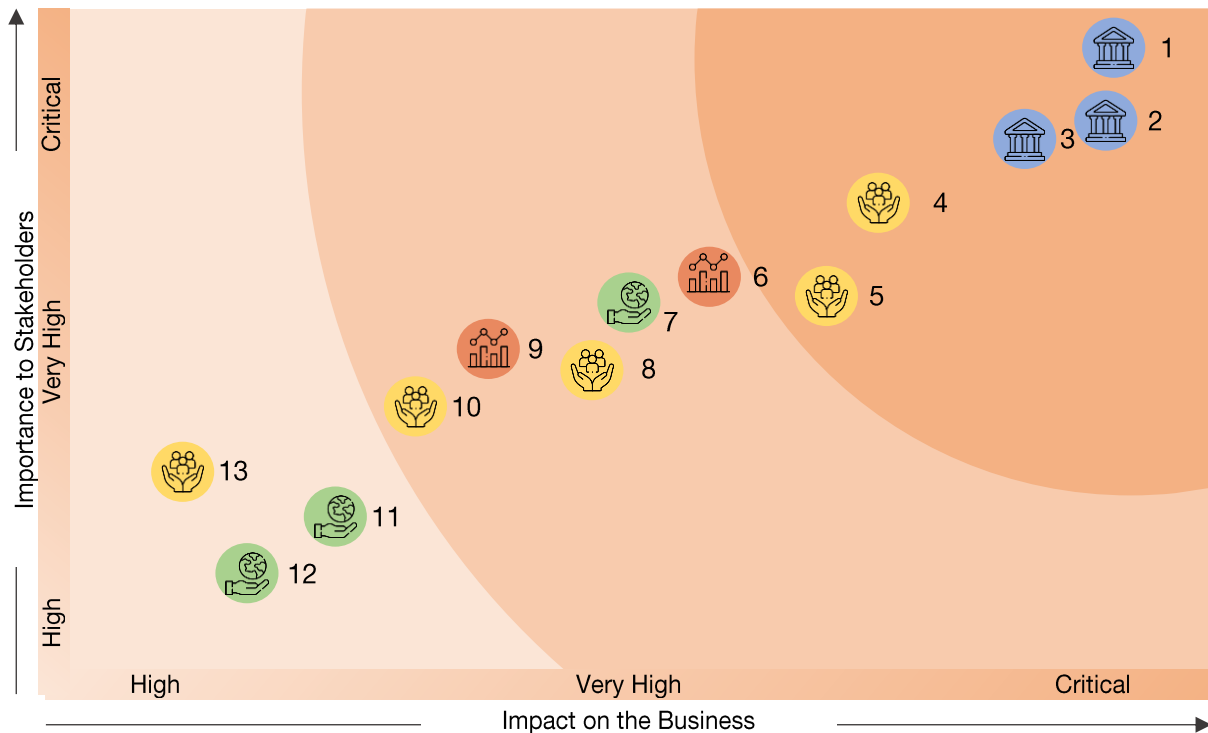
Ad : Ad-hoc





SUSTAINABILITY STATEMENT

cont'd

Considering the Essential Matters

In FY2024, SKP reassessed our material matters to align with stakeholder expectations and operational needs. For FY2024, SKP has retained the 13 material matters identified in FY2023 due to their continued relevance. The five critical issues valued by stakeholders consisting of Risk Management, Data Privacy and Cybersecurity, Corporate Governance and Anti-Corruption, Labour Rights and Standards, and Occupational Health and Safety.



 Governance	 Economic	 Environment	 Social
1. Risk Management 2. Data Privacy and Cybersecurity 3. Corporate Governance and Anti-Corruption	6. Supply Chain Management 9. Indirect Economic Benefits	7. Climate Change 11. Waste Management 12. Water Management	4. Labour Rights and Standards 5. Occupational Health and Safety 8. Talent Management 10. Diversity and Inclusivity 13. Community Investment

SUSTAINABILITY STATEMENT

cont'd

Connecting the Material Matters

Each material sustainability matter is mapped to relevant UN SDG goals and stakeholder groups, demonstrating its significance to the Group and its role in advancing global sustainability goals while ensuring our efforts are impactful and focused.

	Material Matters	Key Stakeholder Groups	UN SDGs
Governance	Corporate Governance and Anti-Corruption		
	Data Privacy and Cybersecurity		
	Risk Management		
Economic	Supply Chain Management		
	Indirect Economic Benefits		
Environment	Climate Change		
	Waste Management		
	Water Management		
Social	Labour Rights and Standards		
	Occupational Health and Safety		
	Talent Management		
	Diversity and Inclusion		
	Community Investment		

Legend

Shareholder/ Investor

:



Vendors/ Suppliers

:



Regulatory Bodies

:



Customers

:



Employees

:



Communities

:



SUSTAINABILITY STATEMENT

cont'd

Fostering Robust Governance

As global focus on governance intensifies, SKP prioritises strong leadership and transparency to enhance financial resilience and ensure long-term sustainability, recognising these as key to sustainable operations.

Corporate Governance and Anti-Corruption

Corporate governance at SKP provides oversight to uphold ethical standards and prevent corruption, both externally and internally. Strengthening these practices is crucial for effectively addressing fraud and corruption.

Key Policies

Directors' Fit and Proper Policy	<ul style="list-style-type: none">Ensures effective governance by evaluating and recommending Board and Committee candidates, including those up for re-election or proposed by shareholders.
Board Diversity Policy	<ul style="list-style-type: none">Promotes a diverse Board by considering factors such as gender, age, ethnicity, background and experience, with appointments based on merit and objective criteria.
Code of Ethics and Conduct	<ul style="list-style-type: none">Requires mandatory ethical behaviour from all associated with SKP, with adherence to standards and disciplinary actions for violations to uphold the Group's integrity.
Integrity Policy and Anti-Bribery & Anti-Corruption Policy & Guidelines	<ul style="list-style-type: none">Enforces zero tolerance for bribery and corruption, guiding employees on managing improper solicitation and maintaining a transparent work environment.
Whistleblowing Policy	<ul style="list-style-type: none">Provides a confidential platform for reporting misconduct such as corruption and abuse of power, with reports directed to the Chairman of the Audit Committee with strict confidentiality.
Remuneration Policy	<ul style="list-style-type: none">Aligns with company strategies to attract and retain talent, guiding compensation reviews and performance bonuses for Managing Directors.

SUSTAINABILITY STATEMENT

cont'd

Performance insights at SKP

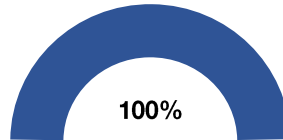
Corruption Risk Assessment

100% of our operations were assessed in financial year ended 31 March 2023 ("FY2023") and FY2024 for anti-corruption risks and no incidents were recorded.

FY2024 **100%**

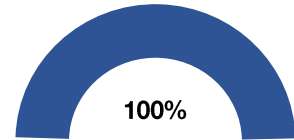
FY2023 **100%**

Anti-Corruption Training



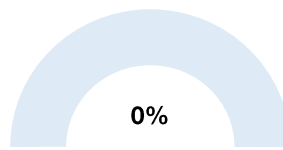
100%

Management



100%

Executive



0%

Non-Executive

In FY2024, **100%** of Management and Executive employees across subsidiaries completed anti-bribery training.



Zero instances of non-compliance with applicable laws and regulations reported by SKP in FY2023 and FY2024.

Data Privacy and Cybersecurity

In today's digital landscape, safeguarding sensitive information is crucial for maintaining data privacy and security. Effective protection measures prevent unauthorised access, strengthens customer trust and upholds our business's integrity.

We adhere to privacy and data protection laws, ensuring personal data for employees, directors, customers, and other third parties is collected, used, processed, and stored in compliance with all relevant regulations.



ZERO substantiated complaints concerning breaches in customer privacy or data loss in FY2023 and FY2024.

SUSTAINABILITY STATEMENT

cont'd

Risk Management

As contract manufacturer, risk management is crucial for ensuring production safety, compliance and business stability, protecting long-term operational resilience in the process. As such, ESG risks are integrated into our Risk Management Framework, shaping our strategy and guiding effective mitigation responses.

ESG-related Risks and Opportunities

Climate-related Risks

Climate change can impact the Group adversely. It is essential to identify both transitional and physical risks associated with climate change and to develop strategies for mitigating these risks. Proactive measures ensure the Group's resilience against potential climate-related challenges.

Risks:

- Greenhouse gases ("GHG") emissions from machineries using fossil fuels in manufacturing.
- GHG emissions from electricity consumption across the organisation.

Our Response:

- Utilisation of energy-efficient machineries
- Replacing lighting and air conditioning with lower-energy options.
- Implementing the Servo Motor System to enhance energy efficiency
- Adopting energy-saving practices like turning off lights and adjusting temperatures during downtime.



Waste Management

As contract manufacturers, reducing waste and effluent benefits the environment and lowers waste management costs.

Risks:

- Discarding rejected products

Our Response:

- Lower rejection rates via the Six Sigma Programme



Occupational Health and Safety

Employees face risks of injury and illness due to the nature of work within the manufacturing industry.

Risks:

- Occurrence of workplace injuries and ill-health

Our Response:

- Provide Health and Safety training for employees



SUSTAINABILITY STATEMENT

cont'd

Enhancing Economic Value

SKP aims to generate long-term value and support sustainable economic development. Recognising our direct and indirect impacts on stakeholders, we continuously work to improve economic performance while aligning with our sustainability goals and objectives.

Supply Chain Management

Effective supply chain management ensures timely production and cost control. This ultimately supports the Group's operational efficiency and sustainability. We partner with suppliers aligned with our ESG goals, using a screening system to enhance sustainability and manage risks.

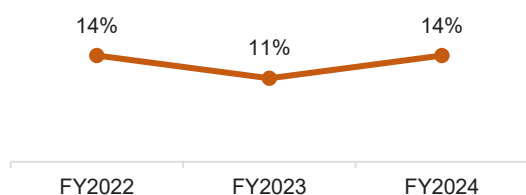


Recycled Polyethylene ("R-PET") and Polypropylene ("R-PP")

Our subsidiary, Plastictecnic (M) Sdn. Bhd., integrated R-PET and R-PP, sourced as post-customer recycled material ("PCR") resins from recycling suppliers, into manufacturing processes exemplifying our progressive approach towards a circular economy.

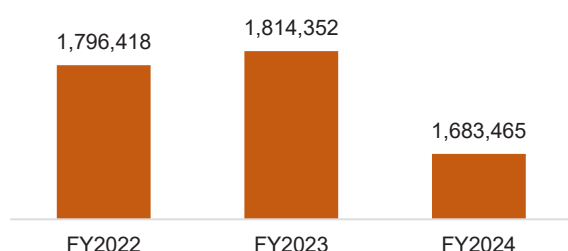
Performance insights at SKP

Local Procurement (%)



The Group increased our allocation of total procurement to 14% for local suppliers in FY2024. The percentage spent on local suppliers can vary significantly depending on the nature of business operations and the production lines in addition to clients' stringent supply chain requirements which place limitations and restrictions on local purchasing.

Total Consumption of R-PET and R-PP (kg)



Plastictecnic (M) Sdn. Bhd. has consumed 1,683,465 kilograms ("kg") of R-PET and R-PP representing approximately 17% of total consumption of resin by the abovementioned subsidiary. By consuming recycled materials, we significantly contribute to reducing plastic waste and our environmental impact.

SUSTAINABILITY STATEMENT

cont'd

Indirect Economic Benefits

Indirect economic benefits boost long-term value and sustainability which supports community development while aligning with industry trends.

Dividend Policy

SKP has a dividend policy in place to distribute a minimum of 50% of annual after-tax profits as cumulative dividends. This approach highlights our focus on rewarding shareholders while underscoring our resolution to maximise returns by allocating a significant portion of profits back to them.

Environmental Stewardship

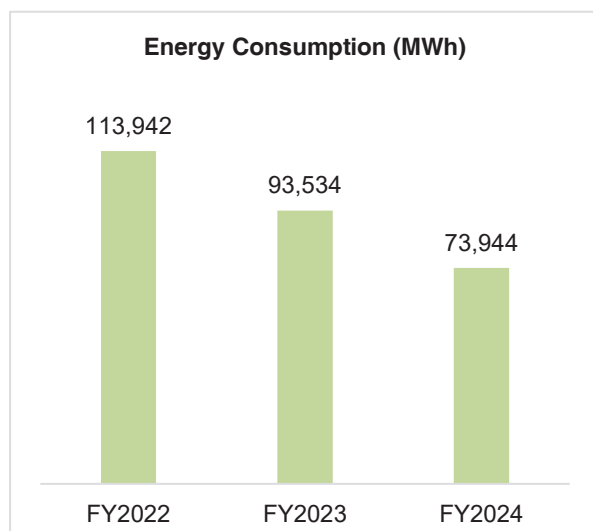
SKP regularly assesses our environmental impact and enhances sustainable practices for better climate action and conservation. We invariably explore new technologies and adhere to local regulations, with ISO 14001 and ISO 9001 certifications on the majority of our manufacturing operations. In November 2023, one of our subsidiaries, SKP BM Electronics Sdn. Bhd., attained ISO 22301 Business Continuity Management Systems and ISO 13485 Medical Devices Quality Management Systems certifications for its electrical and electronics manufacturing operations, demonstrating effort to explore new technologies in addition to enhance organisational competitiveness.

Climate Change

The Group acknowledges that addressing climate change is critical to reducing production impacts and enhancing operational resilience. To address climate risks, SKP focuses on decarbonisation and production efficiency to achieve progress towards our net-zero goal.

The plastics manufacturing sector is energy-intensive, with high consumption rates across various production processes. In line with UN SDG Goal 12, SKP is focused on reducing electricity usage on group-wide basis by closely monitoring energy consumption to enhance sustainability. As part of our efforts to reduce our reliance on fossil fuels, we are pleased to report that we have completed solar panel installation at Plastictecnic (M) Sdn. Bhd.'s factory located at Bangi and we aim to begin reporting on our solar energy consumption from FY2025.

Performance insights at SKP



The Group's total electricity consumption recorded a reduction of 21% from the previous year, with a total consumption of 73,944 Megawatt ("MWh") which in line with decreased production output in FY2024. 46% of this consumption is attributed to Syarikat Sin Kwang Plastic Industries Sdn. Bhd. which is one of our major subsidiaries acted as major contributor to the group revenue. The reduction in the group's total electricity consumption is mitigated by the introduction of a new factory where renovation processes are ongoing.

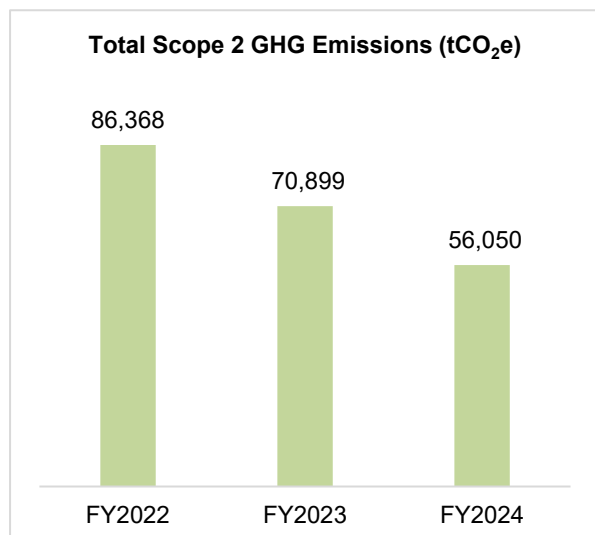
Notes:

- It is important to note that our energy consumption data encompasses solely the electricity consumption data for the reporting year.
- Fuel consumption data has been excluded this year due to ongoing verification and will be reported again starting FY2025.

SUSTAINABILITY STATEMENT

cont'd

GHG Emissions



Purchased electricity utilised at our production and non-production sites account for our Scope 2 GHG emissions. The Scope 2 emissions are calculated based on the location-based method as outlined by the GHG Protocol Scope 2 Guidance.

In FY2024, our total Scope 2 emissions amounted to 56,050 tCO₂e, a reduction of 26% from the previous year. With our new solar panel installation, we aim to further reduce our Scope 2 emissions in the future.

Note:

- The total Scope 2 GHG Emissions for FY2022 and FY2023 differ from the data published in the Annual Report FY2023 due to the utilisation of updated 2021 Grid Emission Factor from National Energy Commissions.

Waste Management

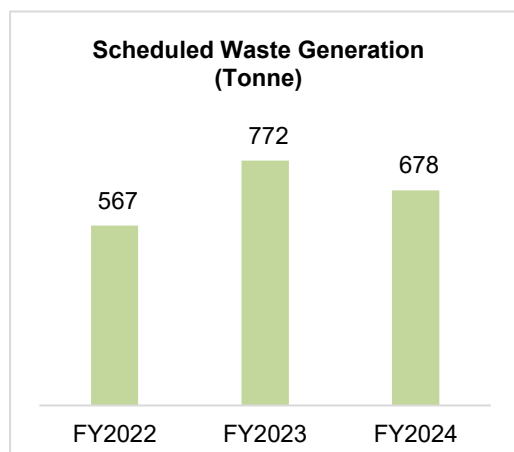
Effective waste management is essential for minimising environmental impact, ensuring regulatory compliance and optimising resource use. SKP employs the Six Sigma Programme to reduce the quantity of rejected items resulting from process errors while adhering to waste handling regulations. Our production processes generate scheduled waste, which is segregated from general waste and collected by licensed contractors on a monthly basis for proper disposal.

Main Types of Scheduled Waste

Waste	Description
SW103	Waste from batteries containing cadmium, nickel, lithium
SW110	Waste from electrical and electronic assemblies
SW322	Waste solvents
SW401	Spent alkalis containing heavy metals
SW409	Contaminated container with chemicals, scheduled waste
SW410	Contaminated rags, plastics, papers, filters with scheduled waste
SW416	Paint sludge

All scheduled waste is managed in strict compliance with the Environmental Quality (Scheduled Wastes) Regulations and other applicable environmental legislation under the Environmental Quality Act 1974.

Performance insights at SKP



In FY2024, our total scheduled waste generated was 678 tonnes, indicating a 12% reduction from the previous year which is in line with reduced production output.

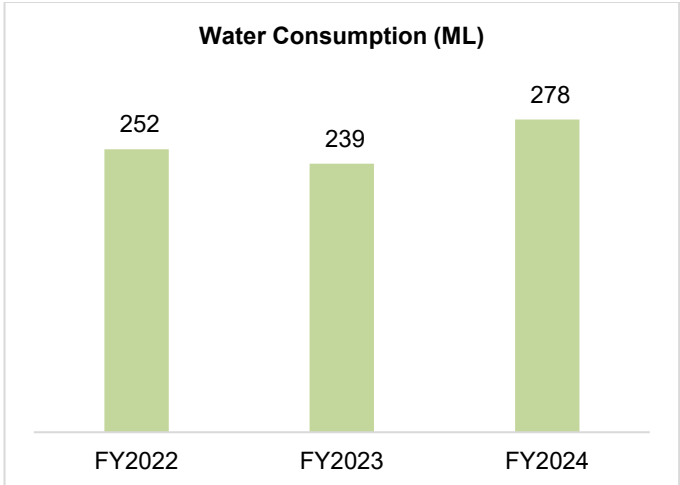
SUSTAINABILITY STATEMENT

cont'd

Water Management

Effective water management is crucial for SKP to ensure sustainable operations while minimising environmental impact. SKP aims to explore innovative practices to reduce our water consumption and manage this vital resource efficiently.

Performance insights at SKP



We recorded a 16% increase in water consumption this year, reaching 278 Megalitres (“ML”). Syarikat Sin Kwang Plastic Industries Sdn. Bhd. accounts for 63% of total water consumption due to its extensive operations and substantial production activities.

SUSTAINABILITY STATEMENT

cont'd

Social Responsibility

SKP's operations are underpinned by a committed workforce. The Group prioritises employee and supply chain well-being to contribute to social sustainability and strengthen community relations.

Labour Rights and Standards

SKP is committed to upholding labour rights and standards to ensure fair, safe and respectful working conditions for all employees. This commitment is fundamental to promoting employee well-being and ethical business practices.

Our Commitments to Safeguarding Labour Rights

Prohibiting forced and child labour in any form

Implementing fair disciplinary practices and treating all employees with respect and fairness

Creating a safe working environment that is free from discrimination, violence and harassment

Establishing proper procedures to address and resolve grievances

Performance insights at SKP

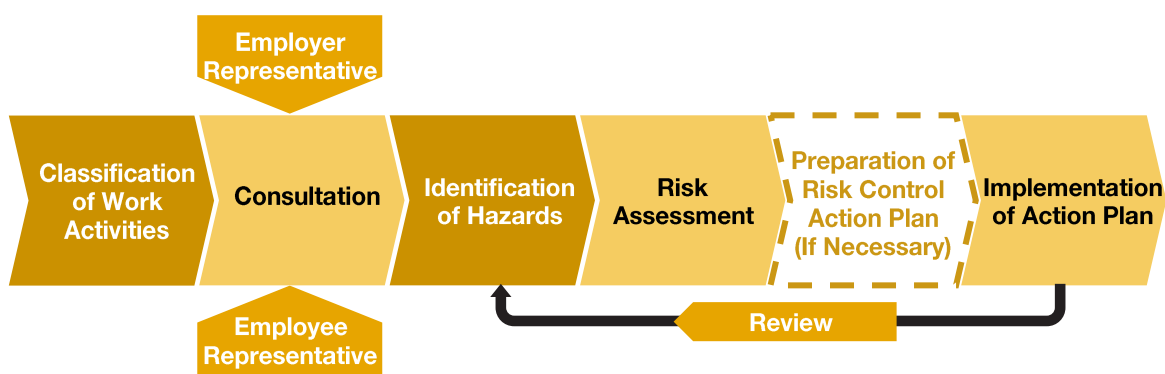
We are pleased to report that we have recorded zero substantiated complaints concerning human rights violations during the reporting year, signifying the effectiveness of our internal labour practices in fostering a safe working environment for our employees.

	FY2024
Number of substantiated complaints concerning human rights violation	0

Occupational Health and Safety

Occupational Health and Safety ("OHS") is a paramount focus for SKP, underpinning employee well-being, regulatory adherence and operational excellence. By prioritising safety through strict compliance with Department of Occupational Health and Safety ("DOSH") regulations and ISO 45001 certification concerning our electrical and electronics manufacturing operations under SKP BM Electronics Sdn. Bhd., SKP cultivates a culture of safety that enhances productivity and prevents accidents.

