

# Corporate Governance Overview Statement

The Board of Directors ("Board") of SAM Engineering & Equipment (M) Berhad ("Company" or "SAMEE") is committed to ensuring that the Company meets the principles and applies the practices of corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("Code").

The Board firmly believes that such principles and practices of the Code are essential to uphold the business integrity of the Company and its subsidiaries (collectively, the "Group") and to enhance shareholder value.

The Group in their conduct of business and management is guided not only by the Code, but also by the Group's Core Values which balances the commercial and financial success with the interests of all its stakeholders. These Core Values are set out on the Company's website.

During the financial year ended 31 March 2024 ("FY2024"), the Board has adhered to its best efforts; the corporate governance practices and met the legal requirements outlined in this statement. Please note that the following statement should be read in conjunction with the Corporate Governance Report, which is available on the Company's website at <http://www.sam-malaysia.com>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 – BOARD RESPONSIBILITIES

#### Intended Outcome 1.0

- **Every company is headed by a Board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.**

#### 1.1 Strategic aims, values and standards

The Board plays a pivotal role in the stewardship of the Group's direction and operations, and ultimately the enhancement of long-term shareholders' value.

The Board is tasked with providing leadership and maintaining oversight, of the Group's overall operations. The Board comprises a combination of an Executive Director who has intimate knowledge of the business and Non-Executive Directors with diversified industry/business backgrounds to bring broad business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and directions, reviewing the Group's performance and critical business issues and ultimately the enhancement of long term shareholders' value. It monitors and delegates the implementation of the strategic direction to the Management.

The Board reviews the strategic plan presented by the Management during its meetings. The review would cover the performance targets and long-term plans for the Group to be met by Management.

Upon the Board being satisfied with the said strategic plan, the Board would endorse the immediate implementation thereof by the Management. The Board would continue to monitor the plan to ensure its effective implementation.

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board receives updates from Management at the quarterly Board meetings when reviewing the unaudited quarterly results. During such meetings, the Board participates actively in the discussions pertaining the performance of the Group.

The Board also retains exclusive authority over certain matters. These include approving acquisitions and divestitures, major capital expenditures, projects and budgets, quarterly and annual financial statements, as well as, monitoring of financial and operating performance of the Group.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees:

- Audit Committee ("AC")
- Risk & Sustainability Committee ("RSC"); and
- Nominating & Remuneration Committee ("NRC").

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 1 – BOARD RESPONSIBILITIES (Cont'd)

#### 1.1 Strategic aims, values and standards (Cont'd)

The Chairman of each Board Committee will report to the Board on the matters discussed at the Committee's meeting with emphasis on key issues deliberated at the Committee's meetings.

Each Committee operates within specific terms of reference that were drawn up with reference to the Code and the Board Committees discharge their duties in accordance to their respective Terms of Reference.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Group. The ultimate responsibility for decision-making on all matters lies with the Board.

#### 1.2 The Chairman of the Board

Mr. Tan Kai Hoe serves as the Company's Non-Independent Non-Executive Chairman. He provides leadership and guidance to the Board and is tasked with ensuring the effectiveness of the Board's performance. Mr. Tan Kai Hoe works closely with the rest of the Board members to establish and articulate clear policies and strategies, to be implemented by Management, for the benefit of all stakeholders.

#### 1.3 Separation of position of Chairman and Chief Executive Officer ("CEO")

Mr. Peter Lim Hee Seng currently holds the positions of CEO and Executive Director within the Company.

A clear demarcation of responsibilities exists between the roles of the Chairman and the CEO. The Board is presided over by a Non-Independent, Non-Executive Chairman, while the CEO is responsible for leading the management team.

The specific roles and responsibilities of both the Chairman and the CEO are detailed in the Board Charter, which is publicly accessible on the Company's website.

#### 1.4 Chairman of the Board in Board Committees

In order to maintain objectivity the Chairman and the Board in deliberating on the observations and recommendations put forth by the Board Committees, our Chairman is not involved in any of the Board Committees. This is expected to promote check and balance and as well as objective review by the Board.

#### 1.5 Qualified and competent Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidelines and legislations.

The Board reserves the right to remove any Company Secretary and appoint a suitable replacement, should a Company Secretary fail to fulfil his/her assigned functions.

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:

- Statutory duties as required under the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Capital Markets and Services Act, 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings, respectively;
- Facilitating and attending the General Meetings;
- Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded;
- Ensuring the Board's decisions are communicated to the Management in a timely manner for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 1 – BOARD RESPONSIBILITIES (Cont'd)

#### 1.5 Qualified and competent Company Secretaries (Cont'd)

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks: (Cont'd)

- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in an expeditious manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's reference;
- Assisting the Company on the lodgement of documents with relevant statutory and regulatory bodies;
- Assisting the Board to prepare announcements for release to Bursa Malaysia Securities Berhad ("Bursa Securities") and Securities Commission Malaysia;
- Briefing the Board on the latest updates / guidelines issued by Bursa Securities and the Securities Commission Malaysia; and
- Rendering other advice and support to the Board and Management.