Hazard Identification Risk Assessment Risk Control ("HIRARC") Process

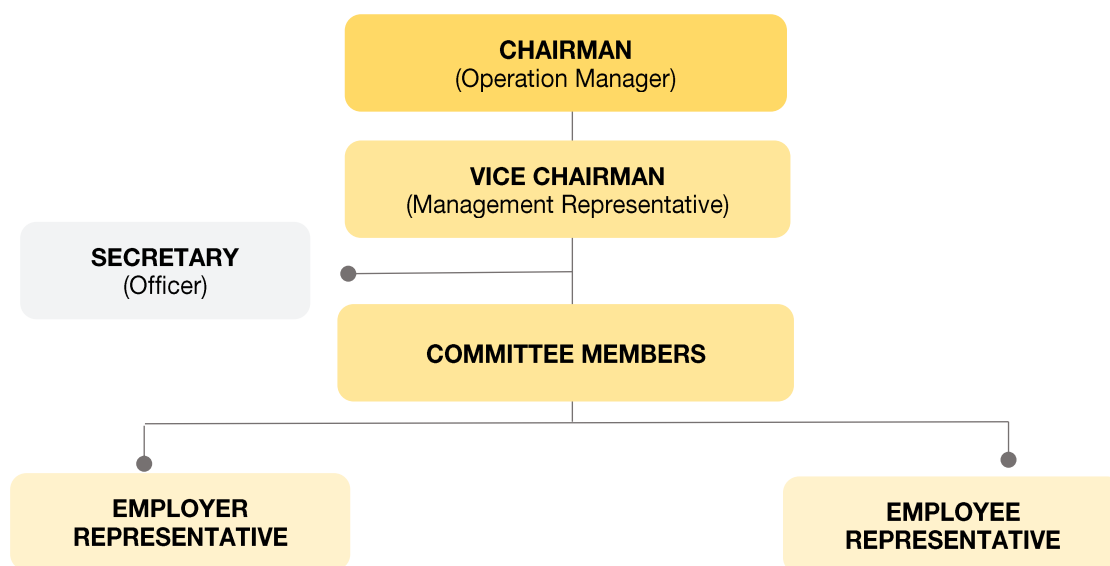


SUSTAINABILITY STATEMENT

cont'd

HIRARC forms the cornerstone of SKP's OHS framework, enabling the identification, assessment and control of hazards. Through regular reviews, the group ensures ongoing risk management and continuous safety improvement. An OHS committee, comprised of cross-functional representatives, oversees the implementation of safety standards and promotes a culture of well-being.

Environmental, Health and Safety Organisation Chart



Through close cooperation with stakeholders, the committee implements and maintains robust health and safety policies across our operations. Our goal is to foster a workplace where employees feel secure and protected.

Performance insights at SKP

Health and Safety Training Programmes

In FY2024, we provided 15,275 hours of health and safety related training to our employees.

	FY2023	FY2024
Total hours of health and safety related training provided to our employees	8,789	15,275
Number of employee trained on health and safety standards	Not available	455

Health and Safety Performance

	FY2024
Total number of work-related fatalities	0
Lost Time Incident Rate ("LTIR")	0.79

SUSTAINABILITY STATEMENT

cont'd

Talent Management

Effective talent management at SKP nurtures a skilled workforce, driving innovation and performance while aligning growth with organisational goals for long-term success. SKP invests in employees' development through training programmes for enhancing skills and expertise to maintain our competitive advantage and support ongoing growth.

Workforce Training and Development

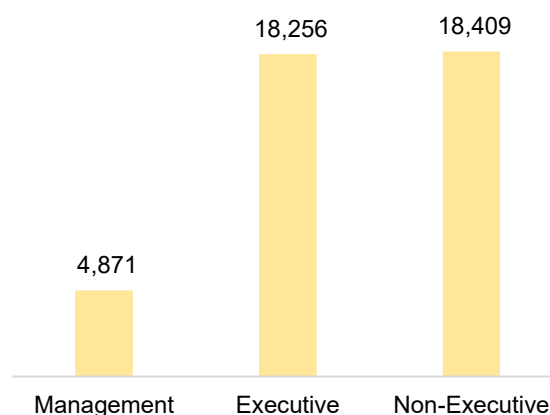
We conducted a variety of programmes covering diverse topics to equip our employees with essential industry skills and knowledge in FY2024. These topics included health and safety, technical skills, accounts and finance, corporate governance, human resources and leadership skills.

A total of **181** talent and development training programmes conducted across the Group in **FY2024**

41,536
Hours of Training Provided

Average of 5
Hours of Training per Employee

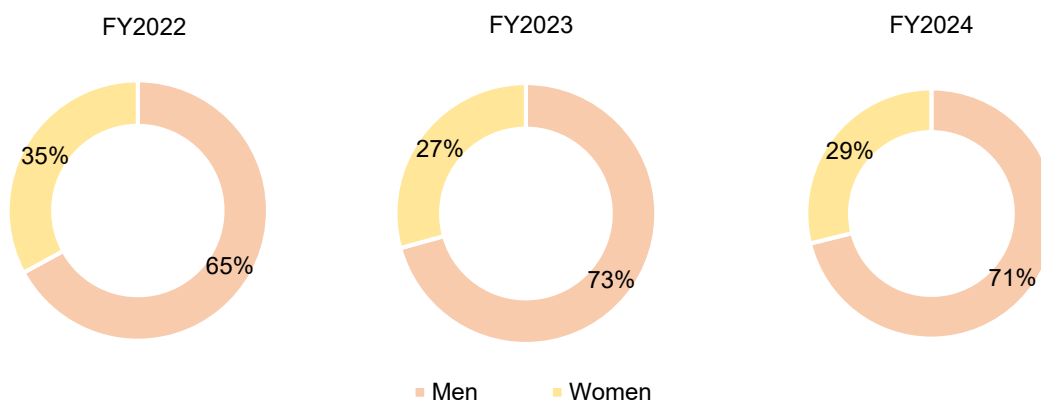
Total Training Hours by Employee Category



Employee Retention

In FY2024, the Group recorded 2,332 new hires and 2,808 turnovers, resulting in a total workforce of 7,622 employees by the end of the fiscal year.

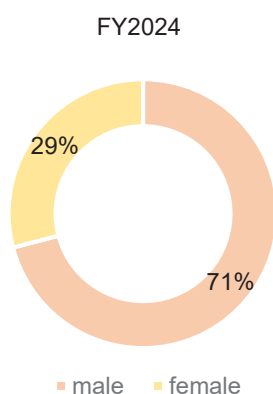
New Hire Diversity



SUSTAINABILITY STATEMENT

cont'd

Employee Turnover by Gender



Employee Turnover by Employee Category

	Management	Executive	Non-Executive
FY2022	Not available	Not available	Not available
FY2023	Not available	Not available	Not available
FY2024	38	106	2,664

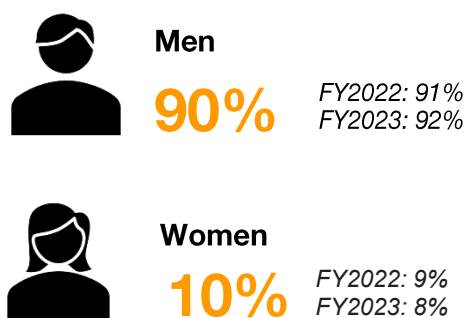
Diversity and Inclusivity

SKP is committed to fostering a diverse and inclusive workplace culture that promotes equal opportunities. By embracing diversity, the Group leverages varied perspectives to achieve collective success. Comprehensive policies and training initiatives further solidify SKP's focus on creating a respectful environment for all employees.

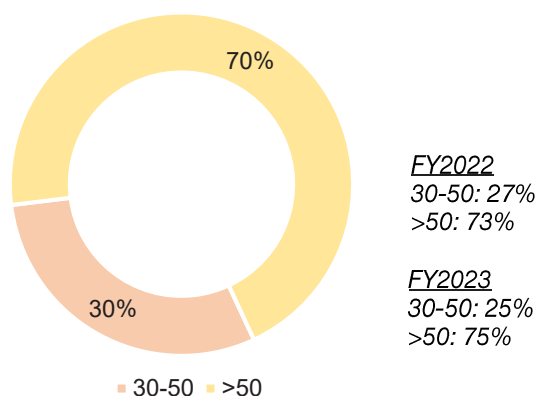
Performance insights at SKP

Board Diversity

Board Diversity by Gender in FY2024



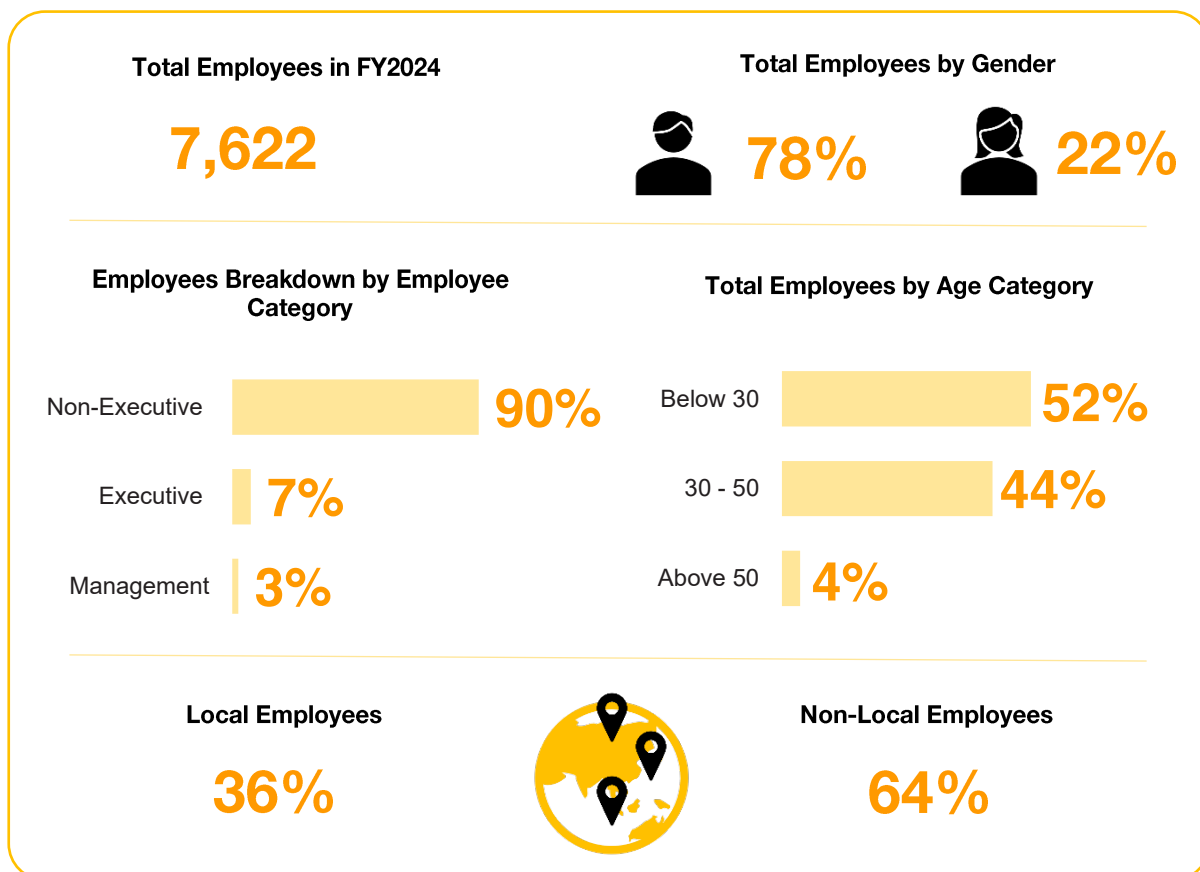
Board Diversity by Age Group in FY2024



SUSTAINABILITY STATEMENT

cont'd

Employee Diversity



Gender Diversity by Employee Category (%)

Employee Category	Gender	FY2022	FY2023	FY2024
Management	Men	3	3	2
	Women			1
Executive	Men	6	8	4
	Women			3
Non-Executive	Men	91	89	72
	Women			18

Age Diversity by Employee Category (%)

Employee Category	Age	FY2022	FY2023	FY2024
Management	<30	Not available	Not available	0
	30-50	Not available	Not available	2
	>50	Not available	Not available	1
Executive	<30	Not available	Not available	2
	30-50	Not available	Not available	4
	>50	Not available	Not available	1
Non-Executive	<30	Not available	Not available	50
	30-50	Not available	Not available	38
	>50	Not available	Not available	2

SUSTAINABILITY STATEMENT

cont'd

The Group provides permanent positions to 100% of our workforce, promoting job stability and security for the benefit of our valued team members.

0% contract or temporary employees
across the Group in **FY2024**

Community Investment

SKP prioritises community investment because we value our community. By supporting local initiatives, fostering partnerships and contributing to environmental progress, we aim to enhance community well-being and advance our sustainability goals.



On 3 April 2023, SKP BM Electronics Sdn. Bhd. made sizeable contribution in kind via donation of face shields to Sultanah Aminah Hospital, Johor Bahru. Such effort demonstrated our commitment towards contributing to the well-being of the communities while acknowledging the paramount importance of addressing the need of medical facilities via various healthcare initiatives.

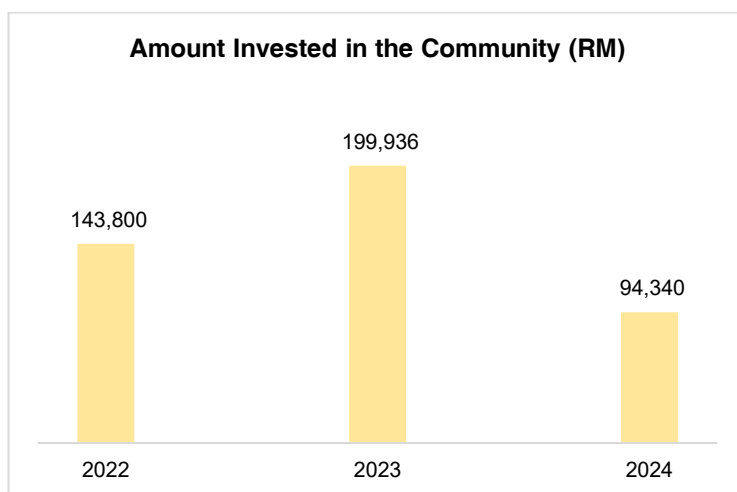
Syarikat Sin Kwang Plastic Industries Sdn. Bhd. participated in various community cleaning programmes, including the "LOVE OUR EARTH" local roadside cleanup activities in collaboration with the Batu Pahat Municipal Council, covering area between factory owned by Syarikat Sin Kwang Plastic Industries Sdn. Bhd. and Masjid Seri Beroleh. These initiatives showcased our dedication to environmental responsibility and making a profound impact on the local surroundings.



We firmly believe that these contributions have a positive impact on people's lives, while benefiting the broader communities.

Performance insights at SKP

For FY2024, the Group invested a total of RM 94,340 to 12 beneficiaries such as schools, non-governmental organization ("NGOs"), sports clubs and welfare homes.



Conclusion

SKP is focused on advancing sustainability by minimising our environmental footprint, conserving resources and mitigating operational impacts. As we move forward, we will continue to embrace innovative solutions and industry best practices. Through proactive engagement with stakeholders and transparent communication, we aim to ensure our shared vision of a more sustainable future is realised.

SUSTAINABILITY STATEMENT

cont'd

ESG Performance Data Table

Governance

Indicator	Unit	FY2022	FY2023	FY2024
Anti-Corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
• Management	%	Not available	Not available	100
• Executive	%	Not available	Not available	100
• Non-Executive	%	Not available	Not available	0
Bursa C1(b) Percentage of operations assessed for corruption related risks	%	Not available	100	100
Bursa C1(c) Confirmed incidents of corruption and actions taken	Number	Not available	0	0
Data Privacy and Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	Not available	0	0
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	%	14	11	14

Environment

Indicator	Unit	FY2022	FY2023	FY2024
Climate Change				
Bursa C4(a) Total energy consumption	MWh	113,942	93,534	73,944
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	86,368	70,899	56,050
Waste Management				
Bursa C10(a) Total waste generated	Metric tonnes	567	772	678
Water Consumption				
Bursa C9(a) Total volume of water used	ML	252	239	278

Social

Indicator	Unit	FY2022	FY2023	FY2024
Occupational Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	Not available	Not available	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	Not available	Not available	0.79
Bursa C5(c) Number of employees trained on health and safety standards	Number	Not available	Not available	455

SUSTAINABILITY STATEMENT

cont'd

Indicator	Unit	FY2022	FY2023	FY2024
Human Rights, Labour Practices and Standards				
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	Not available	Not available	0
Talent Attraction and Development				
Bursa C6(a) Total hours of training by employee category				
• Management	Hours	Not available	Not available	4,871
• Executive	Hours	Not available	Not available	18,256
• Non-Executive	Hours	Not available	Not available	18,409
Bursa C6(c) Total number of employee turnover by employee category				
• Management	Number	Not available	Not available	38
• Executive	Number	Not available	Not available	106
• Non-Executive	Number	Not available	Not available	2,664
Diversity and Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Management (Male)	%	Not available	Not available	2
• Management (Female)	%	Not available	Not available	1
• Executive (Male)	%	Not available	Not available	4
• Executive (Female)	%	Not available	Not available	3
• Non-Executive (Male)	%	Not available	Not available	72
• Non-Executive (Female)	%	Not available	Not available	18
Age group by employee category				
• Management (<30)	%	Not available	Not available	0
• Management (30-50)	%	Not available	Not available	2
• Management (>50)	%	Not available	Not available	1
• Executive (<30)	%	Not available	Not available	2
• Executive (30-50)	%	Not available	Not available	4
• Executive (>50)	%	Not available	Not available	1
• Non-Executive (<30)	%	Not available	Not available	50
• Non-Executive (30-50)	%	Not available	Not available	38
• Non-Executive (>50)	%	Not available	Not available	2
Bursa C3(b) Percentage of directors by gender and age				
Male	%	91	92	90
Female	%	9	8	10
<30	%	0	0	0
30-50	%	27	25	30
>50	%	73	75	70
Bursa C6(b) Percentage of employees that are contractors or temporary staff	%	Not available	Not available	0
Community Engagement				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	143,800	199,936	94,340
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	Not available	Not available	12

SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	14.00
Bursa (Climate change)		
Bursa C4(a) Total energy consumption	Megawatt	73,944.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	56,050.00
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	678.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	278.000000
Bursa (Labour practices and standards)		
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.79
Bursa C5(c) Number of employees trained on health and safety standards	Number	455
Bursa (Talent attraction and development)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	4,871
Executive	Hours	18,256
Non-executive	Hours	18,409
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	38
Executive	Number	106
Non-executive	Number	2,664

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT

cont'd

Bursa (Diversity)

Bursa C3(a) Percentage of employees by gender and age group, for each employee category

Age Group by Employee Category

Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	2.00
Management Above 50	Percentage	1.00
Executive Under 30	Percentage	2.00
Executive Between 30-50	Percentage	4.00
Executive Above 50	Percentage	1.00
Non-executive Under 30	Percentage	50.00
Non-executive Between 30-50	Percentage	38.00
Non-executive Above 50	Percentage	2.00

Gender Group by Employee Category

Management Male	Percentage	2.00
Management Female	Percentage	1.00
Executive Male	Percentage	4.00
Executive Female	Percentage	3.00
Non-executive Male	Percentage	72.00
Non-executive Female	Percentage	18.00

Bursa C3(b) Percentage of directors by gender and age group

Male	Percentage	90.00
Female	Percentage	10.00
Under 30	Percentage	0.00
Between 30-50	Percentage	30.00
Above 50	Percentage	70.00

Bursa C6(b) Percentage of employees that are contractors or temporary staff

Percentage	0.00
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Bursa (Community/Society)

Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer

MYR	94,340.00
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Bursa C2(b) Total number of beneficiaries of the investment in communities

Number	12
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SUSTAINABILITY STATEMENT

cont'd

GRI Standard	Disclosure Title	Location (page)
GRI 2: General Disclosures 2021	2-1 Organisational details	21
	2-2 Entities included in the organisation's sustainability reporting	21
	2-3 Reporting period, frequency and contact point	21,22
	2-5 External assurance	22
	2-6 Activities, value chain and other business relationships	21
	2-7 Employees	42
	2-9 Governance structure and composition	25
	2-10 Nomination and selection of the highest governance body	31
	2-12 Role of the highest governance body in overseeing the management of impacts	25
	2-13 Delegation of responsibility for managing impacts	25
	2-14 Role of the highest governance body in sustainability reporting	25
	2-15 Conflicts of interest	31
	2-16 Communication of critical concerns	31
	2-19 Remuneration policies	31
	2-22 Statement on sustainable development strategy	23,24
	2-23 Policy commitments	23,24
	2-24 Embedding policy commitments	23,24
	2-25 Processes to remediate negative impacts	31
	2-26 Mechanisms for seeking advice and raising concerns	31
	2-27 Compliance with laws and regulations	32
	2-29 Approach to stakeholder engagement	26,27,28
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26,27,28
	3-2 List of material topics	29
GRI 204: Procurement Practices 2016	3-3 Management of material topic	34
	204-1: Proportion of spending on local suppliers	34
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	21,31,32
	205-3 Confirmed incidents of corruption and actions taken	32
GRI 302: Energy 2016	3-3 Management of material topic	35
	302-1 Energy consumption within the organisation	35
GRI 303: Water and Effluents 2018	3-3 Management of material topic	37
	303-5 Water consumption	37
GRI 305: Emissions 2016	3-3 Management of material topic	36
	305-2 Energy indirect (Scope 2) GHG emissions	36
GRI 306: Waste 2020	3-3 Management of material topic	36
	306-3 Waste generated	36
GRI 401: Employment 2016	3-3 Management of material topic	40
	401-1 New employee hires and employee turnover	40,41
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43

SUSTAINABILITY STATEMENT

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GRI 403: Occupational Health and Safety 2018	3-3 Management of material topic	38,39
	403-1 Occupational health and safety management system	38,39
	403-2 Hazard identification, risk assessment, and incident investigation	38,39
	403-5 Worker training on occupational health and safety	39
GRI 404: Training and Education 2016	3-3 Management of material topic	40
	404-1 Average hours of training per year per employee	40
	404-2 Programmes for upgrading employee skills and transition assistance programmes	40
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topic	41
	405-1 Diversity of governance bodies and employees	41,42
GRI 413: Local Communities 2016	3-3 Management of material topic	43
	413-1 Operations with local community engagement, impact assessments, and development programmes	43
GRI 418: Customer Privacy 2016	3-3 Management of material topic	32
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of SKP Resources Bhd (“**SKP**” or the “**Company**”) is committed to ensuring a high standard of corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“**the Group**”). The Board believes that a robust corporate governance (“**CG**”) framework is a cornerstone of a successful and sustainable company as well as a fundamental part of discharging its responsibilities to safeguard the long-term interest of its shareholders and other stakeholders.