The Company Secretaries keep the Board abreast with the latest regulatory updates and ensure that deliberations at all Board and/or Board Committee meetings are well documented.

#### 1.6 Access to information and meeting materials

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. All members of the Board have full and unrestricted access to any information pertaining to the Group's business and affairs.

The Board receives information and documents at least 7 days prior to meetings (or a shorter time period when unavoidable) to allow adequate time for understanding the issues under consideration and to facilitate efficient decision-making. All information and documents furnished to the Board are comprehensive and encompasses both quantitative and qualitative factors to increase the quality of the Board's understanding and knowledge of the matter.

The Management is requested to attend Board meetings to provide comprehensive explanations and clarifications on matters under discussion. The Board has full and unrestricted access to any information pertaining to the Group and its business affairs, including verbal explanations from the Management on related topics being deliberated, and the services of the Company Secretaries to ensure procedures are complied with. The Board may seek (upon approval of the Chairman) independent advice on any related matter at the expense of the Group.

All deliberations and decisions made at the Board meetings, including any instances of a Director abstaining from voting or deliberating on a particular matter, are recorded by the Company Secretaries. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 1 – BOARD RESPONSIBILITIES (Cont'd)

#### 1.6 Access to information and meeting materials

The Board ordinarily meets at least four (4) times a year with additional meetings convened when urgent or important decisions are required between the scheduled meetings. During FY2024, the Board convened six (6) times to deliberate and make decisions on various matters. The attendance record of the Directors for FY2024 was satisfactory. This is evidenced by the attendance record of the Directors at the Board meetings during their tenure in office as set out in the below table:

Directors	Attendance
Tan Kai Hoe	6/6
Peter Lim Hee Seng	6/6
Shum Sze Keong	6/6
Datuk Dr. Wong Lai Sum	6/6
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	5/6
Suresh Natarajan	5/6
Ng Chee Kiet	6/6
Piroon Saengpakdee (Appointed on 27 March 2024)	N/A

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Listing Requirements. Outside Board Meetings, Board approvals would be obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

It is a policy requirement that Directors devote sufficient time and effort to carry out their responsibilities. This commitment is given to the Board at the time of their appointment as Directors.

The Board acknowledges and appreciates the time and effort committed by the Directors in fulfilling their roles and responsibilities towards the Company.

#### Intended Outcome 2.0

- **There is demarcation of responsibilities between the board, board committees and management.**
- **There is clarity in the authority of the board, its committees and individual directors.**

#### 2.1 Board Charter

The Board Charter, accessible on the Company's website, delineates the distinct functions and roles of the Board, as well as the responsibilities delegated to the Chairman, Board Committees, the CEO, and the Management.

The Board periodically reviews the Board Charter to ensure its continued relevance in assisting the Board in fulfilling its duties and responsibilities in accordance with prevailing laws and regulations. The Board Charter was last revised on 24 May 2022. The Board Charter can be accessed via the Company's website.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 1 – BOARD RESPONSIBILITIES (Cont'd)

#### Intended Outcome 3.0

- **The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.**

#### 3.1 Code of Ethics and the Anti-Bribery & Corruption Policy

The Standard Code of Conduct, Business Ethics, and Conflicts of Interest, which delineates the ethical standards and conduct expected from the Board, Management, and employees, is available for review on the Company's official website.

The Anti-Bribery and Corruption Policy, that articulates the Company's uncompromising stance against bribery and corruption, is likewise published on the Company's website.

#### 3.2 Whistleblowing Policy

The Whistleblowing Policy establishes a secure avenue for the reporting of any concerns or complaints relating to actual or potential corporate fraud, or ethical breaches involving employees, management, or directors of the Group. The Whistleblowing Policy and the avenue for lodging a whistleblowing report is available on the Company's official website.

#### Intended Outcome 4.0

- **The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success**

#### 4.1 Strategic management of sustainability matters

The Company commits to embed sustainability in its business through the following measures:

- the Board, which: (i) provides guidance on key economic, business, environmental, and social issues, ensuring the incorporation of best practices in sustainability in all significant decisions and actions; and (ii) plays a pivotal role in approving the sustainability and risk management framework, and deliberates on sustainability and risk governance issues;
- the RSC, which supports the Board by reviewing and recommending sustainability strategies and performance targets for the Company on a consolidated basis; and
- the Sustainability Committee or Working Group ("SCWG"), which includes leaders and members from the Company's various business units and divisions, is responsible for implementing, monitoring, and delivering the Company's Environmental, Social, and Governance ("ESG") initiatives and performance.

#### 4.2 Communication of sustainability strategies, priorities and targets

The Company practices a holistic and consistent stakeholder engagement with businesses, organisations, and people that have a stake or an influence in the Company's business activities and long term business planning. Details describing the Company's approach to stakeholder engagement are as set out in the Sustainability Statement.

#### 4.3 Staying abreast with sustainability issues

The Company and the Board are constantly monitoring the industry trends, and taking steps to overcome operating challenges and meet stakeholder expectations, to produce long-term value to shareholders and stakeholders of the Group, and the community.