The Board is pleased to present this Corporate Governance Overview Statement (“**Statement**”) offering shareholders and investors with a comprehensive summary of the Company’s corporate governance practices for the financial year ended 31 March 2024 (“**FYE 2024**”). This Statement is prepared in accordance with the Malaysian Code on Corporate Governance (“**MCCG**”) and highlights the adherence to the three (3) key principles under the leadership of the Board:

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders
<ul style="list-style-type: none"> ■ Board responsibilities ■ Board composition ■ Remuneration 	<ul style="list-style-type: none"> ■ Audit Committee ■ Risk management and internal control framework 	<ul style="list-style-type: none"> ■ Engagement with stakeholders ■ Conduct of general meetings

This Statement is made in compliance with Paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is to be read in conjunction with the Corporate Governance Report for FYE 2024, which is published on the Company’s corporate website at www.skpres.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall governance, management and strategic direction of the Company and for delivering accountable corporate performance following the Company’s goals and objectives.

To ensure the effective discharge of its function and responsibilities, the Board has also delegated certain authorities and discretion to the Managing Director (“**MD**”) and Key Senior Management. Additionally, the Board Committees are entrusted with specific responsibilities to oversee the Company’s affairs, as outlined in their respective Terms of Reference (“**TOR**”). At each Board meeting, the minutes of the Board Committee meetings are presented for the Board’s notation. The Chairmen of the Board Committees also report to the Board on key issues deliberated, fostering effective communication and ensuring alignment across all levels of governance.

The Board provides stewardship to the Group’s strategic direction and operations, ultimately enhancing long-term shareholders’ value. The Board is primarily responsibilities include:

- Promote a good corporate governance culture within the Group, together with Key Senior Management, which reinforces ethical, prudent and professional behaviour;
- Ensuring that the Group’s goals are clearly established and supported by a strategic plan that fosters long-term value creation, incorporating economic, environmental and social considerations to underpin sustainability;
- Designating a person within Management to provide dedicated focus on managing sustainability strategically, including the integration of sustainability considerations in the Group’s operations;
- Overseeing and evaluating the conduct and performance of the Group’s business to ensure it is being properly managed;
- Reviewing, challenging and deciding on Management’s proposals for the Company, and monitoring its implementation by Management;
- Ensuring that the statutory accounts of the Company and the Group are fairly stated and conform with the relevant regulations, including the adoption of acceptable accounting policies that result in balanced and understandable financial statements;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

- g) Identifying and managing the principal risks affecting the Group, and ensuring the implementation of appropriate internal controls and mitigation measures;
- h) Determining the risk appetite within which the Board expects Management to operate, and ensuring the presence of an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- i) Ensuring that Key Senior Management has the necessary skills and experience, and that appropriate succession plans are in place for Board members and Key Senior Management of the Group;
- j) Reviewing the adequacy and the integrity of the Group's management information and internal control systems, including systems ensuring compliance with applicable laws, regulations, rules, directives and guidelines; and
- k) Overseeing the development and implementation of an investor relations and communication policy for the Group, promoting effective communication with shareholders and other stakeholders.

The Board has delegated certain of its functions to the Board Committees which comprise the following Board committees which operate within their clearly defined TOR:-

- (i) Audit Committee ("**AC**");
- (ii) Nomination Committee ("**NC**");
- (iii) Remuneration Committee ("**RC**"); and
- (iv) Risk Management and Sustainability Committee ("**RMSC**") (*merger of Risk Management and Sustainability Committee with effect from 5 December 2023*)

The Board reserves certain powers for itself while delegating specific matters, such as the day-to-day management of the Company to the MD and Senior Management. These delegations are subject to approved authority limits and include:-

- recurring and non-recurring revenue expenditures (within the ordinary course of business);
- capital expenditures; and
- sourcing of business deals and investments.

The Chairman and the Managing Director

The roles of the Chairman of the Board and the MD of the Company are held by separate individuals, ensuring a clear division of responsibilities to promote a balance of power and enhance accountability. The Chairman, Tan Sri Datuk Hussin Bin Haji Ismail, provides leadership to the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters, enabling them to participate actively in Board's deliberations. The MD, Mr. Gan Poh San, is responsible for the overall day-to-day business operations of the Group and oversees the implementation of strategies directed by the Board.

This separation of roles facilitates a clear segregation of duties between the Chairman and the MD, maintaining a balance of power and authority as outlined in the Board Charter.

In line with the recommendation of Practice 1.4 of the MCCG, the Company ensures that the Chairman of the Board is not a member of the Audit Committee, Nomination Committee, or Remuneration Committee.

Qualified and Competent Company Secretaries

In compliance with Practice 1.5 of the MCCG, the Board members have full access to the two (2) Company Secretaries, who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries play an advisory role to the Board concerning the Company's Constitution, Board policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Qualified and Competent Company Secretaries (cont'd)

In addition to advising the Board on governance and regulatory matters, the Company Secretaries attend all Board and Board Committees meetings. They ensure that all meetings are properly convened and that the proceedings and deliberations are accurately recorded in the minutes.

Access to information and advice

The Board meets quarterly, with additional meetings held as necessary, ensuring they are supplied with adequate and timely information in a form and quality appropriate to discharge their duties effectively.

Before each Board meeting, an agenda along with the relevant meeting papers are distributed to all Directors for review. For ad-hoc meetings, notices are sent at least seven (7) days in advance, and the meeting papers are made available beforehand to allow sufficient time for review and facilitate thorough discussion. The Board strives to circulate the meeting papers at least five (5) business days in advance, whenever possible. Technology and Information Technology are effectively utilized in Board Meetings and communications with the Board.

During meetings, the MD and/or other relevant Board members and/or Key Senior Management of the Group provide comprehensive explanations of pertinent issues and recommendations. These issues are then thoroughly deliberated and discussed by the Board before any decisions are made. The proceedings of Board meetings are meticulously recorded in the minutes.

All Directors have access to the advice and services of the Company Secretaries, Key Senior Management, and independent professional advisers, including internal and external auditors. Whether as a full Board or in their individual capacity, Directors can access all necessary information of the Company in a timely manner, in an appropriate form and quality, enabling them to discharge their duties and responsibilities effectively. Directors are encouraged to have open contact with Management at all levels and full access to all relevant information.

In addition to Board meetings, Directors are provided with updates via email regarding any new changes to existing laws, requirements, rules, and regulations.

Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has adopted a Board Charter that outlines the roles, functions, composition, and responsibilities of the Board of Directors of SKP. This Charter ensures that all Board members are aware of their duties and responsibilities. It provides guidance and clarity regarding the roles and responsibilities of the Board, the division of powers between the Board and Key Senior Management, the Board Committees established by the Board, and the distinction between the Chairman and the MD.

The Board Charter serves as a reference source and primary induction literature for prospective Board members and Senior Management. It also assists the Board in assessing its performance and that of individual Directors. The updated Board Charter was reviewed by the Board on 27 July 2023.

A copy of the updated Board Charter is available on the Company's website at www.skpres.com.

Code of Ethics and Conduct

The Company's Code of Ethics and Conduct sets forth the standards required for all Directors, officers, managers and employees of SKP and its Group of Companies, ensuring proper behaviour and ethical conduct.

The Code of Ethics and Conduct covers all aspects of the Company's business operations, including customer relationships, personal benefits, conflicts of interest, confidentiality, dealing in Company securities, protection of assets and funds, accuracy of public communication, quality management, environmental management, health and safety, and fair and courteous behaviour, among others.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Code of Ethics and Conduct (cont'd)

Each Director is routinely reminded of their obligations as stated in the Company's Board Charter. Directors must immediately declare their interests in any transactions entered into directly or indirectly with the Company/Group to uphold corporate integrity. The Board reviews these interests quarterly during Board meetings to ensure the impartiality of its decisions.

The Board has reviewed the updated Code of Ethics and Conduct, and a copy is available for viewing on the Company's website at www.skpres.com.

(I) Integrity Policy

(II) Anti-Bribery and Anti-Corruption Policy and Guidelines

The Government of Malaysia announced the implementation of the Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Act 2009, effective 1 June 2020. This provision encourages commercial organizations to take appropriate measures to ensure business operations are conducted with integrity and without corruption. In response, the Board adopted an Integrity Policy to provide principles, guidelines, and requirements on dealing with corrupt and bribery practices that may arise in daily business and operational activities within the Group. Additionally, on 1 December 2023, the Board adopted an Anti-Bribery and Anti-Corruption Policy and Guidelines to reinforce the commitment to prohibiting bribery and corruption in business conduct within the Group.

The Group conducts all its business honestly and ethically, maintaining a zero-tolerance approach to bribery and corruption. It is committed to acting professionally, fairly, and with integrity in all business dealings and relationships. Furthermore, the Group upholds all laws relevant to countering bribery and corruption in Malaysia and other jurisdictions where it operates. The Integrity Policy and the Anti-Bribery and Anti-Corruption Policy and Guidelines are accessible to employees and other stakeholders on the Company's website at www.skpres.com.

Whistleblowing Policy

In addition, the Company's Whistleblowing Policy aims to foster an environment of integrity and ethical behaviour by enabling the exposure of any illegal or improper actions and/or wrongdoing within the Company. This policy provides an avenue for any person, including all employees of SKP and its Group of Companies, to report concerns about any suspected and/or known improper conduct they may observe.

The AC is responsible for supervising the enforcement of the Whistleblowing Policy. The AC receives information on each reported concern and ensures that appropriate follow-up actions are taken. The Chairman of the AC may direct the complaint to the most suitable division or department for addressing the issue or may lead the investigation personally to ensure a prompt and appropriate investigation and resolution.

All disclosures can be made in a strictly confidential manner, marked "Confidential" to:

The Chairman of the AC
SKP Resources Bhd
No. 421, 4th Miles, Jalan Kluang
83000 Batu Pahat, Johor Darul Takzim
auditcom@skpres.com

The Whistleblowing Policy is available for viewing at the Company's website at www.skpres.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition

As of the date of this statement, the Board of SKP consists of five (5) members, comprising the MD, three (3) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director. This composition fulfils the prescribed requirements under the MMLR that stipulate at least two directors or one-third (1/3) of the Board must be independent directors, and at least one (1) must be a woman Director. Additionally, the Company complies with Practice 5.2 of the MCCG, which requires at least 50% of the Board to be Independent Non-Executive Directors. The profiles of the Board members are set out in the Directors' Profile section of this Annual Report.

The Board is responsible for overseeing the conduct and performance of the Group's businesses and provides oversight for the Group's internal controls. The Board believes that the interests of shareholders are fairly represented through the current composition, and its size constitutes an effective Board with competent individuals possessing a wide spectrum of backgrounds, knowledge, skills, and experience.

The MD is responsible for the overall daily operations, implementation of Board policies and decisions, and making operational decisions. Additionally, the Company practices a clear demarcation of responsibilities and maintains a balance of power and authority.

The three (3) Independent Directors provide the Board with a good mix of industry-specific knowledge and broad business and commercial experience. They offer guidance, unbiased, fully balanced, and independent views, advice, and judgment on many aspects of the Group's strategy. This ensures the safeguarding of minority shareholders' interests and upholds the highest standards of conduct and integrity within the Group. If necessary, the Company will consider increasing the number of Independent Directors to further ensure the balance of power and authority on the Board.

Tenure of Independent Directors

The Board has not established a formal policy limiting the tenure of its Independent Directors to nine (9) years. However, the Board acknowledges the importance of adhering to a cumulative term limit of nine (9) years for Independent Directors. Upon completing this tenure, Independent Directors may continue to serve on the Board but would be re-designated as Non-Independent Directors. Should the Board decide to retain an Independent Director beyond nine (9) years, it is required to justify this decision and seek annual approval from shareholders through a two-tier voting process, as per Practice 5.3 of the MCCG.

During the financial year, the Board assessed and confirmed the independence and capability of all Independent Directors of SKP to act in the best interests of the Company. As of the date of this Corporate Governance Statement, none of the Independent Directors has exceeded the nine (9) year tenure limit on the Board.

Appointment of Directors and Key Senior Management and Re-Appointment of Directors

Based on the amendments to the MMLR of Bursa Securities, SKP has implemented a Fit and Proper Policy that includes criteria for selecting Directors. This policy is accessible under the "Corporate Governance" section of the Company's website at www.skpres.com.

The NC is responsible for identifying and recommending potential candidates for Directorship to the Board. The nomination process is transparent and involves:

1. Identification of candidates;
2. Evaluation of candidate suitability;
3. Discussions with candidates regarding the proposed appointment;
4. Deliberation by the NC; and
5. Recommendation to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Appointment of Directors and Key Senior Management and Re-Appointment of Directors (cont'd)

In selecting and evaluating Director candidates, the NC adheres to specific criteria to ensure the Board possesses the necessary skills and diversity to achieve its objectives:

- Required skills, knowledge, expertise, and experience;
- Commitment, professionalism, integrity, and conflict of interest checks;
- Ability to collaborate effectively with other Board members;
- Specialist knowledge or technical skills aligned with the Group's strategy;
- Diversity in age, gender, and professional background; and
- Number of directorships held outside the Group.

The Group's Human Resources Function oversees the selection and appointment of Senior Management based on criteria that match the role requirements, emphasizing diversity in skills, experience, age, cultural background, gender, and conflict of interest checks.

During the reviewed financial year, the Board assessed the NC's evaluations and expressed satisfaction with the current mix of skills and Board composition. Consequently, no new candidates were sourced or appointed to the Board, and there were no new appointments of Key Senior Management personnel within the Company and the Group.

Re-election of Directors

According to the Directors' Fit and Proper Policy, the Nominating Committee (NC) conducts an evaluation of retiring Directors seeking re-election before recommending them to the Board. This assessment includes a Fit and Proper evaluation that involves diligence, screening, and declarations from the concerned individuals. Additionally, the NC and the Board assess each Director seeking re-election with consideration given to various factors outlined in the Fit and Proper Policy.

Furthermore, the assessment process takes into account the results of the Board Effectiveness Evaluation and performance appraisal records. These evaluations ensure that Directors seeking re-election demonstrate ongoing suitability, integrity, and performance in fulfilling their roles effectively within the Company.

Clause 119 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. As such, according to Clause 119 of the Constitution, the following Directors are subject to retirement at the forthcoming Twenty-Fourth AGM of the Company:-

- Mr. Koh Chin Koon; and
- Mr. Goh Kah Im

The NC has conducted the following assessment based on the criteria as prescribed by the MMLR of Bursa Securities:-

- | | |
|------------------|---|
| • Mix of skills; | • Competence; |
| • Character; | • Conflict of Interest check; and |
| • Experience; | • Time commitment to discharge their roles. |
| • Integrity; | |

Upon review, the NC were satisfied with the performance of all the retiring Directors. The Board then concurred the same and resolved that the retiring Directors be recommended to the shareholders for approval at the forthcoming Twenty-Fourth AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Gender Diversity

The Board has established a Board Diversity Policy outlining its approach to diversity within both the Board and Senior Management of the Company. While the policy does not set specific targets for gender, age, or ethnicity representation, the Board is committed to enhancing diversity whenever feasible. Currently, the Board is composed of individuals with diverse professional backgrounds in manufacturing, engineering, finance, taxation, law, and economics, ensuring a broad spectrum of expertise.

Furthermore, the Company promotes equal opportunity, emphasizing merit-based appointments and employment practices free from racial, age, or gender bias. This commitment underscores the Group's dedication to fostering an inclusive workplace environment that values diversity and ensures fairness in all aspects of its operations.

For the FYE 2024, the diversity in the race/ethnicity of the existing Directors is as follows:-

Diversity	Race/Ethnicity			Total	Gender		Total
	Malay	Chinese	Indian		Male	Female	
Number of Directors	1	4	0	5	4	1	5

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	41 - 50	51 - 60	61 - 70	Above 70	Total
Number of Directors	1	3	0	1	5

Nomination Committee

The NC comprises three (3) Non-Executive Directors as follows:-

Name	Designation
Ms. Anita Chew Cheng Im	Chairperson (Independent Non-Executive Director)
Mr. Goh Kah Im	Member (Independent Non-Executive Director)
Mr. Koh Chin Koon	Member (Non-Independent Non-Executive Director)

The NC shall meet at least once a year or more frequently as deemed necessary.

The following activities were carried out by the NC during the financial year under review:-

- reviewed the draft Directors' Fit and Proper Policy and recommended the same to the Board of Directors for approval and adoption;
- assessed the performance of the Board as a whole and Board Committees;
- assessed the performance of the individual Directors;
- considered and recommended to the Board the Directors who are due for retirement at the AGM and are eligible for re-election;
- discussed the retention of the Independent Director of the Company according to the MCGG;
- assessed the independence of each of the Independent Directors; and
- reviewed the term of office and performance of the AC and each of its members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Nomination Committee (cont'd)

The individual Director's performance evaluation involves a discussion about each Director's individual contribution, explores individual training and development needs, and the time commitment that is required to continue to deliver the role effectively.

Based on the evaluation conducted for the FYE 2024, the NC was satisfied with the performance of the individual members of the Board, the Board as a whole as well as the Board Committees.

The TOR of the NC is available for viewing under the "Corporate Governance" section of the Company's website at www.skpres.com.

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The attendance record of the Directors at the Board meetings are set out in the table below:-

Name of Directors	Number of Board of Directors' Meetings Attended/Held	%
Tan Sri Datuk Hussin Bin Haji Ismail	5/5	100
Mr. Gan Poh San	5/5	100
Mr. Koh Chin Koon	5/5	100
Mr. Goh Kah Im	5/5	100
Ms. Anita Chew Cheng Im	5/5	100

The Directors are required to provide updates on their other directorships and shareholdings to the Company Secretary. This information serves to monitor the number of directorships held by each Director and, where applicable, to notify the Companies Commission of Malaysia.

According to the Board Charter, the Board convenes regularly, with meetings scheduled at least four (4) times a year, approximately on a quarterly basis, and additional meetings are convened as necessary. Board members are expected to make every effort to attend these meetings and allocate sufficient time to fulfill their responsibilities effectively. In cases where attendance is not possible, Board members are required to inform the Chairman or the Company Secretary accordingly.

To facilitate efficient decision-making, Board meetings may be conducted via electronic means, leveraging technology. Additionally, circular resolutions are prepared for Directors' execution when expedient, ensuring prompt implementation of Board decisions. Directors unable to attend meetings physically are encouraged to participate through electronic communication channels.

Continuing Education and Training of Directors

The Board recognizes the critical importance of continuous education for its members to stay informed about the economy, manufacturing trends, technological advancements relevant to the core business, and the latest regulatory developments. This proactive approach ensures that Board members are equipped to effectively discharge their duties amidst a rapidly evolving business and regulatory environment.

To identify and address training needs, the Board collaborates with the NC to regularly assess their own educational requirements. This assessment guides the selection of relevant programs, seminars, and briefings aimed at enhancing knowledge and fostering active participation in Board deliberations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Continuing Education and Training of Directors (cont'd)

Additionally, the Company Secretary and external auditors play integral roles by regularly updating the Board on pertinent regulatory requirements and changes in accounting standards. This ensures that Board members remain current with regulatory updates and amendments, enabling them to make informed decisions aligned with best practices and regulatory compliance.

The details of the training attended by the Directors during the FYE 2024 are as below:-

Name of Directors	Training Programmes/Seminars/Forums Attended
Tan Sri Datuk Hussin Bin Haji Ismail	<ul style="list-style-type: none"> The Emergence of Boardroom Dynamics in Governance organised by Institute of Approved Company Secretaries
Gan Poh San	<ul style="list-style-type: none"> Transformational Leadership in the Post Pandemic Era organised by Impact Volution Training & Consultancy Sdn. Bhd.
Koh Chin Koon	<ul style="list-style-type: none"> 2024 Budget Seminar
Goh Kah Im	<ul style="list-style-type: none"> Refresher training on Implications from the Corporate Liability on Bribery Business Intelligence and Analytics with Power BI for Accountants Environmental, Social and Governance IFRS S1 and S2: Beyond compliance
Anita Chew Cheng Im	<ul style="list-style-type: none"> AOB conversation with Audit Committees

Annual Assessment on Effectiveness of the Board, Board Committees and Individual Directors

In compliance with the MCCG, the Board has delegated to the NC to carry out an annual assessment on the effectiveness of the Board, Board Committees and each individual Director in respect of the financial year ended 31 March 2024:-

i. Directors' self and peer performance evaluation

The evaluation forms were circulated to every Director for completion. The Directors are required to assess their own performance, as well as the performance of their peer based on the questionnaire provided. The evaluation results were compiled by the Company Secretary and presented to the NC meeting for review.

The criteria for self-assessment cover areas such as contribution to matters discussed, roles and responsibilities and overall quality of input to Board effectiveness.

ii. Evaluation of the effectiveness of the Board and Board Committees

The evaluations on the Board and Board Committees were conducted by the NC through roundtable discussions to provide valuable insights. For Board and Board Committees assessments, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance.

Overall, the NC is satisfied with the performance of the individual Directors as well as the effectiveness of the Board and its Board Committees.