The Company had performed a materiality assessment during the previous financial year and the said risks and issues remain relevant for FY2024. Results have been presented in the Sustainability Statement.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 1 – BOARD RESPONSIBILITIES (Cont'd)

#### 4.4 Performance evaluations includes a review in addressing the company's material sustainability risks and opportunities

During the Annual Board Evaluation, the NRC had reviewed the Board's performance in formulating and overseeing Management's implementation of the Group's strategic and business plans that promote sustainability.

The Board, supported by the RSC, and Management, through the SCWG, had worked together in: (1) identifying the Group's material risks and sustainable development goals; and (2) addressing the same through proper measures and strategies, to achieve long-term growth and generate healthy returns for the shareholders.

During the financial year under review, the SCWG had carried out a number of measures to address the Company's sustainability risks and these are further described in the Sustainability Report of this Annual Report. These measures were implemented to keep track of, anticipate and prepare for appropriate responses and/or actions to tackle challenges to produce long term value for the shareholders, stakeholders and to the community at large.

The RSC reports to the Board the material risks and steps taken to reduce and manage such risks.

#### 4.5 Designated person to manage sustainability

The current Deputy Chief Executive Officer is the Chief Sustainability Officer.

The Chief Sustainability Officer's role includes driving and overseeing the Group's sustainability strategy, as well as establishing ESG structures to ensure proper risk consideration. He will be the liaison between management, shareholders and stakeholders to address sustainability issues.

During the year under review, the Chief Sustainability Officer led the SCWG to implement various initiatives as described in detail under the Sustainability Statement.

### PART 2 – BOARD COMPOSITION

#### Intended Outcome 5.0

- **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

#### 5.1 Annual assessment of the Directors, Board as a whole and Board Committees

The NRC conducts an evaluation on an annual basis to appraise the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the further required mix of skills and experiences to enhance Board's efficacy. Such evaluation of the Board covers board size, mix or composition, conduct of Board meetings and Directors' skills set matrix.

The Board Committees are assessed based on their roles and scope of work, supply of sufficient and timely information to the Board, and also overall effectiveness and efficiency in discharging their duties.

The results of the evaluation are then collated, summarised and reported to the Board by the NRC Chairperson with an aim towards continuous improvement of the Board and Board Committees.

In addition to the foregoing, the NRC also assesses the independence of each of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board. All findings by the NRC are reported to the Board.

The NRC had conducted an assessment of the Directors who are subject to retirement and seeking re-election at the forthcoming AGM in terms of character, experience, integrity, competency and time in discharging their roles as Directors of the Company, in accordance with the fit and proper policy of the Company. The NRC was of the view that the said retiring Directors who are seeking re-election have met the fit and proper criteria, and had discharged their duties effectively and had provided valuable contribution and leadership to the Group.

The Board recommends the said retiring Directors for re-election at the forthcoming AGM. The names of the said Directors are set out in the Corporate Governance Report.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### 5.2 Board Composition

The following prescribed requirements have been fully complied by the Board:

- Paragraph 3.04(1) of the Listing Requirements which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors; and
- Practice 5.2 of the Code, which states that at least half of the board comprises Independent Directors.

The Board composition as at end of FY2024 comprises eight (8) members, out of which, five (5) are Independent Non-Executive Directors, details are set out below:

Directors	Designation
Tan Kai Hoe	Non-Independent Non-Executive Chairman
Peter Lim Hee Seng	Executive Director and CEO of the Group
Shum Sze Keong	Non-Independent Non-Executive Director
Datuk Dr. Wong Lai Sum	Independent Non-Executive Director
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	Independent Non-Executive Director
Suresh Natarajan	Independent Non-Executive Director
Ng Chee Kiet	Independent Non-Executive Director
Piroon Saengpakdee	Independent Non-Executive Director

The profile of each Director is set out at the relevant section of this Annual Report.

The Directors, with each of their different background and specialisation, contribute to the Group a wide range of experience and expertise in areas such as finance, engineering, corporate affairs, legal, marketing and operations.

The Independent Non-Executive Directors bring objective and independent judgment to the decision making of the Board and provides appropriate checks and balances to the function of the Executive Director and Management. They contribute significantly in areas such as policy and strategy development, performance monitoring, allocation of resources as well as improving governance and controls.

Together with the Executive Director who has intimate knowledge of the business, the Board is constituted by individuals who are committed to business integrity and professionalism in all its activities and have proper understanding of and competence to deal with the current and emerging business issues.

#### 5.3 Tenure of Independent Directors

All of our Independent Directors continue to comply with the current definition of an Independent Director, as provided in paragraph 1.01 and Practice Note 13 of the Listing Requirements.

The Board is mindful of the Listing Requirements which provide that a director shall not cumulatively serve as an independent director of the Company for more than twelve (12) years.

The Board also takes cognisance of the practice in the Code, whereby if the Board intends to retain an Independent Director as an independent director beyond a cumulative term limit of nine (9) years, it should justify and seek shareholders' approval annually through a two-tier voting process.