The Board, facilitated by the NC, undertook an annual assessment of the independence of the Independent Non-Executive Directors during the financial year review. This assessment was guided by criteria aligned with the definition outlined in Paragraph 1.01 of the MMLR. The focus was on ensuring that Independent Non-Executive Directors could provide impartial and objective perspectives on various matters deliberated at both Board and Board Committee levels.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Annual Assessment on Effectiveness of the Board, Board Committees and Individual Directors (cont'd)

ii. Evaluation of the effectiveness of the Board and Board Committees (cont'd)

Independent Non-Executive Directors do not hold employment within the Company nor engage in its day-to-day management or operational activities. Their role centers on offering an external viewpoint, actively challenging proposals on strategy, evaluating Senior Management performance against approved objectives, and monitoring the Company's risk profile.

Each Independent Non-Executive Director provided assurance of their independence through Letters of Declaration, affirming their commitment to promptly disclose any changes that might affect their ability to exercise independent judgement or act in the Company's best interests.

Following the NC's assessment, the Board concluded that the Independent Non-Executive Directors maintain a high level of independence and demonstrate capability in acting in the Company's best interests. The Board further determined that no relationships or circumstances exist that could compromise the individual Independent Non-Executive Directors' ability to exercise impartial judgement. This affirmation underscores the Board's commitment to governance practices that uphold transparency and safeguard shareholder interests.

III. Remuneration Committee

The RC comprises three (3) Non-Executive Directors as follows:-

Name	Designation
Mr. Goh Kah Im	Chairman (Independent Non-Executive Director)
Mr. Koh Chin Koon	Member (Non-Independent Non-Executive Director)
Ms. Anita Chew Cheng Im	Member (Independent Non-Executive Director)

The Board emphasises the importance of competitive remuneration in attracting, retaining, and motivating Directors with the requisite caliber, expertise, and experience to effectively lead the Group. Executive Directors' remuneration is structured to align with corporate and individual performance, ensuring appropriate rewards for their contributions. Non-Executive Directors' remuneration reflects their experience and the responsibilities they undertake. Ultimately, the full Board retains responsibility for determining Directors' remuneration, informed by recommendations from the RC.

The MD's remuneration is performance-related and competitive, aimed at attracting and retaining top talent essential for effective leadership. Additionally, the Company reimburses reasonable expenses incurred by Directors in carrying out their duties.

The RC convenes at least annually, or more frequently as necessary, to undertake various activities as mandated during the financial year:

- Reviewing and recommending annual performance bonuses for Executive Directors to the Board.
- Reviewing and recommending Directors' Fees.
- Reviewing and recommending the MD's remuneration package.
- Reviewing and recommending remuneration packages for Key Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration Committee (cont'd)

In adherence to the MCCG, the Board has established a Remuneration Policy outlining principles and guidelines for remunerating both Executive and Non-Executive Directors. The RC follows these guidelines when recommending remuneration packages for Executive Directors and Senior Management, ensuring alignment with the Remuneration Policy's components and procedures.

Consistent with good governance practices, Directors abstain from participating in discussions or voting on matters concerning their own remuneration or Directors' fees, maintaining transparency and integrity in the remuneration determination process.

Remuneration of Directors

For the FYE 2024, the aggregate of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group categorised into appropriate components are set out below:-

	Received from the Company						
	Fee (RM'000)	Allowances (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefit- In-Kind (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors							
Gan Poh San	80	-	-	-	-	-	80
TOTAL	80	-	-	-	-	-	80

Non-Executive Directors

Tan Sri Datuk Hussin Bin Haji Ismail	85	-	-	-	-	-	85
Koh Chin Koon	80	-	-	-	-	-	80
Anita Chew Cheng Im	80	-	-	-	-	-	80
Goh Kah Im	80	-	-	-	-	-	80
TOTAL	325	-	-	-	-	-	325

	Received from the Group						
	Fee (RM'000)	Allowances (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefit- In-Kind (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors							
Gan Poh San	80	-	3,915	2,361	-	-	6,356
TOTAL	80	-	3,915	2,361	-	-	6,356

Non-Executive Directors

Tan Sri Datuk Hussin Bin Haji Ismail	85	-	-	-	-	-	85
Koh Chin Koon	80	-	-	-	-	-	80
Anita Chew Cheng Im	80	-	-	-	-	-	80
Goh Kah Im	80	-	-	-	-	-	80
TOTAL	325	-	-	-	-	-	325

Note: Salary includes EPF, SOCSO and EIS

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration Committee (cont'd)

Remuneration of Directors (cont'd)

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

For FYE 2024, the total Directors' fee payable to the Directors of the Company has been recommended to the shareholders for approval at the forthcoming AGM of the Company.

Remuneration of Key Senior Management

In compliance with the MCCG, a band of remuneration for the Key Senior Management (excluding the Managing Director and Executive Director of the Company) for the FYE 2024 is set out below:-

Range of remuneration (RM)	Number of Key Senior Management
RM450,001 – RM500,000	1
TOTAL	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC is chaired by Mr. Goh Kah Im, an Independent Non-Executive Director, distinct from the Chairman of the Board. The AC is predominantly composed of Independent Non-Executive Directors, ensuring a majority to enhance objectivity and oversight independence.

As mandated by the MCCG, the TOR for the AC stipulates a cooling-off period of at least three (3) years for former audit partners before they can be appointed as committee members. The TOR has been updated accordingly and is accessible on the Company's website at www.skpres.com.

Currently, none of the AC members are former audit partners. Furthermore, the Board affirms its commitment to preserving the highest level of independence within the AC, stating its intention not to appoint any former audit partner to the committee in the future.

For further details regarding the membership and activities of the AC, as well as insights into the Internal Audit Function for the financial year ended 31 March 2024, please refer to the AC Report in this Annual Report.

Assessment of External Auditors

During the financial year under review, the AC conducted an assessment of the suitability and independence of the External Auditors. In this assessment, the AC had considered inter alia, the following factors:-

For “*suitability*” assessment:-

- The external auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- To the knowledge of the AC, the external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants (“MIA”) which has not been reserved by the Disciplinary Board of MIA;
- The external auditors firm has the geographical coverage required to audit the Group;
- The external auditors firm advises the AC on significant issues and new developments on risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The external auditors firm consistently meets the deadlines set by the Group;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The external auditors' scope is adequate to cover the key financial and operational risks of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. Audit Committee (cont'd)

For “**objectivity**” assessment:-

- The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.

For “**independence**” assessment:-

- The engagement partner has not served for a continuous period of more than seven (7) years with the Company;
- The AC receives written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Tenure of the current auditors.

The AC has ensured that Ernst & Young PLT, the External Auditors of SKP, confirm their independence as per the By-laws on Professional Ethics, Conduct, and Practice of the Malaysian Institute of Accountants. This confirmation underscores the auditors' adherence to stringent ethical standards.

Additionally, the AC has implemented a Non-Audit Services Policy to govern the provision of non-audit services by the External Auditors. This policy includes safeguards such as engaging a separate team from the External Audit team for non-audit services, thereby mitigating any potential conflicts of interest.

Following a comprehensive assessment, the AC expressed satisfaction with the performance and independence of Ernst & Young PLT. Consequently, the AC recommended their re-appointment as External Auditors for the financial year ending 31 March 2025. The Board has endorsed this recommendation, and shareholders will be invited to approve the re-appointment at the upcoming AGM of the Company.

II. Risk Management and Internal Control Framework

Risk management plays a crucial role within SKP's operational framework, strategic planning, and goal setting. The primary objective of the risk management function is to systematically identify, assess, and prioritize significant risks that could impact the Company's business and financial outcomes.

Throughout the FYE 2024, oversight of both risk management and internal control functions was entrusted to the AC. Senior Management and department heads have been delegated responsibilities to monitor and mitigate risks within their respective areas. During regular management meetings, key risks and their corresponding controls are evaluated, reviewed, and discussed in detail. Any significant risks identified that could potentially affect the Group's strategic initiatives and business objectives are subsequently escalated to the AC and then to the Board for thorough deliberation.

In accordance with the MCCG, the Board has implemented a comprehensive framework for risk management and internal control. Detailed information regarding the framework's features, as well as its adequacy and effectiveness, are disclosed in the Statement of Risk Management and Internal Control within this Annual Report. This disclosure ensures transparency and provides stakeholders with insights into how SKP identifies, assesses, and manages risks to support its strategic and financial objectives effectively.

Risk Management and Sustainability Committee (“RMSC”)

(merger of Risk Management and Sustainability Committee effective 5 December 2023)

The Board has established a Risk Management Committee (“RMC”) to oversee the Company's risk management framework and policies, ensuring effective oversight of risk-related functions. Comprising a majority of Independent Directors, the RMC's composition reflects a commitment to impartial decision-making and robust governance practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. Risk Management and Internal Control Framework (cont'd)

Risk Management and Sustainability Committee ("RMSC") (cont'd)

Details regarding the memberships of both the Risk Management Working Group and the RMC are outlined in the Statement on Risk Management and Internal Control within this Annual Report.

During the FYE 2024, the Company consolidated its Risk Management Committee and Sustainability Committee into a single sub-committee, effective 5 December 2023. This newly formed entity, known as the Risk Management and Sustainability Committee, aims to enhance operational efficiency and governance effectiveness within the Board Committee structure.

Internal Audit Function

The internal audit function operates independently from the Group's day-to-day operations and provides reasonable assurance regarding the adequacy and effectiveness of the Group's internal control system.

During the financial year under review, the internal audit function was outsourced to an external consultant. This arrangement aimed to identify and evaluate principal risks while assessing the adequacy and effectiveness of the Group's internal controls. Areas for improvement were identified, and the implementation of recommendations was closely monitored. No weaknesses in internal controls resulted in material losses, contingencies, or uncertainties that necessitated disclosure in this Annual Report.

For further details, please refer to the Statement on Risk Management and Internal Control included in this Annual Report.

Climate Change Policy

On 27 July 2023, the Company adopted a Climate Change Policy to outline the commitments to mitigate potential risks and impacts, as well as to reinforce the Group's pledge to address climate-related issues in line with the Paris Agreement's goal of limiting temperature increases to 1.5°C above pre-industrial levels.

A copy of the Climate Change Policy is available for viewing at the Company's website at www.skpres.com.

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

I. Communication with Stakeholders

The Board places significant emphasis on transparent, consistent, and coherent communications with the investing community, while respecting commercial confidentiality and regulatory requirements. To this end, the Board has formalised a robust Corporate Disclosure Policy and Procedures. These guidelines are designed to ensure that all disclosures by the Company are comprehensive, accurate, timely, and unbiased, and avoid selective disclosure practices.

The commitment to fostering long-term relationships with shareholders and potential investors is exemplified through dedicated channels for information dissemination. The Group maintains a comprehensive website at www.skpres.com, featuring a specialised Investor Relations section to facilitate enhanced shareholder communication.

The Company's website serves as a primary resource for stakeholders, providing detailed business, operational, and financial information essential for informed investment decisions. This Investor Relations section is regularly updated with all Company announcements, annual reports, and details on corporate governance structure.

Furthermore, effective from 30 November 2023, the Company has implemented a Stakeholder Communication Policy, underscoring our ongoing commitment to transparent communication practices. A copy of this policy is readily accessible on our website at www.skpres.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

II. Conduct of General Meetings

The Company prioritizes transparency and shareholder engagement, ensuring comprehensive communication regarding key events such as the Annual General Meeting (AGM). Shareholders are informed well in advance about details including their entitlement to attend, appoint proxies, and the qualifications required for proxies.

All shareholders are encouraged to actively participate in the AGMs, where they have opportunities to pose questions and gain insights into the Group's business and performance. Board members, Senior Management, and External Auditors are present at these meetings to address shareholder queries directly.

In addition to AGMs, Directors and Senior Management have the flexibility to initiate meetings with investors and analysts when deemed necessary.

The Notice for the Twenty-Third ("23rd") AGM held on 29 September 2023 was issued more than 28 days in advance to allow shareholders ample time to review proposed resolutions. All Directors attended the 23rd AGM, engaging with shareholders firsthand.

Proceedings at the AGM included the presentation of financial statements followed by a thorough question-and-answer session. The Chairman of the AGM ensures sufficient time is allocated for shareholders to discuss financial matters and other agenda items before voting on resolutions.

Committee Chairpersons are also available during meetings to address specific shareholder inquiries. Senior Management and External Auditors regularly attend AGMs to provide detailed responses to shareholder queries.

To comply with regulatory standards, all resolutions at the 23rd AGM were voted on by poll, aligning with best practices for corporate governance.

To facilitate broader shareholder participation, the Company will continue to conduct virtual AGMs via live streaming and Remote Participation and Voting Facilities. This approach enhances shareholder engagement and allows remote attendees to submit questions during meetings.

The minutes of the 23rd AGM held on 29 September 2023 have been published on our corporate website at www.skpres.com for transparency and accessibility.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to the financial year ending 2025, SKP will prioritise several key focus areas and future priorities as below:-

- (1) Renowned for its contract manufacturing solutions globally, SKP aims to innovate continuously in technology and products, advancing plastic manufacturing techniques and developing new solutions tailored to meet evolving customer needs in the sector.
- (2) Market expansion and diversification efforts will be crucial, with plans to explore new geographical markets and industries while diversifying product offerings to enhance market penetration and mitigate risks.
- (3) The Company is committed to sustainability and ESG principles, integrating them into core strategies and adopting sustainable manufacturing practices to minimise environmental impact.
- (4) Operational excellence remains a priority, with initiatives aimed at optimising processes through automation and digital technologies to improve efficiency and cost-effectiveness.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

KEY FOCUS AREAS AND FUTURE PRIORITIES (cont'd)

- (5) SKP also emphasises customer relationship and service excellence, focusing on strengthening client partnerships and delivering exceptional service.
- (6) Talent development and succession planning are of paramount importance via investments in developing a pipeline of skilled leaders and fostering a culture of innovation through continuous employee training and development programs.
- (7) Governance and risk management will be strengthened to ensure compliance and mitigate operational risks effectively.

Additionally, SKP remains committed to community engagement and corporate citizenship, supporting sustainable development initiatives and demonstrating ethical business practices.

This Corporate Governance Overview Statement is made by a resolution of the Board of Directors dated 26 July 2024.

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

This statement is prepared as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required to prepare annual financial statements which are in accordance with applicable approved accounting standards; to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year; and of their results and their cash flows for that year then ended.

The Directors consider that in preparing the financial statements of the Group and the Company for the financial year ended 31 March 2024,

- the Group and the Company have adopted appropriate accounting policies and applied them consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable approved accounting standards in Malaysia, including but not limited to Malaysian Financial Reporting Standards and International Financial Reporting Standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to comply with the requirements of the Companies Act 2016 and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps as are reasonably open to them 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 systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

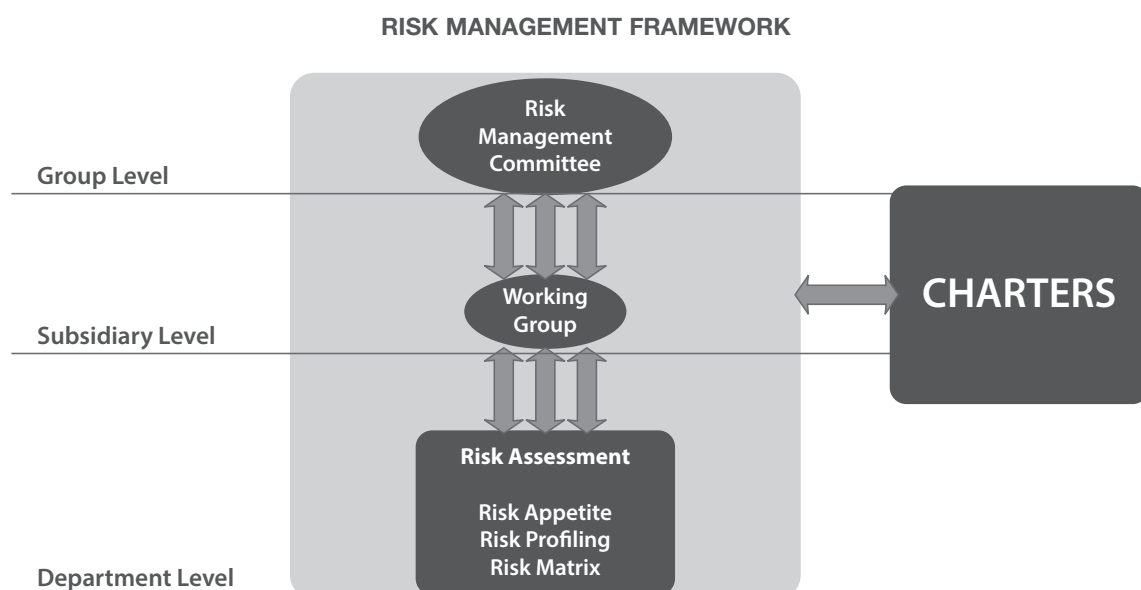
INTRODUCTION

The Board of Directors (“the Board”) of SKP Resources Bhd is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 March 2024, which has been prepared in accordance with the “Statement on Risk Management & Internal Control – Guideline for Directors of Public Listed Issuers” (“SRMICG”) issued by Bursa Malaysia Securities Berhad and taking into consideration the Malaysian Code of Corporate Governance 2021 (“MCCG 2021”). The statement below outlines the nature and scope of internal controls of the Group during the financial year under review.

THE BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound system of internal control and effective risk management practices to safeguard shareholders’ investments and the Group’s assets as well as reviewing the adequacy and integrity of the system of internal controls.

In addition, the Board welcomed the development of a risk management framework in order to improve the corporate governance. The risk framework that the Board adopted will involve the integration of policies and procedures, charters and people in driving the risk framework, as depicted below:



Following the establishment of the Risk Management Committee (“RMC”) on the 22 February 2018, a Working Group at all respective subsidiaries level had been established. The Working Group conducted two rounds of meeting to fine tune the risk assessment. Thereafter, selected personnel will be entrusted to conduct an overall review of the risk assessment of the Group.

The Board has merged the RMC and Sustainability Committee into a new Committee, to be known as Risk Management and Sustainability Committee (“RMSC”), with effect from 5 December 2023. The rationale for the merger is to streamline the operations of Board Committees in order to increase the efficiency and effectiveness of Board Committees.

Together with the RMSC and Audit Committee, both Committees will deliberate on the risk assessment and the proposed annual audit plan. The proposed audit plan will be on risk-based approach. Audit will be conducted based on the priority of the risk.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

THE BOARD'S RESPONSIBILITY (cont'd)

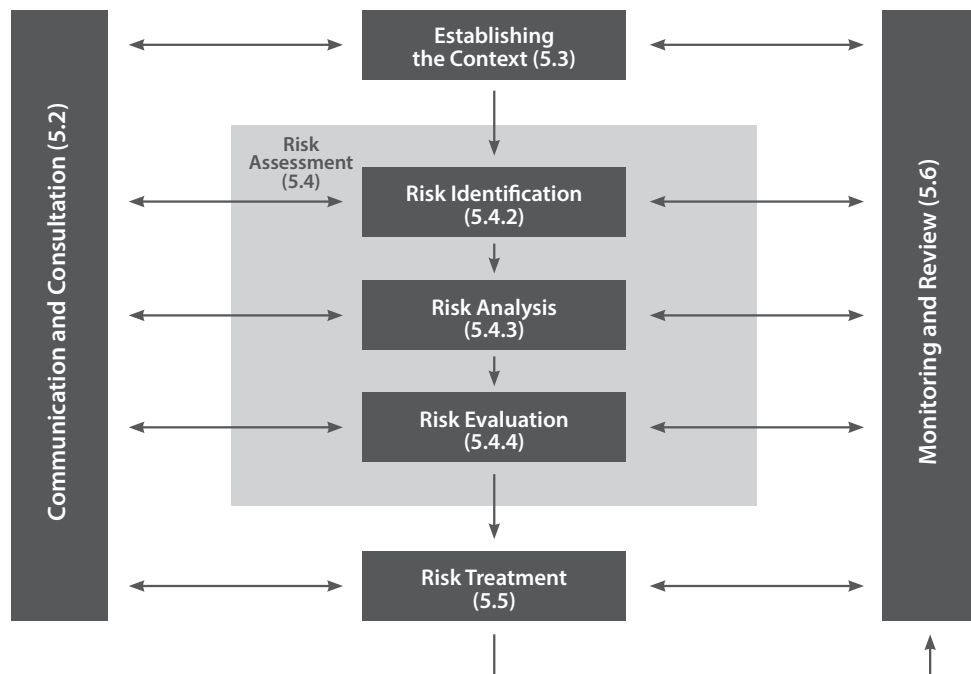
Periodically the Working Group will review the risk and update the risk assessment result. This risk assessment results will then be tabled to the RMSC for update and consideration. The audit plan may also be revised based on the result of the risk assessment.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group that has been put in place for the year and up to the date of approval of this statement for inclusion in the annual report. The process is being regularly reviewed by the Board through the RMSC.

RISK MANAGEMENT

The RMSC shall assist the Board in evaluating the adequacy of the Group's risk management. On 22 February 2018, the RMC has adopted its terms of reference (i.e. the Risk Management Charter). The RMC has also appointed Messrs MAC & ASSOCIATES PLT, a professional consulting firm to assist the Group in the implementation of the risk management framework. In the subsequent RMC meeting, the RMC has accepted the formation of the Risk Management Working Group ("RMWG") at all levels of the subsidiaries. In addition, the RMC has accepted and adopted the risk assessment framework to be used by the risk owners to identify and manage the risk, and determined the Board's risk appetite.

In the subsequent RMC meeting on 30 November 2023, RMC has accepted and adopted the enhanced risk assessment framework. The RMWG at all levels of the subsidiaries is in the midst of implementing enhanced risk assessment framework by insourcing.



ISO 31000: Risk Management process

Process for Managing Risk

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL CONTROL

The Group has established the internal control procedures with clear lines of accountability and delegated authority to identify, evaluate and manage significant risks. The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's management systems. Members of Senior Management and Heads of Departments are delegated with the responsibility to monitor and manage risks based on their respective areas of responsibilities. During the monthly management meetings, key risks and mitigating controls are assessed, reviewed and deliberated. Significant risks, if any, affecting the Group's strategic and business plan are then presented to the Audit Committee and onwards to the Board at their scheduled meetings. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements. However, as there are inherent limitations in any system of internal controls, such systems put into effect by management can only reduce but cannot eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, the internal control system can only provide reasonable but not absolute assurance against material misstatement or loss.