In ascertaining the independence of the Directors, the Board continues to believe that tenure is not the most important assessment criteria. It is of the view that how a Director discharges its fiduciary duties, is of the primary concern, regardless of their tenure. In fact, the Board is of the view that continued tenure brings consistency and stability to the Board as the Group benefits from their mix of skills, professional and commercial experience, technical expertise in their relevant fields and competencies, as well as familiarity with the Group's business, for an informed and balanced decision-making by the Board.

During the financial year under review, none of the independent directors has served for a cumulative tenure of nine (9) years.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### 5.4 Appointment of Board and Senior Management based on objective criteria

The appointment of the Board and Senior Management is based on objective criteria, merits and with due regard to diversity in skills, experience, age, cultural background and gender.

The Company is guided by its “Directors’ Fit and Proper Policy” to ensure that the appointment and re-election of the Directors are based on an identified objective criteria, e.g. character, integrity, relevant range of skills, knowledge, experience, competence and time commitment so that they are able to discharge their roles and responsibilities effectively in the best interest of the Company. The said policy may be accessed at the Company’s website.

#### 5.5 Utilisation of various sources in identification of potential candidates

The Board is responsible for the appointment of new Directors. The NRC has been delegated with the task of succession planning and conducting an initial selection, which includes an external search, before making a recommendation to the Board. The NRC has the authority to obtain the services of professional recruitment firms to identify candidates for directorship or seek independent professional advice whenever necessary.

As part of the role of the NRC, the NRC also evaluates the suitability of candidates for appointment to the Board based on factors including, but not limited to, experience, commitment (including time commitment), competency, and (if applicable) such relevant regulatory criteria for assessing independence. The NRC will then recommend the candidates for approval and appointment by the Board.

During the financial year under review, the NRC had reviewed and recommended the appointment of a new Independent Non-Executive Director, namely Mr Piroon Saengpakdee, which was approved by the Board. Mr Saengpakdee was appointed to our Board on 27 March 2024.

#### 5.6 Board statement on the appointment or reappointment of Directors

The performance of retiring Directors who are recommended for re-election at the forthcoming AGM was assessed through the Board’s annual evaluation.

A statement by the Board and the NRC on their satisfaction as to the performance and effectiveness of the retiring Directors who are offering themselves for re-election are set out in the notes accompanying the Notice of AGM.

The profile for the aforementioned Directors, including their nature of interest with the Company (if any), are set out in the Directors’ Profile section of the Annual Report.

#### 5.7 Nominating and Remuneration Committee

The NRC of the Company comprises exclusively Non-Executive Directors, a majority of whom are Independent Directors.

The Chairperson of the NRC is Datuk Dr. Wong Lai Sum and she is an Independent Non-Executive Director.

The Members of the NRC and their meeting attendance during their tenure in office for the financial year under review are set out below:

Designation	Directors	Attendance
Chairman	Datuk Dr. Wong Lai Sum	3/3
Members	Shum Sze Keong	3/3
	Suresh Natarajan	3/3

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### 5.7 Nominating and Remuneration Committee (Cont'd)

During the financial year under review, the NRC carried out the following activities:

- (a) Reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, contribution of each Director, the effectiveness of the Board Committees and Board as a whole.
- (b) Reviewed the Board Evaluation Report for FY2024.
- (c) Reviewed the performance of the Directors and key officers of the Company for FY2024.
- (d) Identified the Directors' due to retire by rotation and recommended to the Board, the re-election of such Directors at the forthcoming AGM.
- (e) Reviewed the independent status of the Independent Non-Executive Directors.
- (f) Reviewed the term of office and performance of Audit Committee.
- (g) Reviewed the remuneration package for the Executive Director for FY2024.
- (h) Reviewed and recommended the Directors' Fees and benefit(s) payable to the Directors.
- (i) Reviewed list of trainings attended by the Directors during the financial year.
- (j) Reviewed the composition of the Board Committees of the Company.
- (k) Reviewed and recommended to the Board the proposed amendments to the Terms of Reference.
- (l) Reviewed the and recommended to the Board for approval the appointment of new Independent Non-Executive Director.
- (m) Reviewed and recommended the payment of the meeting allowance in the involvement of new project undertaken by the Company.
- (n) Reviewed the Board of Directors' Handbook.
- (o) Reviewed the performance evaluation form of the CEO.
- (p) Reviewed and recommended to the Board the proposed Long-Term Incentive Plan of the Group.

#### 5.8 Gender diversity

The Board is of the opinion that there is no need for a written gender diversity policy. The Group is committed to providing fair and equal opportunities and nurturing diversity within the Group.

However, the Board is mindful of the recommendation for Board diversity and the Listing Requirements, where at least one Director shall be a woman. In view of this, the NRC shall ensure that women candidates are identified and considered during recruitment exercises.

Currently, both Datuk Dr. Wong Lai Sum and YM Tunku Afwida Binti Dato' Tunku Abdul Malek respectively are the existing women Directors on the Board, which provides a 25% of women representation. Their profiles can be found at the relevant section of the Annual Report.