MONITORING MECHANISM AND MANAGEMENT STYLE

The Board entrusts the daily running of the business to the Managing Director and his management team. The Managing Director and his management team received timely and regular information pertaining to the performance and profitability of the Group and the subsidiaries through quarterly reports, which include quantitative and qualitative information, as well as analysis through a computerised system. The Managing Director plays a pivotal role in communicating the Board's expectations of the system of internal control to management. This is achieved through his active participation in the operations of the business as well as attendance at various scheduled management committee meetings. The management committee which comprises Heads of Departments meets regularly to discuss production, operational, sales and human resource issues. The Managing Director monitors the progress of these issues through regular interaction with management and the review of the management meeting minutes.

In addition to the internal reporting system, as a contract manufacturer, the Group also constantly has close and regular reporting with their vendors. The vendors provide unbiased and constant feedback of the business performance of respective business units. Management welcomes this feedback from the vendors. This information enables the Group to actively improve operation effectiveness and efficiency.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn. Bhd. (starting July 2023) and MAC & Associates PLT (until November 2023), a professional consulting firm which provides reasonable independent assurance on the effectiveness of the Group's system of internal control. The internal audit function reports directly to the Audit Committee to provide feedback regarding the adequacy and integrity of the Group's system of internal control. The internal audit function conducts risk-based audit reviews based on the annual audit plan approved by the Audit Committee.

During the financial year, the cost incurred for the internal audit function amounted to approximately RM50,500.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

OTHER KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROL

The other key elements of the Group's system of internal control are described below:

- Establishment of an environment in respect of the overall attitude, awareness and actions of directors, managers as well as employees regarding the internal control system and its importance to the entity.
- Specific responsibilities have been delegated to the relevant Board Committees, all of which have written terms of reference. These committees have the authority to examine all matters within their scope of responsibility and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters however lies with the Board.
- Monitoring of performance including discussion of any significant issues at quarterly management meetings which are attended by heads of subsidiaries under the Group.
- Financial and operational reporting by subsidiaries are discussed at the Group management meetings on a monthly basis.
- The Audit Committee, on behalf of the Board, is responsible for the review of the effectiveness and adequacy of the Group's system of internal control with the Internal Auditors and External Auditors.
- Review of all proposals for material capital expenditure and investment acquisitions.

CONCLUSION

The Board has received assurance from the Managing Director and Group Financial Controller that the Group's overall risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group. The Board is satisfied that for the financial year ended 31 March 2024, there were no material losses, contingencies or uncertainties as a result of weakness in the system of internal control. The risks are considered to be kept at an acceptable level within the context of the Group's business environment. The Board and management continue to take proactive measures to strengthen the control environment and internal control system of the Group. This statement is made in accordance with a resolution of the Board of Directors on 26 July 2024.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The external auditors have reviewed the Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 31 March 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement intended to be included in the annual report of the Group, in all material aspects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the SRMICG or is factually inaccurate. The external auditors' report was made solely for, and directed solely to the Board of Directors in connection with their compliance in the listing requirements of Bursa Malaysia Securities Berhad and for no other purpose or parties. As stated in their report, the external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

AUDIT COMMITTEE REPORT

The Audit Committee (“**AC**” or “**the Committee**”) is pleased to present the AC Report to provide insight into the discharge of the AC’s functions and duties throughout the financial year ended 31 March 2024 (“**FYE 2024**”).

COMPOSITION OF THE AC

The current composition of the AC is as follows:-

Mr. Goh Kah Im	(Chairman, Independent Non-Executive Director)
Mr. Koh Chin Koon	(Member, Non-Independent Non-Executive Director)
Ms. Anita Chew Cheng Im	(Member, Independent Non-Executive Director)

The composition of the AC complies with Paragraph 15.09 of the Main Market Listing Requirement (“**MMLR**”) of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The AC comprises three (3) members: two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

Both Mr. Koh Chin Koon and Mr. Goh Kah Im are members of the Malaysian Institute of Accountants, fulfilling the criteria specified under Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

MEETINGS AND ATTENDANCES

During the FYE 2024, the AC held a total of five (5) meetings. The details of attendance of the Committee members are as follows:-

AC Members	Number of AC Meetings Attended	%
Mr. Goh Kah Im	5/5	100
Ms. Anita Chew Cheng Im	5/5	100
Mr. Koh Chin Koon	5/5	100

The lead audit engagement partner and a member of the engagement team from the Company’s External Auditors attended three (3) AC meetings held during the financial year. The External Auditors were encouraged to bring to the AC’s attention any matters requiring consideration. During FYE 2024, three (3) private sessions were held between the AC and the External Auditors without the presence of Executive Directors and Management personnel.

The Chairman of the AC actively sought information on the communication flow between the External Auditors and Management to ensure unrestricted access to information, enabling the External Auditors to perform their duties effectively.

All deliberations during the AC Meetings were meticulously recorded in the minutes. These minutes were presented for confirmation at each subsequent AC Meeting.

TERMS OF REFERENCE (“TOR”)

A copy of the TOR of the AC is available for viewing under the “Corporate Governance” section of the Company’s website at www.skpres.com.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS UNDERTAKEN BY THE AC

The AC had established a policy on the provision of non-audit services by External Auditors and had carried out the following works during the FYE 2024 in discharging its functions and duties in accordance with its TOR:-

1. reviewed the Group's quarterly reports to ensure compliance with legal and regulatory reporting requirements;
2. reviewed the audited annual financial statements of the Company and the Group for FYE 2024 before recommending them for the Board's approval;
3. reviewed the audit results of the annual financial statements of the Company and the Group by the External Auditors, including:-
 - changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - going concern assumption;
 - compliance with accounting standards and other legal requirements;
 - significant matters highlighted in the financial statements;
 - significant judgements made by the Management; and
 - significant and unusual events or transactions, if any.
4. reviewed and approved the draft AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report;
5. reviewed the internal audit aspects, including:-
 - a) the adequacy of the scope, functions, competency and resources of the internal audit functions, ensuring they have the necessary authority to carry out their work; and
 - b) the internal audit program, processes, results or investigations undertaken, and verified that appropriate actions were taken based on internal audit recommendations.
6. reviewed the internal audit reports, audit recommendations, Management responses and the follow-up audits to ensure appropriate actions were taken and recommendations implemented;
7. reviewed and approved the External Auditors' scope of work, fees, and audit plan for the financial year, and recommended their remuneration to the Board for approval;
8. reviewed and discussed the External Auditors' audit report, including the key audit matters ("KAM"), areas for concern highlighted in the Management letter, and Management's response, evaluating the system of internal controls;
9. discussed significant accounting and auditing issues, including the impact of new or proposed changes in accounting standards and regulatory requirements;
10. met with the External Auditors, without the presence of the Executive Directors and Management, to discuss any issues and reservations arising from their final audit;
11. reviewed and assessed the performance, suitability and independence of the External Auditors for FYE 2024, recommending their re-appointment as Auditors of the Company until the next Annual General Meeting;
12. reviewed the audit and non-audit fees payable to the External Auditors for FYE 2024 to ensure the non-audit services rendered did not impair their independence;
13. reviewed the Group's trade debtors listing on a quarterly basis and received updates accordingly; and
14. reviewed any related party transactions and conflict of interest situations that may arise within the Group, including any transaction, procedure or course of conduct that might raise questions of management integrity.

AUDIT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION

During the FYE 2024, the Group's internal audit function was outsourced to MAC & Associates PLT (until November 2023) and Baker Tilly Monteiro Heng Governance Sdn. Bhd. (starting July 2023). The Internal Auditors' key role is to provide the AC with independent and systematic assessments and reviews on the Group's internal control systems. The Internal Audit function provides independent and objective feedback to the AC and the Board on the adequacy, effectiveness and efficiency of the internal control system within the Group.

During the financial year, the Internal Auditors conducted the following work:-

- understood and evaluated business processes and related business controls from a risk perspective;
- reviewed compliance with policies, standards of procedure, and relevant external rules and regulations;
- assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions where necessary;
- presented internal audit findings and corrective actions to be taken by Management; and
- ensured that identified weaknesses were appropriately addressed within the stipulated timeframe.

At the AC meeting held on 27 May 2022, MAC & Associates PLT presented the Internal Audit Plan for years 2023 to 2025, which the AC approved as tabled.

Subsequently, at the AC meeting held on 27 July 2023, Baker Tilly Monteiro Heng Governance Sdn. Bhd. presented the Internal Audit Plan for the years 2024 to 2025, and the AC agreed to the proposed audited areas as tabled.

The AC during the financial year reviewed the internal audit report in relation to the following audits:-

Audit Activities	Audit entity/ area	Internal Auditor during the FYE 2024
Payroll Management Function	Plastictecnic (M) Sdn. Bhd.	MAC & Associates PLT
Inventory Management System Review	Syarikat Sin Kwang Plastic Industries Sdn. Bhd. (" SSKPI ") (Johor Bahru Branch)	MAC & Associates PLT
Procurement to Payment and Vendor Management	SKP BM Electronics Sdn. Bhd. (" SKPBM ")	Baker Tilly Monteiro Heng Governance Sdn. Bhd.
Procurement to Payment and Vendor Management	SSKPI	Baker Tilly Monteiro Heng Governance Sdn. Bhd.

Effective 1 June 2020, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") was amended to include the corporate liability of Malaysian commercial organisations ("**CO**") for corruption offences under the new provision.

During the FYE 2024, the Company, defined as a CO under the Guidelines on Adequate Procedures ("**GAP**") issued by the Prime Minister's Office in December 2018 (which set out adequate procedures a CO would need to put in place as a defence to a corporate liability charge under the MACC Act), established the Integrity Policy and the Anti-Bribery and Anti-Corruption ("**ABAC**") Policy and Guidelines, along with the supporting programmes.

Upon review, no material internal control failure were reported that could have resulted in any significant loss to the Group. The total fees incurred for internal audit function incurred for FYE 2024 amounted to RM50,500 (FYE 2023: RM29,000).

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities and other information relating to the subsidiaries are described in Note 19 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	90,989	75,766
Profit attributable to:		
Equity holders of the Company	90,989	75,766

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

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

DIVIDEND

The amount of dividend paid by the Company since 31 March 2023 was as follows:

	RM'000
In respect of the financial year ended 31 March 2023:	
Final single-tier dividend of 4.50 sen, on 1,562,360,337 ordinary shares (which excluded 375,000 treasury shares), approved on 27 July 2023 and paid on 26 October 2023	70,306

On 26 July 2024, the directors have approved a final single-tier dividend in respect of the financial year ended 31 March 2024 amounting to a dividend payable of approximately RM45,621,000 (2.92 sen per ordinary share for 1,562,360,337 shares which excluded 375,000 treasury shares), payable on 24 October 2024. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

DIRECTORS' REPORT

cont'd

DIRECTORS

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

Tan Sri Datuk Hussin Bin Haji Ismail
 Gan Poh San *
 Koh Chin Koon
 Goh Kah Im
 Anita Chew Cheng Im

* This director is also one of the directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Gan Poh Chuan
 Kau Wai Faun
 Gan Chia Siang
 Lou Swee Chen
 Chua Huai Eng (Resigned on 15 April 2024)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	2,924	-
Fees	405	405
Bonus	2,361	-
Defined contribution plan	991	-
	6,681	405

There was no insurance effected to indemnify any directors and officers of the Company for the financial year ended 31 March 2024.

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	1.4.2023	Number of ordinary shares		31.3.2024
		Acquired	Sold	
Gan Poh San				
- Direct interest	78,118,000	519,600	-	78,637,600
- Indirect interests*	255,569,474	-	-	255,569,474

	1.4.2023	Number of warrants 2021/2026		31.3.2024
		Acquired	Sold	
Gan Poh San				
- Direct interest	12,498,880	-	-	12,498,880
- Indirect interests*	40,891,115	-	-	40,891,115

* Indirect interests held through Beyond Imagination Sdn. Bhd. and Zenith Highlight Sdn. Bhd.

Gan Poh San, by virtue of his interests in shares in the Company, is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

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

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances 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.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION (cont'd)

(e) As at the date of this report, there does not exist:

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

(f) In the opinion of the directors:

- (i) 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 will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
- (ii) 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 the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT:		
- statutory audit	517	69
- other services	10	10
	527	79

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 March 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 July 2024.

Gan Poh San

Koh Chin Koon

STATEMENT BY DIRECTORS

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

We, Gan Poh San and Koh Chin Koon, being two of the directors of SKP Resources Bhd, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 84 to 131 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 July 2024.

Gan Poh San

Koh Chin Koon

STATUTORY DECLARATION

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

I, Gan Poh San, being the director primarily responsible for the financial management of SKP Resources Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 84 to 131 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.

Subscribe and solemnly declared by the)
abovenamed Gan Poh San at Bandar Baru)
Bangi, Selangor on 26 July 2024)

Gan Poh San

Before me,

NOR AZIZAH BINTI JOHARUDDIN
Commissioner of Oaths
(No. B248)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKP RESOURCES BHD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SKP Resources Bhd, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 131.

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

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

(We would like to draw your attention to the material accounting policy information in Note 3.7(a) and Note 7 to the financial statements.)

During the year, the sale of goods recorded by the Group amounted to RM1.83 billion representing 99% of the Group's revenue. We have identified sale of goods to be a key audit matter as we consider the voluminous sales transactions during the year to be the possible cause for higher risk of material misstatements.

Our audit procedures included, amongst others, the following procedures:

- a) we obtained an understanding on the Group's internal controls over the point when the Group recognises the revenue upon the transfer of the promised goods to customers and the transaction price recorded as revenue;
- b) we performed correlation analysis between revenue, trade receivables and cash and bank balances using data analytics;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKP RESOURCES BHD
(INCORPORATED IN MALAYSIA)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Revenue recognition (cont'd)

Our audit procedures included, amongst others, the following procedures: (cont'd)

- c) on a sampling basis, we:
 - i. inspected the terms of significant sales transactions to determine the point of transfer of control and assessed whether revenue was recognised in accordance with the terms stated in the respective sales contracts, sales invoices and shipping documents;
 - ii. traced from the sales records to the supporting acknowledged delivery orders or bills of lading which evidenced the sales of goods to customers; and
 - iii. traced from the sales records several days preceding and post year end to the supporting acknowledged delivery orders, bills of lading or other supporting shipping documents and we reviewed the debit and credit notes issued subsequent to year end to assess whether the transactions were recorded within the correct financial year.

Review of valuation of inventories

(We would like to draw your attention to the material accounting policy information in Note 3.6, significant accounting judgement and estimate in Note 6.2(d) and Note 22 to the financial statements.)

As at 31 March 2024, the Group's inventories amounted to RM187.5 million, representing 14% of the Group's total assets.

Inventories are carried at the lower of cost and net realisable value. Included in the inventories are raw materials, work-in-progress and finished goods. Work-in-progress and finished goods comprise cost of raw materials, labour and manufacturing overheads. The Group applies cost of raw materials and predetermined labour and overhead expenses to derive at the costs of work-in-progress and finished goods which involved significant management estimates.

Given the significance of the account balances and the significant management estimates involved in deriving at the cost of inventories, we have identified the valuation of inventories to be an area of audit focus.

Our audit procedures included, amongst others, the following procedures:

- a) we obtained an understanding of the Group's inventories valuation policy, production processes and the types of costs included in the valuation of inventories;
- b) we assessed whether the inventories costing method used in deriving the cost of work-in-progress and finished goods is consistent with the Group's policy;
- c) we reviewed management's working on apportionment of production overhead to assess whether the apportionment basis is applied consistently across the Group; and
- d) agreed, on sampling basis, the cost of raw materials to suppliers' invoices.

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 Director's Report and other 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKP RESOURCES BHD
(INCORPORATED IN MALAYSIA)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information other than the financial statements and auditors' report thereon (cont'd)

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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 skepticism 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 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKP RESOURCES BHD
(INCORPORATED IN MALAYSIA)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

- 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 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

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Johor Bahru, Malaysia
26 July 2024

Lee Ming Li
02983/03/2026J
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	7	1,852,307	2,515,038	76,570	80,400
Cost of sales		(1,609,329)	(2,195,377)	-	-
Gross profit		242,978	319,661	76,570	80,400
Other items of income					
Interest income	8	3,134	1,838	65	254
Other income	9	11,240	10,983	-	-
Other items of expense					
Administrative expenses		(125,404)	(143,268)	(855)	(730)
Selling and marketing expenses		(8,786)	(10,314)	-	-
Finance costs	10	(3,082)	(1,716)	-	-
Profit before tax	11	120,080	177,184	75,780	79,924
Income tax expense	14	(29,091)	(36,666)	(14)	(62)
Profit net of tax, representing total comprehensive income for the year		90,989	140,518	75,766	79,862
Profit attributable to:					
Owners of the Company		90,989	140,518	75,766	79,862
Earnings per share attributable to equity holders of the Company (sen per share)					
- Basic	15	5.82	8.99		
- Diluted	15	5.82	8.99		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	373,992	362,628	-	-
Investment properties	17	3,274	2,067	-	-
Right-of-use assets	18	84,940	68,251	-	-
Investment in subsidiaries	19	-	-	307,914	307,914
Other investments	20	-	139	-	-
Other non-current asset	21	74	74	-	-
Prepayments	25	6,076	4,344	-	-
		468,356	437,503	307,914	307,914
Current assets					
Inventories	22	187,481	252,836	-	-
Trade and other receivables	23	453,480	475,025	3	1,446
Tax recoverable		4,389	-	27	-
Contract assets	24	1,157	2,090	-	-
Prepayments	25	6,146	9,082	-	-
Other investments	20	178,156	70,099	3,432	-
Cash and bank balances	26	41,203	46,907	3,669	111
		872,012	856,039	7,131	1,557
Total assets		1,340,368	1,293,542	315,045	309,471
Equity and liabilities					
Current liabilities					
Trade and other payables	27	324,123	304,535	189	67
Contract liabilities	28	20,064	25,029	-	-
Loans and borrowings	29	48,000	48,720	-	-
Lease liabilities	30	9,078	5,100	-	-
Provisions	31	7,107	7,680	-	-
Tax payable		-	2,663	-	8
		408,372	393,727	189	75
Net current assets		463,640	462,312	6,942	1,482

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

cont'd

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Trade and other payables	27	346	222	-	-
Deferred tax liabilities	32	17,432	17,137	-	-
Loans and borrowings	29	8,950	11,950	-	-
Lease liabilities	30	16,264	2,185	-	-
		42,992	31,494	-	-
Total liabilities		451,364	425,221	189	75
Net assets		889,004	868,321	314,856	309,396
Equity attributable to equity holders of the Company					
Share capital	33	296,126	296,126	296,126	296,126
Treasury shares	33	(208)	(208)	(208)	(208)
Merger deficit	34	(95,002)	(95,002)	-	-
Retained earnings	35	689,476	668,793	18,938	13,478
Other reserves		(1,388)	(1,388)	-	-
Shareholders' equity		889,004	868,321	314,856	309,396
Total equity and liabilities		1,340,368	1,293,542	315,045	309,471

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Attributable to owners of the Company				Non-distributable				Distributable			
		Equity attributable to owners of the Company, total		Share capital		Treasury shares		Merger deficit		Other reserves		Retained earnings	
		Equity, total	Company, total	Share capital	Treasury shares	Merger deficit	Other reserves	Retained earnings					
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024													
Opening balance at 1 April 2023		868,321	868,321	296,126	(208)	(95,002)	(1,388)	668,793					
Total comprehensive income		90,989	90,989	-	-	-	-	90,989					
Transaction with owners													
Dividend on ordinary shares (Note 36)		(70,306)	(70,306)	-	-	-	-	(70,306)					
Closing balance at 31 March 2024		889,004	889,004	296,126	(208)	(95,002)	(1,388)	689,476					
2023													
Opening balance at 1 April 2022		814,514	814,514	296,126	(208)	(95,002)	(1,388)	614,986					
Total comprehensive income		140,518	140,518	-	-	-	-	140,518					
Transaction with owners													
Dividend on ordinary shares (Note 36)		(86,711)	(86,711)	-	-	-	-	(86,711)					
Closing balance at 31 March 2023		868,321	868,321	296,126	(208)	(95,002)	(1,388)	668,793					

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Non-distributable		Distributable
	Equity, total	Share capital	Treasury shares	Retained earnings
	RM'000	RM'000	RM'000	RM'000
2024				
Opening balance as at 1 April 2023	309,396	296,126	(208)	13,478
Total comprehensive income	75,766	-	-	75,766
Transaction with owners				
Dividend on ordinary shares (Note 36)	(70,306)	-	-	(70,306)
Closing balance at 31 March 2024	314,856	296,126	(208)	18,938
2023				
Opening balance at 1 April 2022	316,245	296,126	(208)	20,327
Total comprehensive income	79,862	-	-	79,862
Transaction with owners				
Dividend on ordinary shares (Note 36)	(86,711)	-	-	(86,711)
Closing balance at 31 March 2023	309,396	296,126	(208)	13,478

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Operating activities				
Profit before tax	120,080	177,184	75,780	79,924
Adjustments for:				
Depreciation of:				
- right-of-use assets	6,028	6,443	-	-
- property, plant and equipment	40,044	38,401	-	2
- investment properties	45	30	-	-
Fair value gain on financial assets at fair value through profit or loss	(3,856)	(6)	-	-
Impairment loss on trade and other receivables	44	243	-	-
Reversal of impairment loss on trade receivables	(83)	-	-	-
Gain on disposals of property, plant and equipment	(888)	(1,397)	-	-
Gain on derecognition of right-of-use assets	(14)	(6)	-	-
Property, plant and equipment written off	106	47	-	6
Inventories written down	1,728	20	-	-
Provision for slow moving and obsolete inventories	398	3,220	-	-
Provision of onerous contract	79	221	-	-
(Gain)/loss on unrealised foreign exchange	(468)	345	-	-
Dividend income	-	-	(76,570)	(80,400)
Interest expense	3,082	1,716	-	-
Interest income	(3,134)	(1,838)	(65)	(254)
Operating profit/(loss) before working capital changes	163,191	224,623	(855)	(722)
Changes in working capital				
Decrease/(increase) in inventories	63,150	(1,639)	-	-
Decrease/(increase) in receivables	17,609	55,336	(2)	-
Decrease in prepayments	2,936	9,269	-	-
Decrease in contract assets	933	8,086	-	-
(Decrease)/increase in contract liabilities	(4,965)	227	-	-
Increase/(decrease) in payables	19,633	(75,337)	122	4
Total changes in working capital	99,296	(4,058)	120	4
Cash flows generated from/(used in) operations	262,487	220,565	(735)	(718)
Interest paid	(3,082)	(1,716)	-	-
Tax refunded	22	455	1	-
Tax paid	(35,870)	(36,287)	(50)	(52)
Net cash flows generated from/(used in) operating activities	223,557	183,017	(784)	(770)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Investing activities				
Dividend received	-	-	76,570	80,400
Interest received	3,134	1,838	65	254
Purchase of property, plant and equipment	(51,800)	(114,574)	-	-
Placement of other investments	(104,201)	(48,527)	(3,432)	-
Repayment of loan from subsidiaries	-	-	1,445	-
Proceeds from disposals of property, plant and equipment	1,952	4,909	-	-
Net cash flows (used in)/generated from investing activities	(150,915)	(156,354)	74,648	80,654
Financing activities				
Repayment of bank borrowings	(8,720)	(11,548)	-	-
Drawdown of bank borrowings	5,000	72,218	-	-
Payment of principal portion of lease liabilities	(4,646)	(4,977)	-	-
Dividend paid	(70,306)	(86,711)	(70,306)	(86,711)
Net cash flows used in financing activities	(78,672)	(31,018)	(70,306)	(86,711)
Net (decrease)/increase in cash and cash equivalents	(6,030)	(4,355)	3,558	(6,827)
Effects of foreign exchange rate changes	187	2	-	-
Cash and cash equivalents at 1 April	46,907	51,260	111	6,938
Cash and cash equivalents at 31 March (Note 26)	41,064	46,907	3,669	111

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business is located at No. 421, 4th Miles, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim.