#### 5.9 Diversity of Board and Senior Management

The Board strongly advocates diversity at the Board and Senior Management level to achieve greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment.

The Board strives to ensure that there is no discrimination on any basis, including but not limited to, race, age, ethnicity and gender when deciding the composition of the Board and in its hiring policy.

As set out in the Board Charter, the appointment of the Board and Senior Management is based on objective criteria, merits and with due regard to diversity in skills, experience, age, cultural background and gender. The Board Charter can be accessed at the Company's Website.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### Intended Outcome 6.0

- Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors

#### 6.1 Assessment on the effectiveness of the Board

As set out at paragraph 5.1, the Board through the NRC, conducts an annual evaluation to appraise the effectiveness of the Board as a whole and the said evaluation of the Board covers board size, mix or composition, conduct of Board meetings and Directors' skills set matrix.

The Board is mindful and will consider the guidance provided under the Code that the Board should engage independent experts at least once every three (3) years, to facilitate objective and candid board evaluations.

The Directors are also fully aware of the importance of keeping abreast with the latest changes and developments in the industries in which the Group operates as well as the economic, financial and governance issues in order to enhance the effectiveness in discharging their responsibilities as Directors.

With the Group's increasing business activities in Thailand, the Board is of the view that the inclusion of a director with the necessary experience and deep understanding of the Thailand's economy is important for the long term sustainability of the Group. In this respect, a new Independent Non-Executive Director, namely Mr Piroon Saengpakdee, was appointed to the Board on 27 March 2024. Mr Saengpakdee is a licensed lawyer of the Lawyers Council of Thailand, with over 25 years of experience, which include working with international law firms in Thailand, focusing on banking and finance, employment as well as real estate matters.

All Directors (except for Mr Piroon Saengpakdee who was appointed on 27 March 2024) have attended and completed the Mandatory Accreditation Programme ("MAP"). During the financial year under review, the Directors attended various briefings, seminars, conferences, and speaking engagements covering areas including corporate governance, relevant industrial developments, financial, risk managements, leadership and global business developments.

Some of the programmes attended by the Directors during the financial year under review include the following:

Directors	Trainings
Tan Kai Hoe	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Inaugural Board Seminar by Public Service Division</li> <li>• Security Awareness Proficiency Assessment (SAPA)</li> <li>• Handling Sensitive Information Securely, Part 1 &amp; Part 2</li> <li>• 2023 Common Threats</li> <li>• Basics of Credit Card Security</li> <li>• Links and Attachments: Think Before You Click</li> <li>• Ransomware Threats</li> <li>• Staying Safe for the Holidays</li> <li>• Executive Series: Remote and Travel WiFi Dangers with Quiz</li> <li>• 2024 Your Role: Internet Security and You</li> <li>• Data Protection for Executives</li> <li>• Properly Securing Mobile Devices</li> </ul>
Peter Lim Hee Seng	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Management of Cyber Risk Programme by Ernst &amp; Young</li> </ul>
Shum Sze Keong	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### 6.1 Assessment on the effectiveness of the Board (Cont'd)

Some of the programmes attended by the Directors during the financial year under review include the following:  
(Cont'd)

Directors	Trainings
Datuk Dr. Wong Lai Sum	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Navigating the ESG Risk in the Supply Chain</li> <li>Rewiring the Customer Experience with Data and AI</li> <li>Advancing Cyber Resilience: "Board's Top 3 Must Know"</li> <li>Conflict of Interest and Governance of Conflict of Interest</li> </ul>
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	<ul style="list-style-type: none"> <li>Affin Conference Series 2023</li> <li>Webinar Series on the topic "Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know"</li> <li>Brand Health &amp; NPS</li> <li>Digital Transformation World (DTW) TM Forum Community</li> <li>Khazanah Megatrends Forum 2023</li> <li>Oil and Gas Day Industry Insights and Corporate Updates</li> <li>Refresher Session on Business Continuity Management ("BCM"), Risk, Compliance and Audit</li> <li>Digital Banking Asia – Malaysia Conference 2023, Sustainability, Digital Transformation and Fintech</li> <li>Breakfast Talk on AI with Prof. Sanjay Sarma</li> <li>Should Women Act Like Men to Succeed</li> <li>AML/CFT for Board Members &amp; Group Management Committee Members</li> <li>Chairman's Dialogue "Financing the Digital Economy: Supporting the Madani Framework"</li> <li>Anti Money Laundering Act Training</li> <li>Conflict of Interest and Related Party Transactions by Mr. Lee Min On</li> <li>ICDM PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI &amp; Thriving in a High-Risk Landscape</li> <li>Webinar: Cybersecurity and Data Privacy – The Fight Against Financial Crime</li> <li>BNM – FIDE Forum Engagement Responsibility Mapping with Directors of Financials</li> </ul>
Suresh Natarajan	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Management of Cyber Risk by Ernst &amp; Young</li> </ul>
Ng Chee Kiet	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Navigating the ESG Risk in the Supply Chain</li> <li>Tax and Budget Seminar</li> <li>Audit Oversight Board's Conversation with Audit Committee</li> <li>E-invoice: Implementation and latest updates</li> <li>The SC's solutioning workshop for MSME financing access to capital market</li> </ul>
Piroon Saengpakdee	N/A. <i>Appointed on 27 March 2024.</i>

The Board has concluded that the Directors' Training sessions for FY2024 were adequate.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### Intended Outcome 7.0

- **The level and composition of remuneration of directors and senior management takes into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long terms objectives.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

#### 7.1 Remuneration Policy

The NRC is guided by way of an established Remuneration Policy in determining the remuneration package applicable to the Directors, the CEO and the CFO.

The remuneration package takes into account the scope of duty and responsibilities; the conditions and experience required; the ethical values, internal balances and strategic targets of the Company; the corporate and individual performances; and the current market rate within the industry and in comparable companies.

#### 7.2 Remuneration Committee

The NRC also functions as the remuneration committee. Please see paragraph 5.7 for the details.

#### Intended Outcome 8.0

- **Stakeholders are able to assess whether the remuneration of directors and senior management commensurates with their individual performance, taking into consideration the company's performance.**

#### 8.1 Remuneration Of Directors

The remuneration of each director for FY2024 is outlined in the Corporate Governance Report.

For the financial period under review, each Director would be paid a Director's fee of RM90,000 per annum for serving as a member of the Board.

The Director serving as the Chairman of the relevant Board Committee receives an additional annual remuneration as set out below:

Board Committee	Chairman's Annual Remuneration
AC	RM10,000
NRC	RM7,500
RSC	RM7,500

The Directors who serve as ordinary members to the relevant Board Committee receive an additional annual remuneration of RM5,000.

The Directors' fees and remuneration are appropriate for their contribution, taking into consideration effort, commitment and time spent as well as the responsibilities involved.

All Non-Executive Directors would also be paid a meeting allowance of RM2,000 for each meeting attended. The Executive Director is not entitled to any meeting allowance.

The Board had determined that the remuneration for the Non-Executive Directors is appropriate, taking into account the experience and the level of responsibilities and contributions including the number of the scheduled meetings for the Board, and Board Committees; and is competitive compared with the prevailing market practices. Each of the Non-Executive Directors abstained from deliberating and voting on his or her own remuneration.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### PART 2 – BOARD COMPOSITION (Cont'd)

#### 8.1 Remuneration Of Directors

The NRC has also reviewed and deliberated on the Directors' fees and benefits payable to Directors for FY2024. The NRC recommended that, subject to shareholders' approval at the upcoming Annual General Meeting, the fees and benefits payable to the Directors shall be revised as set out below:

A. Remuneration	Amount (RM)
(i) For each member of the Board	90,000
(ii) For the Chairperson of the AC	10,000
(iii) For the Chairperson of the NRC and the RSC, respectively	7,500
(iv) For each of the committee members of the AC, NRC and the RSC, respectively	5,000
B. Allowances / Benefits	
(i) Meeting allowance for each Non-Executive Director per meeting	2,000
(ii) Benefits-in-kind (for all Directors)	70,000 per annum <i>(for Non-Executive Directors, to allow flexible benefits to be reimbursed up to a sum of RM5,000 per Director)</i>

#### 8.2 Remuneration of Senior Management

The Company deems the remuneration details of the Senior Management as sensitive and confidential, considering the competitive nature of the human resource market. As such, the Company has decided not to disclose the detailed remuneration of each member of the Senior Management in increments of RM50,000 on an individual basis. Furthermore, this approach is intended to maintain confidentiality, prevent potential negative consequences arising from such disclosure, and support the broader objective of fostering a stable work environment to achieve long-term strategic goals.

The remuneration packages for the Company's employees are benchmarked against industry standards and remain consistent with prevailing industry practices. Furthermore, their annual salary increases and bonus payouts will be performance-based.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 – AUDIT COMMITTEE

#### Intended Outcome 9.0

- **There is an effective and independent Audit Committee.**
- **The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.**

#### 9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The Company has adhered to Practice 9.1 of the Code, which stipulates that the Chairman of the Audit Committee should not concurrently serve as the Chairman of the Board.

The AC is an independent Board Committee, composed of Independent Non-Executive Directors, which assists the Board in the discharge of its responsibilities for corporate governance, internal controls and financial reporting.

The terms of reference for the AC are available on the Company's website.

# Corporate Governance Overview Statement (Cont'd)

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

### PART 1 – AUDIT COMMITTEE (Cont'd)

#### 9.1 The Chairman of the Audit Committee is not the Chairman of the Board (Cont'd)

The members of the AC possess vast experience and skills in understanding and attending to matters falling under the purview of the AC. They are more than qualified to review the Group's financial statements from various perspectives in view of each member's skills and qualifications prior to recommendation of the same to the Board.

Further details pertaining to the AC are set out in the AC Report contained in this Annual Report.

#### 9.2 Former key audit partner

The Terms of Reference of the AC require any former key audit partner to observe a cooling-off period of at least three (3) years before being considered for appointment as a member of the AC.