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities and other information relating to the subsidiaries are described in Note 19.

2. BASIS OF PREPARATION

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

The financial statements have been prepared on a historical cost basis, unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000"), except when otherwise indicated.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation

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

Business combinations are accounted for using the acquisition method and by applying the merger method of accounting.

(i) Business combinations using the acquisition method

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elected to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

(ii) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve or deficit. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. All repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital in progress are not depreciated as these assets are not yet available for use.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Factory buildings	50 to 52 years
Renovations	5 to 10 years
Plant, machinery and factory equipment	3 to 10 years
Motor vehicles	7 to 10 years
Other assets	5 to 10 years

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

3.3 Investment Properties

Investment properties is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at historical cost less, net of accumulated depreciation and accumulated impairment losses, if any.

Investment properties are depreciated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Buildings	50 years
-----------	----------

3.4 Leases

(a) Group as lessee

(i) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold lands	50 - 73 years
Buildings	1 - 10 years
Forklift	2 - 5 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.4 Leases (cont'd)

(a) Group as lessee (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of hostel and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.5 Financial instruments

(a) Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss ("FVTPL").

(ii) Subsequent measurement

- Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

- Financial assets at fair value through profit or loss

The Group's and the Company's financial assets at fair value through profit or loss includes cash management funds recorded in other investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.5 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other financial assets including other investment, fixed deposit with a licensed bank and cash and cash equivalents are placed with reputable financial institutions. The Group and the Company consider these counterparties have a low risk of default and a strong capacity to meet contractual cash flows, and are of low credit risk. The impairment provision is determined based on the 12-month ECL.

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Financial liabilities of the Group and the Company are classified, at initial recognition, as financial liabilities at amortised cost.

The Group's and the Company's financial liabilities include trade and other payables, lease liabilities and loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.6 Inventories

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

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Revenue and other income recognition

The following describes the performance obligation in contracts with customers:

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Moulding and modification works

Revenue from moulding and modification works is recognised at a point in time and over time depending on the contractual terms with the customers.

(c) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

(d) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive the payment is established.

(e) Interest income

Interest income recognised on an accrual basis based on effective interest rate.

3.8 Contract balances

(a) Contract assets

A contract asset is initially recognised for revenue earned from moulding and modification works recognised over time as the receipt of consideration is conditional on successful completion of moulding and modification works. Upon completion of moulding and modifications works, the amount recognised as contract assets are reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Note 3.5(a)(iii).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.8 Contract balances (cont'd)

(b) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfer control of the related goods or services to the customer).

3.9 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognised in profit or loss.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences.

4. CHANGES IN ACCOUNTING POLICIES

On 1 April 2023, the Group and the Company adopted the following Standard and Amendments mandatory for annual financial periods beginning on or after 1 January 2023.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Tax	
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
- International Tax Reform - Pillar Two Model Rules	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
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4. CHANGES IN ACCOUNTING POLICIES (cont'd)

The adoption of the above Standard and Amendments did not have material impact on the financial statements of the Group and the Company, except for:

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The Amendments have had an impact on the Group's and the Company's disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

5. STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Standards and Amendments issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards and Amendments, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2024
- Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows & MFRS 7: Financial Instruments: Disclosures - Disclosure of Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates	
- Lack of Exchangeability	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above Standards and Amendments will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

6.1 Judgements made in applying accounting policies

In the process of applying the above accounting policies, management has not made any critical judgements, apart from those involving estimations, which significantly affect the amounts recognised in these financial statements.

6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(b) Taxes

Significant estimation is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

(c) Provision for expected credit losses 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 customer type and rating).

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. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

6.2 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit losses of trade receivables (cont'd)

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 information about the ECLs on the Group's trade receivables is disclosed in Note 23.

(d) Valuation of inventories

In determining the valuation of inventories, management's judgement is required in determining the basis of valuation for finished goods and work-in-progress which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

(e) Provision for slow moving and obsolete inventories

The Group evaluates its inventories to ensure that it is carried at the lower of cost or net realisable value. Provision is made against slow moving and obsolete inventories when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When calculating provision for slow moving and obsolete inventories, management considers the nature and condition of the inventory, as well as applying assumptions in respect of anticipated saleability of finished goods and future usage of raw materials. Further details on the carrying amount of inventories are disclosed in Note 22 to the financial statements.

7. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	76,570	80,400
Rental income	-	11	-	-
Moulding and modification works	25,758	39,179	-	-
Sale of goods	1,826,549	2,475,848	-	-
Total revenue	1,852,307	2,515,038	76,570	80,400

Timing of revenue recognition:

Transferred at a point in time	1,834,042	2,487,118	76,570	80,400
Transferred over time	18,265	27,920	-	-
	1,852,307	2,515,038	76,570	80,400

	Group	
	2024	2023
	RM'000	RM'000
Contract balances		
Contract assets (Note 24)	1,157	2,090
Contract liabilities (Note 28)	(20,064)	(25,029)
Trade receivables (Note 23)	442,117	462,195

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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8. INTEREST INCOME

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- financial assets at amortised cost	1,494	1,074	28	8
- financial assets at fair value through profit or loss	1,640	764	37	246
	3,134	1,838	65	254

Interest income from financial assets at fair value through profit or loss represent interests from cash management fund with licensed financial institutions.

9. OTHER INCOME

	Group	
	2024	2023
	RM'000	RM'000
Fair value gain on financial assets at fair value through profit or loss	3,856	6
Gain on disposals of property, plant and equipment	888	1,397
Gain on derecognition of right-of-use assets	14	6
Gain on unrealised foreign exchange	468	-
Rental income	121	175
Insurance claims	828	258
Sundry income	4,076	8,520
Government subsidies	906	621
Reversal of impairment loss on trade receivables (Note 23(a))	83	-
	11,240	10,983

10. FINANCE COSTS

	Group	
	2024	2023
	RM'000	RM'000
Interest expense on:		
- Bankers' acceptance	1	545
- Overdraft	835	450
- Revolving credits	1,258	415
- Term loan	601	108
- Lease liabilities	387	198
Total finance costs	3,082	1,716

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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11. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- statutory audit:				
- current year	517	463	69	57
- underprovision in respect of prior year	41	58	12	5
- other services	10	10	10	10
Direct operating expenses arising from rental generating investment properties	36	28	-	-
Depreciation of:				
- Right-of-use assets (Note 18)	6,028	6,443	-	-
- Property, plant and equipment (Note 16)	40,044	38,401	-	2
- Investment properties (Note 17)	45	30	-	-
Employee benefits expense (Note 12)	233,998	237,410	80	93
Impairment loss on trade and other receivables (Note 23(a))	44	243	-	-
Inventories written down (Note 22)	1,728	20	-	-
Provision for slow moving and obsolete inventories (Note 22)	398	3,220	-	-
Provision of onerous contract (Note 22)	79	221	-	-
Loss/(gain) on foreign exchange				
- realised	6,322	9,575	-	-
- unrealised	(468)	345	-	-
Non-executive directors' remuneration (Note 13)	325	230	325	230
Property, plant and equipment written off	106	47	-	6
Rental expenses on short-term leases and low value assets	6,383	6,675	-	-

12. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	215,210	217,903	-	-
Defined contribution plan	12,704	12,583	-	-
Other related costs	6,084	6,924	80	93
	233,998	237,410	80	93

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM6,356,000 (2023: RM12,638,000) and RM80,000 (2023: RM93,000) respectively as further disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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13. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Executive:				
Salaries and other emoluments	2,924	4,521	-	-
Fees	80	93	80	93
Bonus	2,361	5,184	-	-
Defined contribution plan	991	1,842	-	-
Total executive directors' remuneration (excluding benefits-in-kind)	6,356	11,640	80	93
Benefits-in-kind	-	998	-	-
Total executive directors' remuneration (including benefits-in-kind) (Note 12)	6,356	12,638	80	93
Non-executive:				
Fees, representing total non-executive directors' remuneration (Note 11)	325	230	325	230
Total directors' remuneration	6,681	12,868	405	323

The number of directors of the Company whose total remuneration during the year categories within the following bands are analysed below:

	Number of Directors	
	2024	2023
Executive directors:		
RM6,000,001 - RM6,500,000	1	1
RM6,500,001 - RM6,550,000	-	1
Non-Executive directors:		
RM10,001 - RM50,000	-	2
RM50,001 - RM100,000	4	3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
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14. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2024 and 2023 are:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income:				
Current income tax				
- Malaysian income tax	27,891	38,339	15	62
- Under/(over)provision in respect of previous years	905	(1,283)	(1)	-
	28,796	37,056	14	62
Deferred tax (Note 32):				
- Origination and reversal of temporary difference	83	1,496	-	-
- Under/(over)provision in respect of previous years	212	(1,886)	-	-
	295	(390)	-	-
Income tax expense recognised in profit or loss	29,091	36,666	14	62

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2024 and 31 March 2023 are as follows:

	2024	2023
Group	RM'000	RM'000
Accounting profit before tax	120,080	177,184
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	28,819	42,524
<u>Adjustments:</u>		
Expenses not deductible for tax purposes	1,461	1,901
Income not subject to tax	(1,233)	(212)
Deferred tax assets recognised on unutilised reinvestment allowances	-	(168)
Utilisation of current year reinvestment allowances	(1,073)	(4,210)
Under/(over)provision of deferred tax in respect of previous years	212	(1,886)
Under/(over)provision of tax expense in respect of previous years	905	(1,283)
Income tax expense recognised in profit or loss	29,091	36,666

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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14. INCOME TAX EXPENSE (cont'd)

Reconciliation between tax expense and accounting profit (cont'd)

Company	2024 RM'000	2023 RM'000
Accounting profit before tax	75,780	79,924
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	18,187	19,182
<u>Adjustments:</u>		
Income not subject to tax	(18,377)	(19,296)
Expenses not deductible for tax purposes	205	176
Underprovision of tax expense in respect of previous years	(1)	-
Income tax expense recognised in profit or loss	14	62

15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

Diluted earnings per share is equal to basic earnings per share as there are no potential dilutive ordinary shares as at 31 March 2024.

	2024	Group 2023
Profit net of tax attributable to equity holders of the Company used in the computation of basic earnings per share (RM'000)	90,989	140,518
Weighted average number of ordinary shares in issue ('000)	1,562,360	1,562,360
Basic earnings per share (sen)	5.82	8.99

NOTES TO THE FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT

Group	* Land and buildings RM'000	Plant, machinery and factory equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	** Other assets RM'000	Total RM'000
Cost						
At 1 April 2022	119,091	360,036	34,323	11,316	27,354	552,120
Additions	6,269	41,324	3,971	58,816	3,730	114,110
Disposals	-	(13,510)	(1,319)	-	-	(14,829)
Written off	-	(1,511)	(455)	-	(72)	(2,038)
Reclassification	-	-	-	(633)	633	-
Transfer from investment properties (Note 17)	591	-	-	-	-	591
At 31 March 2023 and 1 April 2023	125,951	386,339	36,520	69,499	31,645	649,954
Additions	7,952	15,973	633	27,811	1,461	53,830
Disposals	-	(6,425)	(800)	-	(15)	(7,240)
Written off	(5)	(3,905)	-	(106)	(316)	(4,332)
Reclassification	-	711	-	(711)	-	-
Transfer to investment properties (Note 17)	(1,300)	-	-	-	-	(1,300)
At 31 March 2024	132,598	392,693	36,353	96,493	32,775	690,912
Accumulated depreciation						
At 1 April 2022	29,064	193,864	21,928	-	17,301	262,157
Depreciation charge for the year (Note 11)	2,469	30,801	2,718	-	2,413	38,401
Disposals	-	(10,132)	(1,185)	-	-	(11,317)
Written off	-	(1,469)	(450)	-	(72)	(1,991)
Transfer from investment properties (Note 17)	76	-	-	-	-	76
At 31 March 2023 and 1 April 2023	31,609	213,064	23,011	-	19,642	287,326
Depreciation charge for the year (Note 11)	2,545	31,960	2,873	-	2,666	40,044
Disposals	-	(5,428)	(733)	-	(15)	(6,176)
Written off	(5)	(3,950)	-	-	(271)	(4,226)
Transfer to investment properties (Note 17)	(48)	-	-	-	-	(48)
At 31 March 2024	34,101	235,646	25,151	-	22,022	316,920
Net carrying amount						
At 31 March 2023	94,342	173,275	13,509	69,499	12,003	362,628
At 31 March 2024	98,497	157,047	11,202	96,493	10,753	373,992

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

** Other assets comprise office equipment, furniture, fittings and office renovation.

* The details of the land and buildings are as follows:

Group	Freehold land RM'000	Factory buildings RM'000	Building work in progress RM'000	Total RM'000
Cost				
At 1 April 2022	2,668	112,474	3,949	119,091
Additions	-	3,709	2,560	6,269
Reclassification	-	6,509	(6,509)	-
Transfer from investment properties (Note 17)	-	591	-	591
At 31 March 2023 and 1 April 2023	2,668	123,283	-	125,951
Additions	-	1,085	6,867	7,952
Written off	-	(5)	-	(5)
Transfer to investment properties (Note 17)	-	(1,300)	-	(1,300)
At 31 March 2024	2,668	123,063	6,867	132,598
Accumulated depreciation				
At 1 April 2022	-	29,064	-	29,064
Depreciation charge for the year	-	2,469	-	2,469
Transfer from investment properties (Note 17)	-	76	-	76
At 31 March 2023 and 1 April 2023	-	31,609	-	31,609
Depreciation charge for the year	-	2,545	-	2,545
Written off	-	(5)	-	(5)
Transfer to investment properties (Note 17)	-	(48)	-	(48)
At 31 March 2024	-	34,101	-	34,101
Net carrying amount				
At 31 March 2023	2,668	91,674	-	94,342
At 31 March 2024	2,668	88,962	6,867	98,497

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
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16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Cost			
At 1 April 2022	100	21	121
Written off	(100)	-	(100)
At 31 March 2023, 1 April 2023 and 31 March 2024	-	21	21
Accumulated depreciation			
At 1 April 2022	92	21	113
Depreciation charge for the year (Note 11)	2	-	2
Written off	(94)	-	(94)
At 31 March 2023, 1 April 2023 and 31 March 2024	-	21	21
Net carrying amount			
At 31 March 2023	-	-	-
At 31 March 2024	-	-	-

Additions during the year

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM53,830,000 (2023: RM114,110,000) by means of:

	Group	
	2024 RM'000	2023 RM'000
Additions during the financial year	53,830	114,110
Utilisation of deposits paid to suppliers of property, plant and equipment	(3,974)	(2,660)
Decrease/(increase) in amount due to suppliers of property, plant and equipment	212	(1,220)
Net prepayments made to suppliers of property, plant and equipment	1,732	4,344
Total cash outflows on acquisition of property, plant and equipment	51,800	114,574

Assets held in trust

Motor vehicles with net carrying amount of RM4,904,000 (2023: RM6,258,000) are registered in the name of directors of the Company and directors of the Company's subsidiaries. These motor vehicles are held in trust on behalf of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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17. INVESTMENT PROPERTIES

Group	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 April 2022	310	3,009	3,319
Transfer to property, plant and equipment (Note 16)	-	(591)	(591)
Transfer to right-of-use assets (Note 18)	(310)	-	(310)
At 31 March 2023 and 1 April 2023	-	2,418	2,418
Transfer from property, plant and equipment (Note 16)	-	1,300	1,300
At 31 March 2024	-	3,718	3,718
Accumulated depreciation			
At 1 April 2022	37	397	434
Depreciation charge for the year (Note 11)	-	30	30
Transfer to property, plant and equipment (Note 16)	-	(76)	(76)
Transfer to right-of-use assets (Note 18)	(37)	-	(37)
At 31 March 2023 and 1 April 2023	-	351	351
Depreciation charge for the year (Note 11)	-	45	45
Transfer to property, plant and equipment (Note 16)	-	48	48
At 31 March 2024	-	444	444
Net carrying amount			
At 31 March 2023	-	2,067	2,067
At 31 March 2024	-	3,274	3,274
Fair value			
At 31 March 2023	-	2,420	2,420
At 31 March 2024	-	3,720	3,720

The fair values of the investment properties were determined by independent professional valuers using the comparison and income method. The comparison method involves comparing and adopting recent transactions as a yardstick as well as using sales evidence involving other similar properties in the vicinity. The Group has assessed that the highest and best use of its properties does not differ from their current use. The income method involves making reference to estimated market rental values and equivalent yields.

The fair value of the investment properties was determined based on Level 2 and Level 3 valuation techniques of the fair value hierarchy, as disclosed in Note 39(b).

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
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18. RIGHT-OF-USE ASSETS

Group	Leasehold lands RM'000	Buildings RM'000	Forklift RM'000	Total RM'000
Cost				
At 1 April 2022	69,133	11,578	1,416	82,127
Additions (Note 30)	-	4,913	183	5,096
Transfer from investment properties (Note 17)	310	-	-	310
Derecognition	-	(1,581)	-	(1,581)
At 31 March 2023 and 1 April 2023	69,443	14,910	1,599	85,952
Additions (Note 30)	-	22,319	371	22,690
Derecognition	-	(2,586)	(73)	(2,659)
Lease modification (Note 30)	-	1,338	-	1,338
At 31 March 2024	69,443	35,981	1,897	107,321
Accumulated depreciation				
At 1 April 2022	6,959	4,888	389	12,236
Depreciation charge for the year (Note 11)	1,338	4,735	370	6,443
Transfer from investment properties (Note 17)	37	-	-	37
Derecognition	-	(1,015)	-	(1,015)
At 31 March 2023 and 1 April 2023	8,334	8,608	759	17,701
Depreciation charge for the year (Note 11)	1,322	4,279	427	6,028
Derecognition	-	(1,275)	(73)	(1,348)
At 31 March 2024	9,656	11,612	1,113	22,381
Net carrying amount				
At 31 March 2023	61,109	6,302	840	68,251
At 31 March 2024	59,787	24,369	784	84,940

19. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	307,914	307,914

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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19. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Details of the Company's subsidiaries are as follows:

	Country of incorporation/ Principal place of business	Principal activities	% of ownership interest held by the Group	
Name			2024	2023
<i>Held by the Company</i>				
Syarikat Sin Kwang Plastic Industries Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%
Goodhart Industries Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%
Goodhart Land Sdn. Bhd.	Malaysia	Letting of property and property holding	100%	100%
S.P.I. Plastic Industries (M) Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%
Plastictecnic (M) Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%
Bangi Plastics Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%
Sun Tong Seng Mould-Tech Sdn. Bhd.	Malaysia	Manufacture, fabrication and sales of moulds	100%	100%
Goodhart Premier Sdn. Bhd.	Malaysia	Investment holding	100%	100%
Goodhart World Sdn. Bhd.	Malaysia	Investment holding	100%	100%
SKP BM Electronics Sdn. Bhd.	Malaysia	Manufacturing of electronic integrated circuits micro assemblies, consumer electronics and printed circuit boards	100%*	100%*
<i>Held through S.P.I. Plastic Industries (M) Sdn. Bhd.</i>				
Tan Brothers Business Machines (Segamat) Sdn. Bhd.	Malaysia	Investment holding	100%	100%
Sun Sparkle Sdn. Bhd.	Malaysia	Investment holding	100%	100%
<i>Held through Plastictecnic (M) Sdn. Bhd.</i>				
Tecnicware Products Sdn. Bhd.	Malaysia	Manufacturing of plastic products	100%	100%

* 65% held by the Company, 26.6% held through Goodhart Premier Sdn. Bhd. and 8.4% held through Goodhart World Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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20. OTHER INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
<i>Financial asset carried at amortised cost</i>				
Fixed deposits with licensed banks	-	139	-	-
Current				
<i>Fair value through profit or loss</i>				
Investment in Malaysia:				
- Cash management fund	178,125	70,068	3,432	-
<i>Financial asset carried at amortised cost</i>				
Fixed deposits with licensed banks	31	31	-	-
	178,156	70,099	3,432	-
Total other investments	178,156	70,238	3,432	-

Investment in cash management fund are placed with licensed investment banks and asset management companies in Malaysia which are highly liquid and not readily convertible to known amounts of cash.

Financial asset carried at amortised cost consist of deposits with licensed financial institutions with maturity period of more than three months. The weighted average effective interest rate of fixed deposits with licensed banks of the Group at the reporting date was 2.35% (2023: 2.13%) per annum.