The Terms of Reference of the AC are set out on the Company's website.

Currently, none of the members of the AC is a former audit partner overseeing the audit of the financial statements of the Group.

#### 9.3 Suitability, objectivity and independence of the external auditor

In accordance with its Terms of Reference, the AC conducts an annual review and monitoring of the suitability and independence of the External Auditors.

The External Auditors have the obligation to bring to the attention of the Board, the AC and the Management any significant defects or deficiency in the Group's systems of reporting, internal control and compliance with approved accounting standards as well as legal and regulatory requirements. The External Auditors of the Company are requested to attend at least two (2) meetings of the AC a year, without the presence of Management.

The AC annually assesses the External Auditors against a set of criteria that has been approved by the Board. The scope of assessment has been described in the AC Report and includes, amongst others, an assessment on the suitability, objectivity and independence of the External Auditors. All findings from the AC would be reported to the Board for further action, if any.

The Board, through the AC, has assessed and affirmed the independence, objectivity and suitability of the External Auditors to continue in office.

In compliance with the by-laws of the Malaysian Institute of Accountants ("MIA"), the Audit Partners would be rotated every seven (7) years to ensure objectivity, independence and integrity of the audit opinions. Besides, such assurance was also given by the External Auditors in the Audit Planning Memorandum and Audit Finding Report presented to the AC. The Audit Partner of the Company has just been rotated in the last financial year.

The AC is satisfied with the competence and independence of the External Auditors and recommends the re-appointment of the External Auditors for shareholders' consideration at the AGM.

Details on the audit fees payable to External Auditors; the key features of the relationship between the AC and the External Auditors; and a summary of the activities of the AC during the financial year are as set out in the AC Report in this Annual Report.

#### 9.4 Composition of the Audit Committee

For the financial year under review, the AC comprises four (4) Non-Executive Directors, of which three (3) are Independent Directors.

This is in compliance with Paragraph 15.09 (1) (b) of the Listing Requirements, which stipulates that "all the audit committee members must be non-executive directors, with a majority of them being independent directors".

# Corporate Governance Overview Statement (Cont'd)

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

### PART 1 – AUDIT COMMITTEE (Cont'd)

#### 9.5 Qualification of the Audit Committee

All members of the AC are financially literate, competent and with two (2) of them being members of the Malaysian Institute of Accountants ("MIA"), which fulfills the paragraph 15.09(1)(c)(i) of the Listing Requirements, whereby at least one (1) of them must be a member of the MIA.

The AC members acknowledge the need for continuous education and training. The training attended by the AC members are set out at the paragraph 6.1 herein.

### PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Intended Outcome 10.0

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

#### 10.1 Establishment of risk management and internal control framework

The Board undertakes the overall responsibility for risk oversight and risk management. In view of this, the Board has in place, a structured enterprise risk management framework to identify, monitor, control and report on significant risks faced by the Group on a regular basis.

#### 10.2 Features of its risk management and internal control framework

Details of the Group's enterprise-wide risk management framework have been outlined in the Statement on Risk Management and Internal Control section of the Annual Report.

#### 10.3 Risk & Sustainability Committee ("RSC")

The members of the RSC, comprises three (3) Non-Executive Directors of which two (2) are Independent Directors and one (1) is a Non-Independent Non-Executive Director. The members of the RSC and their meeting attendance for the financial year under review have been set out below:

Designation	Directors	Attendance
Chairman	Suresh Natarajan	3/3
Members	Shum Sze Keong	3/3
	Ng Chee Kiet	3/3

Mr. Shum Sze Keong and Mr. Ng Chee Kiet are also the representatives of the AC that would report any identified significant risks to the RSC.

In addition, the AC has included, as part of its regular meeting agenda, the identification of risk areas which should be brought to the attention of the RSC. During the financial year under review, there were no significant financial risks identified by the AC that were reported to the RSC.

The RSC has been tasked in line with its Terms of Reference to assist the Board with the oversight function relating to risk management (i.e., reviewing and recommending the risk management policies and strategies for the Group in managing overall risk exposure of the Group); and sustainability (i.e., reviewing and recommending sustainability strategies and performance in advancing the Group's sustainability ambition and direction).

# Corporate Governance Overview Statement (Cont'd)

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

### PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

#### 10.3 Risk & Sustainability Committee (“RSC”) (Cont'd)

During the financial year under review, the RSC had carried out the following activities:

- (a) Reviewed the quarterly report(s) from the Sustainability Management Committee.
- (b) Reviewed the effectiveness of the Group’s strategies, policies, principles and practices in accordance with the Sustainability Policy.
- (c) Reviewed and approved the Sustainability Statement for inclusion in the Group’s Annual Report for FY2023 .
- (d) Reviewed the Group Insurance Renewal.

#### Intended Outcome 11.0

- **Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

#### 11.1 Internal audit function

An independent Internal Audit function, which reports directly to the AC, has been established in line with the Code and the Listing Requirements. Detailed information on the Internal Audit function has been outlined in the AC Report section of this Annual Report.