21. OTHER NON-CURRENT ASSET

	Group	
	2024	2023
	RM'000	RM'000
Golf club membership	74	74

22. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
Raw materials	105,377	182,393
Work-in-progress	7,909	9,432
Finished goods	74,195	61,011
Total inventories at the lower of cost and net realisable value	187,481	252,836

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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22. INVENTORIES (cont'd)

During the financial year, the following amounts were recognised as an expense in:

	Group	
	2024	2023
	RM'000	RM'000
Cost of sales of the Group:		
- amount of inventories recognised as expense	1,607,124	2,191,916
- provision for slow moving and obsolete inventories (Note 11)	398	3,220
- provision for onerous contract (Note 11)	79	221
- inventories written down (Note 11)	1,728	20

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	442,561	462,838	-	-
Less: Allowance for impairment	(444)	(643)	-	-
Trade receivable, net (Note 7)	442,117	462,195	-	-
Other receivables				
Sundry receivables	3,657	2,483	2	-
Amounts due from subsidiaries	-	-	-	1,445
Deposits paid to suppliers of property, plant and equipment	1,025	4,999	-	-
Advances	1,773	473	-	-
Sundry deposits	4,908	4,875	1	1
	11,363	12,830	3	1,446
Total trade and other receivables	453,480	475,025	3	1,446
Add: Fixed deposits with licensed banks (Note 20)	31	170	-	-
Add: Cash and bank balances (Note 26)	41,203	46,907	3,669	111
Total financial asset carried at amortised cost	494,714	522,102	3,672	1,557

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

23. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

The receivables are non-interest bearing and are generally on 30 to 135 days (2023: 30 to 135 days) terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Ageing analysis of trade receivables

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

	Group	
	2024	2023
	RM'000	RM'000
Neither past due nor impaired	307,779	304,127
1 to 30 days past due not impaired	131,417	154,075
31 to 60 days past due not impaired	1,321	2,464
More than 61 days past due not impaired	1,600	1,529
	134,338	158,068
Impaired	444	643
	442,561	462,838

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM134,338,000 (2023: RM158,068,000) that are past due at the reporting date but not impaired. The directors are of the opinion that the receivables are collectible in view of long term business relationships with the customers. These receivables are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for ECL used to record the impairment are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Receivables - nominal amounts	444	643
Less: Allowance for impairment	(444)	(643)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

23. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired (cont'd)

Movement in allowance accounts:

	Group	
	2024	2023
	RM'000	RM'000
At 1 April	643	400
Charge for the year (Note 11)	44	243
Written off	(160)	-
Reversal (Note 9)	(83)	-
At 31 March	444	643

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

In previous financial year, the amounts due from subsidiaries was unsecured, interest free and repayable on demand. These amounts have been fully repaid during the current financial year.

24. CONTRACT ASSETS

	Group	
	2024	2023
	RM'000	RM'000
Progress completion in respect of revenue derived from moulding and modification works recognised over time (Note 7)	1,157	2,090

25. PREPAYMENTS

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Prepayments for purchase of property, plant and machinery	6,076	4,344
Current		
Prepaid operating expenses	6,146	9,082
Total prepayments	12,222	13,426

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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26. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	41,064	46,907	3,669	111
Fixed deposit with a licensed bank	139	-	-	-
Total cash and bank balances (Note 23)	41,203	46,907	3,669	111
Less: Fixed deposit with maturity exceeding 90 days	(139)	-	-	-
Cash and cash equivalents	41,064	46,907	3,669	111

Cash at banks earns interest at floating rates based on daily bank deposit rates. Included in cash at banks amounting to RM2,033,000 (2023: RM Nil) is share buy back account designated for the purpose of share buy back.

Fixed deposit with a licensed bank amounting to RM139,000 (2023: Nil) is pledged to a bank as security for short term banking facilities with maturity period of twelve months. The weighted average effective interest rate of fixed deposit of the Company at the reporting date was 3.05% (2023: 2.10%).

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	284,296	270,687	-	-
Other payables				
Due to suppliers of property, plant and equipment	132	344	-	-
Sundry payables	27,692	26,256	37	-
Deposits received	44	14	-	-
Accrued operating expenses	10,921	6,872	152	67
Sales tax payables	76	141	-	-
Retention sum payable	962	221	-	-
	39,827	33,848	189	67
Total trade and other payables (current)	324,123	304,535	189	67
Non-current				
Other payables				
Retention sum payable	346	222	-	-
Total trade and other payables	324,469	304,757	189	67
Add: Loans and borrowings (Note 29)	56,950	60,670	-	-
Total trade and other payables, representing financial liabilities carried at amortised cost	381,419	365,427	189	67

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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27. TRADE AND OTHER PAYABLES (cont'd)

(a) Trade payables

Trade payables are non-interest bearing and normally settled on 30 to 120 days (2023: 30 to 120 days) terms.

(b) Other payables

Other payables are non-interest bearing and normally settled on 30 to 90 days (2023: 30 to 90 days) terms.

(c) Retention sum payable (current and non-current)

For current portion of retention sum payable, the amount is due upon issuance of Certificate of Completion and Compliance ("CCC"). The residue of retention sum payable is due 12 months after the issuance of CCC.

28. CONTRACT LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
Variable considerations in respect of:		
- Price variances payable to customer*	10,561	16,994
- Sales return*	6,440	2,599
- Forex difference payable to customer*	501	5,098
- Significant financing component*	2,468	-
	19,970	24,691
Advances billing in respect of revenue derived from moulding and modification works recognised at point in time	94	338
Total contract liabilities (Note 7)	20,064	25,029

* The Group applies the most likely amount method to estimate the variable considerations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

29. LOANS AND BORROWINGS

		Group	
	Note	2024 RM'000	2023 RM'000
Current			
Unsecured:			
Revolving credits		45,000	45,000
Bankers' acceptance		-	720
Secured:			
Term loan	(a)	3,000	3,000
		48,000	48,720
Non-current			
Secured:			
Term loan	(a)	8,950	11,950
Total borrowings		56,950	60,670

The remaining maturity of the borrowings as at reporting dates is as follows:

	Group	
	2024 RM'000	2023 RM'000
On demand or within one year	48,000	48,720
One to five years	8,950	11,950
	56,950	60,670

(a) Term loan

Term loan of the Group was secured by corporate guarantee from the Company.

The borrowings bear interest at the follow rates:

	Group	
	2024 %	2023 %
Revolving credits	4.29 - 4.48	4.00 - 5.14
Bankers' acceptance	-	3.36
Term loan	4.52	4.16

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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29. LOANS AND BORROWINGS (cont'd)

(a) Term loan (cont'd)

Term loan of the Group was secured by corporate guarantee from the Company. (cont'd)

Movement in loans and borrowings was as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 April	60,670	-
Drawdown:		
- bankers' acceptance	-	6,518
- revolving credits	5,000	50,000
- term loan	-	15,700
	5,000	72,218
Repayment:		
- bankers' acceptance	(720)	(5,798)
- revolving credits	(5,000)	(5,000)
- term loan	(3,000)	(750)
	(8,720)	(11,548)
At 31 March	56,950	60,670

30. LEASE LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
Current liability		
Lease liabilities	9,078	5,100
Non-current liability		
Lease liabilities	16,264	2,185
Total lease liabilities	25,342	7,285

The movement of lease liabilities during the financial year is as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 April	7,285	7,738
Accretion of interest	387	198
Additions (Note 18)	22,690	5,096
Derecognition	(1,325)	(572)
Lease modification (Note 18)	1,338	-
Payments		
- principal	(4,646)	(4,977)
- interest	(387)	(198)
At 31 March	25,342	7,285

NOTES TO THE FINANCIAL STATEMENTS

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31. PROVISIONS

	At 1 April 2023 RM'000	Provision made RM'000	Utilised RM'000	Reversal RM'000	At 31 March 2024 RM'000
Group					
Bonus	3,608	12,236	(10,044)	(2,496)	3,304
Unutilised annual leave	2,058	196	(167)	(116)	1,971
Transportation charges	1,770	1,730	(1,770)	-	1,730
Others	244	169	(25)	(286)	102
Total	7,680	14,331	(12,006)	(2,898)	7,107

	At 1 April 2022 RM'000	Provision made RM'000	Utilised RM'000	Reversal RM'000	At 31 March 2023 RM'000
Group					
Bonus	3,903	13,614	(12,157)	(1,752)	3,608
Unutilised annual leave	2,090	183	(177)	(38)	2,058
Transportation charges	4,195	1,770	(3,620)	(575)	1,770
Others	199	244	(199)	-	244
Total	10,387	15,811	(16,153)	(2,365)	7,680

32. DEFERRED TAX

	Group	
	2024 RM'000	2023 RM'000
At 1 April	17,137	17,527
Recognised in profit or loss (Note 14)	295	(390)
At 31 March	17,432	17,137
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	17,432	17,137
Deferred tax assets	-	-
	17,432	17,137

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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32. DEFERRED TAX (cont'd)

The components and movements of deferred tax liabilities and deferred tax assets during the financial year are as follows:

	At 1 April 2023 RM'000	Recognised in profit or loss (Note 14) RM'000	At 31 March 2024 RM'000
Deferred tax liabilities of the Group:			
Subject to income tax rate:			
Accelerated capital allowances	37,396	(2,367)	35,029
	37,396	(2,367)	35,029
Offsetting	(20,259)	2,662	(17,597)
	17,137	295	17,432

Deferred tax assets of the Group:

Subject to income tax rate:			
Unutilised business losses	(1,489)	215	(1,274)
Unabsorbed capital allowances	(1,909)	823	(1,086)
Unutilised reinvestment allowances	(3,469)	378	(3,091)
Other deductible temporary differences	(13,392)	1,246	(12,146)
	(20,259)	2,662	(17,597)
Offsetting	20,259	(2,662)	17,597
	-	-	-
	17,137	295	17,432

	At 1 April 2022 RM'000	Recognised in profit or loss (Note 14) RM'000	At 31 March 2023 RM'000
Deferred tax liabilities of the Group:			
Subject to income tax rate:			
Accelerated capital allowances	32,719	4,677	37,396
	32,719	4,677	37,396
Offsetting	(15,192)	(5,067)	(20,259)
	17,527	(390)	17,137

Deferred tax assets of the Group:

Subject to income tax rate:			
Unutilised business losses	(1,265)	(224)	(1,489)
Unabsorbed capital allowances	(322)	(1,587)	(1,909)
Unutilised reinvestment allowances	(2,503)	(966)	(3,469)
Other deductible temporary differences	(11,102)	(2,290)	(13,392)
	(15,192)	(5,067)	(20,259)
Offsetting	15,192	5,067	20,259
	-	-	-
	17,527	(390)	17,137

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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32. DEFERRED TAX (cont'd)

At reporting date, the Group has unutilised business losses, unabsorbed capital allowances, unabsorbed reinvestment allowances that are available for offset against future taxable profits of the Group subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. Details are as below.

	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	4,526	7,956
Unutilised business losses, expires in year 2029	313	1,210
Unutilised business losses, expires in year 2030	4,997	4,997
Unabsorbed reinvestment allowances, expires in year 2031	9,135	10,025
Unabsorbed reinvestment allowances, expires in year 2043	3,744	4,420

The unutilised business losses are allowed to be carried forward for a maximum period of 10 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised business losses thereafter shall be disregarded.

The unabsorbed reinvestment allowances can only be carried forward to be absorbed for a maximum period of 7 consecutive years of assessment after the expiry of the qualifying period for reinvestment allowances.

33. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Group and Company				
Issued and fully paid	1,562,735	1,562,735	296,126	296,126

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

There were no new ordinary shares issued during the financial year. The ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

(i) Warrants 2021/2026

On 4 May 2021, the Company issued 249,977,463 free warrants ("Warrants B") on the basis of one (1) Warrant B for every five (5) existing ordinary shares. Each warrant will entitle its registered holder during the exercise period to subscribe for one new ordinary share at the exercise price, which has been fixed at RM3.00 per share. The warrants may be exercised at any time before the end of the tenure of the Warrants on 25 April 2026.

No warrants have been exercised during the financial year and the number of unexercised warrants at the end of the financial year is 249,977,463 (2023: 249,977,463).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

33. SHARE CAPITAL AND TREASURY SHARES (cont'd)

(b) Treasury shares

	Number of treasury shares		2024 RM'000	2023 RM'000
	2024 '000	2023 '000		
Treasury shares	375	375	208	208

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

34. MERGER DEFICIT

The merger deficit relating to the business combination involving entities under common control is accounted for by applying the pooling of interest method. The difference between the consideration paid and the share capital and reserves of the subsidiaries acquired is reflected as a merger deficit.

35. RETAINED EARNINGS

The Company can distribute dividends out of its entire retained earnings as at 31 March 2024 under the single-tier system.

36. DIVIDEND

	Group and Company	
	2024 RM'000	2023 RM'000
Recognised during the financial year		
Dividend on ordinary shares:		
- Final single-tier dividend for 2022: 5.55 sen per share	-	86,711
- Final single-tier dividend for 2023: 4.50 sen per share	70,306	-
	70,306	86,711

On 26 July 2024, the directors have approved a final single-tier dividend in respect of the financial year ended 31 March 2024 amounting to a dividend payable of approximately RM45,621,000 (2.92 sen per ordinary share for 1,562,360,337 shares which excluded 375,000 treasury shares), payable on 24 October 2024. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

37. RELATED PARTY DISCLOSURES

(a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

The related party with which the Group has had transactions during the financial year are as follows:

	2024 RM'000	2023 RM'000
Group		
Transactions with related parties:		
Rental expense to spouse of a former director (i)	60	60
Rental expense to a company controlled by certain directors of the Group	1,572	1,680
Company		
Gross dividend income from subsidiaries	(76,570)	(80,400)
Repayment of loan from subsidiaries	1,445	-

(i) Deceased in prior year and the beneficiary interest is transferred to an executor of the estate who is a director of the Company.

(b) Compensation of key management personnel

Key management personnel ("KMP") are persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The remuneration of directors, representing the sole members of key management during the year were as disclosed in Note 13.

38. COMMITMENTS

(a) Capital commitments

Authorised capital expenditures not provided for in the financial statement are as follows:

	Group	
	2024 RM'000	2023 RM'000
Property, plant and equipment:		
Approved and contracted for	10,235	23,471
Approved but not contracted for	-	2,600
	10,235	26,071

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

39. FAIR VALUE

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Other investments (current and non-current)	20
Trade and other receivables	23
Cash and bank balances	26
Trade and other payables	27
Loans and borrowings	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(b) Fair value hierarchy

As at reporting date, the Group and the Company held the following assets that are measured or information is disclosed at fair value:

	Group Fair value measurement using			
	Quoted prices in active market Level 1 RM'000	Significant observable inputs Level 2 RM'000	Significant unobservable inputs Level 3 RM'000	Total RM'000
At 31 March 2024				
Assets measured at fair value:				
Investment in cash management fund	-	178,125	-	178,125
Assets for which fair value information is disclosed:				
Investment properties	-	820	2,900	3,720
At 31 March 2023				
Assets measured at fair value:				
Investment in cash management fund	-	70,068	-	70,068
Assets for which fair value information is disclosed:				
Investment properties	-	820	1,600	2,420

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

39. FAIR VALUE (cont'd)

(b) Fair value hierarchy (cont'd)

	Company			Total
	Fair value measurement using			
	Quoted prices in active market Level 1 RM'000	Significant observable inputs Level 2 RM'000	Significant unobservable inputs Level 3 RM'000	
At 31 March 2024				
Assets measured at fair value:				
Investment in cash management fund	-	3,432	-	3,432

The Company does not have any assets measured at fair value as at 31 March 2023.

The Group and the Company classify fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

No transfers between any levels of the fair value hierarchy took place during the reporting period. There was also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Corporate guarantees

As at 31 March 2024, the Company has corporate guarantees with a nominal amount of RM352,875,000 (2023: RM351,783,000) provided to licensed banks in respect of secured banking facilities granted to certain subsidiaries. As at 31 March 2024 and 31 March 2023, the Company has not recognised any financial liability relating to corporate guarantees given to subsidiaries as the subsidiaries did not default on any credit facilities.

As at 31 March 2024, the Company has corporate guarantees with a nominal amount of RM4,000,000 (2023: RM4,000,000) provided to a supplier as security for purchases of goods by a subsidiary. As at 31 March 2024 and 31 March 2023, the Company has not recognised any financial liability relating to the corporate guarantees given to the subsidiary as the subsidiary did not default on any payment to the supplier.

Credit risk concentration profile

At the reporting date, the Group has significant concentration of credit risk that may arise from 1 (2023: 1) customer who accounted for 76% (2023: 83%) of total trade receivables. The directors believe that this will not create significant credit risk for the Group in view of the length of relationship with this customer and the Group works closely with the customer to provide customer satisfaction through timely delivery and the provision of high quality products and services at competitive cost.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23(a).

Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
At 31 March 2024			
Financial liabilities:			
Trade and other payables	324,123	346	324,469
Lease liabilities	10,480	17,791	28,271
Loans and borrowings	48,567	9,571	58,138
Total undiscounted financial liabilities	383,170	27,708	410,878
At 31 March 2023			
Financial liabilities:			
Trade and other payables	304,535	222	304,757
Lease liabilities	5,244	2,265	7,509
Loans and borrowings	49,396	12,962	62,358
Total undiscounted financial liabilities	359,175	15,449	374,624
	On demand or within one year		
	2024	2023	
	RM'000	RM'000	
Company			
Financial liability:			
Trade and other payables, representing total financial liability	189	67	

cont'd

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily respective through sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollars (“USD”), Singapore Dollars (“SGD”), Japanese Yen (“JPY”), Great Britain Pound (“GBP”), Euro (“EUR”), Thailand Baht (“THB”) and Chinese Renminbi (“RMB”). Such transactions are kept to an acceptable level.

	Net financial assets/ (liabilities) held in non-functional currencies	
	2024	2023
Group	RM'000	RM'000
USD	(97,665)	(63,471)
SGD	4,077	964
JPY	(305)	(1,207)
GBP	-	(5)
EUR	(332)	(1,347)
THB	(6)	(15)
RMB	(9,523)	(4,731)
	(103,754)	(69,812)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, SGD, JPY, GBP, EUR, THB and RMB exchange rates at the reporting date against the functional currency of the Group, assuming all other variables held constant.

Group	(Decrease)/increase in profit before tax	
	2024 RM'000	2023 RM'000
USD strengthened by 10%	(9,767)	(6,347)
USD weakened by 10%	9,767	6,347
SGD strengthened by 10%	408	96
SGD weakened by 10%	(408)	(96)
JPY strengthened by 10%	(31)	(121)
JPY weakened by 10%	31	121
GBP strengthened by 10%	-	(1)
GBP weakened by 10%	-	1
EUR strengthened by 10%	(33)	(135)
EUR weakened by 10%	33	135
THB strengthened by 10%	(1)	(2)
THB weakened by 10%	1	2
RMB strengthened by 10%	(952)	(473)
RMB weakened by 10%	952	473

41. CAPITAL MANAGEMENT

The main objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business operations and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the years ended 31 March 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

cont'd

41. CAPITAL MANAGEMENT (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, trade and other payables and loans and borrowings, less cash and bank balances and other investments. Capital includes equity attributable to equity holders of the Company.

	Note	Group	
		2024	2023
		RM'000	RM'000
Trade and other payables	27	324,469	304,757
Loans and borrowings	29	56,950	60,670
		381,419	365,427
Less: Other investments	20	(178,156)	(70,238)
Cash and bank balances	26	(41,203)	(46,907)
Net debt		162,060	248,282
Equity attributable to equity holders of the Company, representing total capital		889,004	868,321
Capital and net debt		1,051,064	1,116,603
Gearing ratio		15%	22%

42. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

The Group has identified sale of goods as the sole reportable operating segment.

Information on a major customer

Revenue from 1 major customer amounted to RM1,290,527,000 (2023: RM1,953,284,000), arising from sales of plastic products segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024
cont'd

42. SEGMENT INFORMATION (cont'd)

Geographical Segmental Information

The Group principally operates in Malaysia and sells its good in Malaysia. Geographically, the main business segments of the Group are concentrated in Malaysia and the Group deals with mainly local customers. Accordingly, no separate geographical segment information is presented.

	Sales of goods RM'000	Other segments RM'000	Total RM'000
2024			
Revenue			
External revenue	1,826,549	25,758	1,852,307
Expenses			
Amount of inventories recognised as expense	(1,594,391)	(12,733)	(1,607,124)
Depreciation and amortisation	(44,209)	(1,908)	(46,117)
Employee benefits expenses	(225,002)	(8,996)	(233,998)
Segment profit	117,456	2,624	120,080
Segment assets	1,301,034	39,334	1,340,368
Segment liabilities	447,994	3,370	451,364
2023			
Revenue			
External revenue	2,475,848	39,190	2,515,038
Expenses			
Amount of inventories recognised as expense	(2,168,377)	(23,539)	(2,191,916)
Depreciation and amortisation	(42,899)	(1,975)	(44,874)
Employee benefits expenses	(227,966)	(9,444)	(237,410)
Segment profit	167,397	9,787	177,184
Segment assets	1,249,337	44,205	1,293,542
Segment liabilities	418,711	6,510	425,221

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 26 July 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 JULY 2024

SHARE CAPITAL

Total Number of Issued Shares	:	1,562,735,337 ordinary shares (including 375,000 treasury shares)
Class of securities	:	Ordinary shares
Voting Rights	:	One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	Number of Shareholders	%	Number of Shares Held	%
Less than 100	794	9.54	35,470	0.00
100 – 1,000	755	9.07	424,406	0.03
1,001 – 10,000	3,958	47.53	18,823,618	1.20
10,001 – 100,000	2,271	27.27	69,930,335	4.48
100,001 to less than 5% of issued shares	545	6.55	949,105,123	60.75
5% and above of issued shares	4	0.04	524,041,385	33.54
Total	8,327	100.00	1,562,360,337	100.00

DIRECTORS' SHAREHOLDINGS

as per Register of Directors' Shareholdings as at 1 July 2024

No.	Name	Direct interest		Indirect interest	
		No. of Shares	(2)%	No. of Shares	(2)%
1.	Tan Sri Datuk Hussin Bin Haji Ismail	0	0.00	0	0.00
2.	Gan Poh San	78,637,600	5.03	⁽¹⁾ 255,569,474	16.36
3.	Koh Chin Koon	0	0.00	0	0.00
4.	Anita Chew Cheng Im	0	0.00	0	0.00
5.	Goh Kah Im	0	0.00	0	0.00

Notes:

- Deemed interested in the shares held by Beyond Imagination Sdn. Bhd. and Zenith Highlight Sdn. Bhd., in accordance with Section 8 of the Companies Act 2016 ("**the Act**").
- Excluding a total of 375,000 ordinary shares bought-back by the Company and retained as treasury shares as at 1 July 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 JULY 2024
cont'd

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

as per Register of Substantial Shareholders' Shareholdings as at 1 July 2024

Name	Direct	⁽³⁾ %	Indirect	⁽³⁾ %
Beyond Imagination Sdn Bhd	225,302,550	14.42	-	-
Kumpulan Wang Persaraan (Diperbadankan)	95,216,500	6.09	47,643,175	3.05
Employees Provident Fund Board	149,865,625	9.59	-	-
Dato' Gan Kim Huat (Deceased)	70,856,647	4.54	⁽¹⁾ 557,635,949	35.69
Gan Poh San	78,637,600	5.03	⁽²⁾ 255,569,474	16.36
Renown Million Sdn. Bhd.	127,212,435	8.14	-	-
Graceful Assessment Sdn. Bhd.	94,337,375	6.04	-	-
abrdn Malaysia Sdn. Bhd.	-	-	⁽⁴⁾ 83,934,750	5.37
abrdn plc	-	-	⁽⁴⁾ 83,934,750	5.37
abrdn Holdings Limited	-	-	⁽⁴⁾ 83,934,750	5.37

Notes:

1. Deemed interested in the shares held by Renown Million Sdn. Bhd., Beyond Imagination Sdn. Bhd., Graceful Assessment Sdn. Bhd. and Zenith Highlight Sdn. Bhd., pursuant to Section 8 of the Act and shares held by his spouse and children pursuant to Section 59(11)(c) of the Act.
2. Deemed interested in the shares held by Beyond Imagination Sdn. Bhd. and Zenith Highlight Sdn. Bhd., in accordance with Section 8 of the Act.
3. Excluding a total of 375,000 ordinary shares bought-back by the Company and retained as treasury shares as at 1 July 2024.
4. Deemed interest by virtue of its shareholdings in its subsidiaries pursuant to section 8(4) of the Act.

THIRTY (30) LARGEST SHAREHOLDERS

As per Record of Depositors as at 1 July 2024

No.	Name of Shareholders	No. of Shares Held	%
1	Beyond Imagination Sdn. Bhd.	225,302,550	14.42
2	Renown Million Sdn. Bhd.	127,212,435	8.14
3	Kumpulan Wang Persaraan (Diperbadankan)	92,888,800	5.95
4	Gan Poh San	78,637,600	5.03
5	Dato' Gan Kim Huat (Deceased)	69,856,647	4.47
6	Lembaga Tabung Haji	65,675,625	4.20
7	Graceful Assessment Sdn. Bhd.	51,551,000	3.30
8	Graceful Assessment Sdn. Bhd.	42,786,375	2.74
9	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt an for Citibank New York (Norges Bank 19)</i>	35,998,000	2.30
10	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Asianislamic)</i>	32,615,025	2.09
11	AmanahRaya Trustees Berhad <i>Public Islamic Opportunities Fund</i>	27,941,375	1.79
12	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)</i>	26,941,100	1.72

ANALYSIS OF SHAREHOLDINGS

AS AT 1 JULY 2024

cont'd

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

As per Record of Depositors as at 1 July 2024

No.	Name of Shareholders	No. of Shares Held	%
13	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberdeen)</i>	25,440,375	1.63
14	Zenith Highlight Sdn. Bhd.	18,732,442	1.20
15	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	17,116,545	1.10
16	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberislamic)</i>	14,477,750	0.93
17	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Nomura)</i>	13,852,375	0.89
18	AmanahRaya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	13,771,250	0.88
19	Zenith Highlight Sdn. Bhd.	11,534,482	0.74
20	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (F Templeton)</i>	11,096,900	0.71
21	AmanahRaya Trustees Berhad <i>Public Islamic Treasures Growth Fund</i>	11,010,625	0.71
22	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (BNP Najmah EQ)</i>	10,504,950	0.67
23	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	10,326,534	0.66
24	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for AHAM Aiman Growth Fund</i>	10,141,225	0.65
25	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)</i>	9,576,625	0.61
26	Amanah Raya Berhad <i>Kumpulan Wang Bersama</i>	9,474,000	0.61
27	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (Aberdeen 2)</i>	9,464,125	0.61
28	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund</i>	8,978,000	0.58
29	Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund (IFM KAF) (446190)</i>	8,122,100	0.52
30	Universal Trustee (Malaysia) Berhad <i>KAF Core Income Fund</i>	7,885,300	0.51

ANALYSIS OF WARRANT B HOLDINGS

AS AT 1 JULY 2024

WARRANTS B

Number of Outstanding Issued : 249,977,463 Warrants B (2021/2026)
 Number of Warrant Holders : 5,363

DISTRIBUTION OF WARRANTS HOLDINGS

Size of Warrants Holdings	Number of Warrants Holders	%	Number of Warrants Held	%
Less than 100	624	11.63	20,769	0.01
100 – 1,000	1,871	34.89	888,900	0.36
1,001 – 10,000	1,633	30.45	6,180,542	2.47
10,001 – 100,000	950	17.71	37,538,723	15.02
100,001 to less than 5% of issued shares	282	5.26	136,447,252	54.58
5% and above of issued shares	3	0.06	68,901,277	27.56
Total	5,363	100.00	249,977,463	100.00

DIRECTORS' WARRANTS HOLDINGS

as per Register of Directors' Warrant Holdings as at 1 July 2024

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1.	Tan Sri Datuk Hussin Bin Haji Ismail	0	0.00	0	0.00
2.	Gan Poh San	12,498,880	5.00	⁽¹⁾ 40,891,115	16.36
3.	Koh Chin Koon	0	0.00	0	0.00
4.	Anita Chew Cheng Im	0	0.00	0	0.00
5.	Goh Kah Im	0	0.00	0	0.00

Notes:

- Deemed interested in the shares held by Beyond Imagination Sdn. Bhd. and Zenith Highlight Sdn. Bhd., in accordance with Section 8 of the Act.

THIRTY (30) LARGEST WARRANT HOLDERS

As per Record of Depositors as at 1 July 2024

No.	Name of Warrants Holders	No. of Warrants Held	%
1	Beyond Imagination Sdn. Bhd.	36,048,408	14.42
2	Renown Million Sdn. Bhd.	20,353,989	8.14
3	Gan Poh San	12,498,880	5.00
4	Dato' Gan Kim Huat (Deceased)	11,177,063	4.47
5	Graceful Assessment Sdn. Bhd.	8,248,160	3.30

ANALYSIS OF WARRANT B HOLDINGS

AS AT 1 JULY 2024

cont'd

THIRTY (30) LARGEST WARRANT HOLDERS (cont'd)

As per Record of Depositors as at 1 July 2024

No.	Name of Warrants Holders	No. of Warrants Held	%
6	Graceful Assessment Sdn. Bhd.	6,845,820	2.74
7	AmanahRaya Trustees Berhad <i>Public Islamic Opportunities Fund</i>	3,514,140	1.41
8	Wong Jone Siew	3,100,000	1.24
9	Zenith Highlight Sdn. Bhd.	2,997,190	1.20
10	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Kon Ching</i>	2,983,100	1.19
11	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Hock Kar (8038771)</i>	2,000,000	0.80
12	Er Soon Sew	2,000,000	0.80
13	AmanahRaya Trustees Berhad <i>Public Islamic Select Treasures Fund</i>	1,945,880	0.78
14	Boh Min Chek	1,859,200	0.74
15	Zenith Highlight Sdn. Bhd.	1,845,517	0.74
16	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Muhammad Ali Bin Yahya</i>	1,608,400	0.64
17	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chung Kai Sun (E-TJJ)</i>	1,500,000	0.60
18	Chin Tai Ying	1,365,800	0.55
19	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad (LSF)</i>	1,343,340	0.54
20	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Ng Chin Leong</i>	1,300,000	0.52
21	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	1,299,100	0.52
22	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)</i>	1,207,660	0.48
23	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)</i>	1,179,760	0.47
24	Ng Bee Geik	1,120,500	0.45
25	Ong Gim Hai	1,030,000	0.41
26	Tan Siew Yong	1,029,000	0.41
27	Low Yoke Chen	1,009,000	0.40
28	Sukhwinder Singh A/L Harbans Singh	1,000,500	0.40
29	Chong Yoke Lan	998,900	0.40
30	Tan Eng Hock	892,300	0.36

ADDITIONAL COMPLIANCE INFORMATION

The information disclosed below is in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 31 March 2024.

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 March 2024, Ernst & Young PLT, the External Auditors has rendered audit and non-audit services to the Company and Group. A breakdown of fees paid or payable to the External Auditors is listed as below:-

	Group (RM)	Company (RM)
Audit services rendered	517,000	69,000
Non-audit services rendered	10,000	10,000

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of Directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2024

Registered/ Beneficial Owner	Location of Property	Description of Property	Tenure/Age of building (years)	Date of Acquisition	Total Land Area (Acres)	Total Built Up Area (Sq. ft.)	NBV 31/3/2024 (RM'000)
Syarikat Sin Kwang Plastic Industries Sdn. Bhd.	Lot PTD 2492 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Freehold/ 11-43 years	3/8/1994	2.94	80,000	8,165
	Lot 4021 GM172 Mukim Simpang Kanan (V) Daerah Batu Pahat Johor Darul Takzim	Private resident for staff accommodation	Freehold/ 38 years	19/1/1998	0.22	7,982	175
	No. 6, Jalan Teknologi 5 Taman Teknologi Johor 81400 Johor Bahru Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2066/19 years	1/10/2004	5.45	176,000	9,899
	PN 39897 Lot 75069 Mukim Kulai, Kulaijaya Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2066/9 years	28/3/2014	4.999 (2.023 Hectare)	126,000	36,471
	PTD 113275 Jalan Teknologi 5 Taman Teknologi Johor 81400 Johor Bahru Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2068/16 years	22/11/2019	2.155 (0.8722 Hectare)	63,125	14,173
	PLO 19 Jalan Persiaran Teknologi Taman Teknologi Johor 81400 Johor Bahru Johor Darul Takzim	Industrial building	3 years	1/11/2021	-	95,952	1,356
	PLO 52 Jalan Persiaran Teknologi Taman Teknologi Johor 81400 Johor Bahru Johor Darul Takzim	Industrial land	Leasehold for 60 years expiring 2081	10/2/2021	6.409	-	14,039
	PLO 6 Jalan Persiaran Teknologi Taman Teknologi Johor 81400 Johor Bahru Johor Darul Takzim	Industrial land	Leasehold for 60 years expiring 2081	10/3/2022	7.877 (3.188 Hectare)	-	19,934
Goodhart Land Sdn. Bhd.	Greran 60042 Lot PTD 23496 477, 4th Miles Jalan Kluang 83000 Batu Pahat Johor Darul Takzim	Industrial land and building	Freehold/ 29 years	13/12/1994	4.31	99,869	1,963
	HS(D) 6731 Lot PTD 1124 No. 4, Jalan Jorak Estate Kawasan Perindustrian Tongkang Pecah 83010 Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2037/34 years	8/5/1996	0.5	12,000	33

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2024
cont'd

Registered/ Beneficial Owner	Location of Property	Description of Property	Tenure/Age of building (years)	Date of Acquisition	Total Land Area (Acres)	Total Built Up Area (Sq. ft.)	NBV 31/3/2024 (RM'000)
Goodhart Land Sdn. Bhd.	HS(D) 16496 Lot PTD 1994 No. 4A, Jalan Kolek Kawasan Perindustrian Tongkang Pecah 83010 Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2042/25 years	8/5/1996	0.88	23,200	422
	GRN 44655 Lot 39702 No. 6 & 8 Jalan Wawasan 9 Kws. Perindustrian Sri Gading 83300 Batu Pahat Johor Darul Takzim	Industrial land and building	Freehold/ 23 years	18/9/2000	2.00	78,675	3,328
	HS(D) 38503 PTD 33275 No. 33, Jalan Damai Utama Taman Industri Damaipulus 83000 Batu Pahat Johor Darul Takzim	Industrial land and building	Freehold/ 25 years	1/6/1999	0.10	6,048	513
	HS(D) 38424 PTD 35117 No. 10, Jalan Wawasan 9 Kws. Perindustrian Sri Gading 83300 Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2058/22 years	1/8/2000	1.00	30,800	912
S.P.I. Plastic Industries (M) Sdn. Bhd.	HS(D) 38417 PTD 35118 No. 5, Jalan Wawasan Utama Kws. Perindustrian Sri Gading 83300 Batu Pahat Johor Darul Takzim	Industrial Land and building	Leasehold for 60 years expiring 2058/2 years	10/6/2019	1.00	99,060	9,222
	Lot PTD 1325 Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2039/45 years	12/1/1980	0.50	11,760	357
	Lot PTD 1172 Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2038/32 years	31/12/1992	0.50	10,560	373
	Lot PTD 1494 Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Industrial land and building	Leasehold for 60 years expiring 2039/28 years	30/3/1996	2.00	54,786	1,970
	Lot PTD 35114 & 35086 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial building	23 years	28/2/2001	-	57,200	2,050

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2024

cont'd

Registered/ Beneficial Owner	Location of Property	Description of Property	Tenure/Age of building (years)	Date of Acquisition	Total Land Area (Acres)	Total Built Up Area (Sq. ft.)	NBV 31/3/2024 (RM'000)
S.P.I. Plastic Industries (M) Sdn. Bhd.	8, Jalan Putera Indah 2/5 Taman Putera Indah Tongkang Pecah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 23 years	14/11/2011	0.04	1,500	84
	8, Jalan Putera Indah 1/3 Taman Putera Indah Tongkang Pecah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 23 years	12/3/2014	0.04	1,500	137
	PTD 3333 HS(M) 1534 & PTD 3334 HS(M) 1535 Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Dwelling house and land	Freehold/ 16 years	1/11/2016	0.19	4,126	389
	No. 11, Jalan Bayam Taman Anggerik 83010 Tongkang Pecah Daerah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 32 years	15/1/2021	0.04	1,640	227
	No. 6, Jalan Lobak Taman Anggerik 83010 Tongkang Pecah Daerah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 32 years	15/1/2021	0.04	1,540	213
	No. 10, Jalan Petola Taman Anggerik 83010 Tongkang Pecah Daerah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 32 years	30/6/2021	0.04	1,540	201
	No. 7, Jalan 4 Taman Bintang Emas 83010 Tongkang Pecah Daerah Batu Pahat Johor Darul Takzim	Double storey terrace house	Freehold/ 27 years	1/1/2022	0.04	1,870	394
	No. 9 Jalan Putera Indah 2/4H Taman Putera Indah 83010 Tongkang Pecah Daerah Batu Pahat Johor Darul Takzim	Single storey terrace house	Freehold/ 21 years	1/1/2022	0.04	1,539	197
Sun Sparkle Sdn. Bhd.	Lot PTD 35114 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial land	Leasehold for 60 years expiring 2058	30/5/2000	1.00	-	148

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2024
cont'd

Registered/ Beneficial Owner	Location of Property	Description of Property	Tenure/Age of building (years)	Date of Acquisition	Total Land Area (Acres)	Total Built Up Area (Sq. ft.)	NBV 31/3/2024 (RM'000)
Tan Brothers Business Machines (Segamat) Sdn. Bhd.	Lot PTD 35086 Mukim Simpang Kanan Daerah Batu Pahat Johor Darul Takzim	Industrial land	Leasehold for 60 years expiring 2057	30/5/2000	1.00	-	148
Plastictecnic (M) Sdn. Bhd.	PT No. 11438 HS(M) 9609 Mukim of Kajang District of Kajang Selangor Darul Ehsan	3-storey office factory annexe with an adjoining single warehouse/ factory	Leasehold for 99 years expiring 2086/38 years	31/12/1993	2.43	57,776	5,476
	PT No. 11500 HS (M) 9669 Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Semi-attached factory with a mezzanine office annexe	Leasehold for 99 years expiring 2086/35 years	3/5/1994	0.24	5,886	753
	No. 407, Blok 7 Jalan 6C/11 Bandar Baru Bangi 43650 Bandar Baru Bangi	Medium cost apartment	Leasehold for 99 years expiring 2095/28 years	22/11/2018	N/A	667	104
Bangi Plastics Sdn. Bhd.	PT No 1804 HS (D) 70319 Kawasan Perusahaan Nilai Mukim of Setul Negeri Sembilan	2 blocks of single storey factory lot	Leasehold for 60 years expiring 2051/26 years	17/4/1995	5.00	67,940	5,233
	P.N.No. 9560 Lot 784 Jln. Lengkok Emas Kawasan Perindustrian Nilai 71800 Nilai Negeri Sembilan	2 blocks of single storey factory lot	Leasehold for 60 years expiring 2051/15 years	1/10/2008	5.00	115,284	7,976
	Geran 46112/M1/2/17 Petak 17, Tingkat No.2 Bangunan No. M1 Lot 16366, Mukim Labu District of Seremban Negeri Sembilan	Apartment	Freehold/ 30 years	1/3/2018	N/A	720	43
	PN9493/M1/3/32 Petak 32, Tingkat No. 3 Bangunan No. M1 Lot 16366, Mukim Labu District of Seremban Negeri Sembilan	Apartment	Leasehold for 99 years expiring 2093/30 years	1/3/2018	N/A	720	43
	13-G, 13-1, 13-2 & 13-3 Master Title Pajakan Negeri 91580 Lot 100010 Mukim Petaling Daerah Petaling Selangor	4 storey shoplots	Leasehold for 99 years expiring 2108/13 years	1/1/2020	N/A	4,664	2,760

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2024
cont'd

Registered/ Beneficial Owner	Location of Property	Description of Property	Tenure/Age of building (years)	Date of Acquisition	Total Land Area (Acres)	Total Built Up Area (Sq. ft.)	NBV 31/3/2024 (RM'000)
Bangi Plastics Sdn. Bhd.	GRN 60415/M2/4/114 Petak 114, Tingkat No. 4 Bangunan No. M2 Lot 9132, Mukim Sentul District of Seremban Negeri Sembilan	Apartment	Freehold/ 23 years	1/3/2020	N/A	678	42
	PT 5118, Jalan 2/E Taman Semarak 71800 Nilai Negeri Sembilan	Double storey terrace house	Freehold/ 31 years	1/2/2010	0.04	1,920	124
	Lot 785 Jln. Lengkok Emas Kawasan Perindustrian Nilai 71800 Nilai Negeri Sembilan	Industrial land	Leasehold for 60 years expiring 2051	1/3/2021	3.65	158,800	2,785
Sun Tong Seng Mould-Tech Sdn. Bhd.	PT No.11479 & 11481 Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	2 adjoining units of semi-attached factories each having mezzanine office annexe	Leasehold for 99 years expiring 2086/36 years	3/5/1994	0.57	13,587	1,382
	PT No.11478 (M) 9647 Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan	Semi-attached factories with a mezzanine office annexe	Leasehold for 99 years expiring 2086/36 years	20/9/1994	0.24	5,867	470



SKP RESOURCES BHD

[Registration No. 200001021690 (524297-T)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

No. of Shares held

I/We _____
(Full Name in Block Letters and NRIC No./ Passport No./ Company No.)
of _____
(Full Address)
and *telephone no./ email address _____

being a member of SKP Resources Bhd (“the Company”), hereby appoint the following person(s)

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	%
Email:	Contact No.:			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	%
Email:	Contact No.:			

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Twenty-Fourth Annual General Meeting (“24th AGM”) of the Company, to be held on a **fully virtual basis** vide the Online Meeting Platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> on Thursday, 26 September 2024 at 11:00 a.m. or any adjournment thereof.

Please indicate with an “x” in the appropriate space(s) provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolution	For	Against
1.	To re-elect Mr. Koh Chin Koon as Director of the Company		
2.	To re-elect Mr. Goh Kah Im as Director of the Company		
3.	To approve the payment of Directors’ fees of RM405,000 for the period from 1 October 2024 to 30 September 2025, to be payable on a quarterly basis in arrears		
4.	To re-appoint Ernst & Young PLT as Auditors of the Company		
As Special Business			
5.	Authority to issue shares pursuant to the Companies Act 2016		
6.	Proposed Renewal of Share Buy-Back Authority		

* Strike out whichever is not desired.

Signed this day of....., 2024.

.....
Signature of Shareholder(s)/ Common Seal

Fold This Flap For Sealing

Notes:

- (a) As a measure to support increased shareholder participation, the 24th AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/>. Please read carefully and follow the procedures provided in the Administrative Guide to register, participate and vote remotely via the RPV facilities.
- (b) In respect of deposited securities, only members whose names appear in the Record of Depositors on **19 September 2024** ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.
- (c) A member entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (d) A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 24th AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 24th AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the 24th AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcast and responded to by the Chairman, Board of Directors and/or Management during the Meeting.

- (e) In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (g) A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the AGM via RPV facilities must request his/her proxy to register himself/herself for RPV facilities at Securities Services e-Portal at <https://sshsb.net.my/>. **Please refer to the Administrative Guide for procedures to utilise the RPV facilities.**

Then Fold Here

Please
Affix
Stamp

SKP RESOURCES BHD

[Registration No. 200001021690 (524297-T)]

c/o The Poll Administrator
SS E Solutions Sdn. Bhd.
[Registration No. 202001010461 (1366781-T)]
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

1st Fold Here

(h) **Submission of Proxy Form in either hard copy form or electronic form**

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof through either one of the following avenues:-

Mode of Submission

Hard copy

Designated Address

SS E Solutions Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Fax: 03-2094 9940 and/ or 03-2095 0292
Email: eservices@sshsb.com.my

Electronic appointment

Securities Services e-Portal
Weblink: <https://sshsb.net.my/>

- (i) Should you wish to personally participate in the 24th AGM remotely, please register electronically via Securities Services e-Portal at <https://sshsb.net.my/> by the registration cut-off date and time. Please follow the procedures provided in the Administrative Guide for the 24th AGM to register, participate, speak and vote remotely.
- (j) If you have submitted your proxy form(s) and subsequently decide to appoint another person or wish to participate in the 24th AGM by yourself, please write to eservices@sshsb.com.my to revoke the earlier appointed proxy twenty-four (24) hours before this meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 July 2024.

www.skpres.com

SK★P
SKP RESOURCES BHD

SKP RESOURCES BHD [Registration No. 200001021690 (524297-T)]

Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur

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