#### 11.2 Disclosure pertaining to the audit function

The said independent Internal Audit function has been able to provide reasonable assurance that the Group’s system of risk management and internal control is satisfactory and operating efficiently in line with the Risk Management Framework and the Internal Control Processes as described in the Statement on Risk Management and Internal Control in this Annual Report.

None of the Internal Audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their Internal Audit functions.

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

### PART 1 – COMMUNICATION WITH STAKEHOLDER

#### Intended Outcome 12.0

- **There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

#### 12.1 Effective, transparent and regular communication with its stakeholders

The Company values its dialogue with shareholders, both individuals and institutions, as a key element of its operations. This dialogue primarily occurs through annual general meetings and extraordinary general meetings, where the Company gathers views, answer questions, and address all issues relevant to the Group.

During these general meetings, shareholders are encouraged to seek clarification and provide feedback on the proposed resolutions and the Group’s overall operations and prospects. The Board commits to responding to all queries and considering all suggestions put forth by shareholders. Should there be situations where immediate answers cannot be provided, the Chairman commits to supplying the shareholder with a written response following the meeting.

The Company also holds briefings for fund managers, institutional investors and investment analysts.

# Corporate Governance Overview Statement (Cont'd)

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

### **PART 1 – COMMUNICATION WITH STAKEHOLDER (Cont'd)**

#### **12.1 Effective, transparent and regular communication with its stakeholders (Cont'd)**

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company remains mindful of the legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released, except to the public through the appropriate channels.

The Board recognises that the Independent Directors are vital towards protecting the interests of shareholders. Shareholders and stakeholders are welcomed to communicate their concerns to the Independent Directors. This can be done via mail to the Company's registered address or via the 'Contact' tab on the Company's website.

#### **12.2 Integrated Reporting**

The Company had only recently achieved the status of a "Large Company" in financial year beginning 1 April 2023.

In that regard, both Management and Board are currently undertaking further evaluation and training for the purpose of restructuring its current reporting style to that of an integrated reporting.

More manpower with relevant experience and knowledge of preparing the integrated report are also being sourced by the Company.

### **PART 2 – CONDUCT OF GENERAL MEETINGS**

#### **Intended Outcome 13.0**

- **Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.**

#### **13.1 Notice of AGM**

The Annual General Meeting serves as the principal platform for the Board and the Management to engage with shareholders pertaining to the Group's performance, corporate and business developments and any other matter affecting shareholders' interest.

The Company had served the notice of the Twenty-Ninth (29<sup>th</sup>) AGM to all shareholders not less than twenty eight (28) days prior to the meeting for the purpose of providing the shareholders with sufficient time to consider the relevant proposed AGM resolutions.

#### **13.2 Attendance at AGM**

All members of the Board, the Company Secretary, External Auditors and the senior management had attended the virtual 29<sup>th</sup> AGM at the Broadcast Venue.

#### **13.3 Leveraging on technology to facilitate communication with Shareholders**

The Company had leveraged on technology to facilitate voting in absentia and remote participation by shareholders at the shareholders' meeting through a virtual 29<sup>th</sup> AGM held on 27 September 2023 and the Extraordinary General Meeting ("EGM") held on 7 December 2023.

# Corporate Governance Overview Statement (Cont'd)

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

### PART 2 – CONDUCT OF GENERAL MEETINGS (Cont'd)

#### 13.4 Meaningful engagement between Board, Senior Management and Shareholders

During the 29<sup>th</sup> AGM, the Management had presented, amongst others, details of performance, key developments and financial results for the reporting year. The Board expressed satisfaction with the agenda, speakers, and venue arrangements for the AGM, and there have been no major contentious issues identified.

The Chairman of the Board addressed queries received from the shareholders prior to the 29<sup>th</sup> AGM. There were also other queries received through Remote Participation and Voting (“RPV”) facilities during the meeting. As necessary, the Chairman redirected appropriate queries to the CEO and other members of the senior management for their responses.

#### 13.5 Virtual General Meeting

For the financial year under review, the Company held its 29<sup>th</sup> AGM and EGM virtually.

Shareholders were advised to participate through RPV facilities provided by SS E Solutions Sdn Bhd via SSeP at <https://sshbs.net.my/>.

#### 13.6 Publication of the Minutes of General Meeting

The minutes of AGM and EGM are circulated to shareholders and published on the company's website no later than 30 business days after the said AGM and EGM.

## COMPLIANCE STATEMENT

The Board confirms that, to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the Code as well as the relevant Listing Requirements for the financial year under review.

This Statement is approved by the Board of Directors on 29 May 2024.

# Audit Committee Report

The Audit Committee ("AC") is a Board Committee which assists the Board in discharging its responsibilities for, amongst others, corporate governance, internal controls and financial reporting.

## OBJECTIVES

The key function of the AC is to assist the Board in achieving the following oversight objectives related to the Group's activities:

- (a) Oversee financial reporting;
- (b) Review reports from internal auditors to validate the scope of audit, evaluate existing policies, establish audit quality and ensure compliance with Group's policies and procedures;
- (c) Review reports from external auditors to validate the scope of audit, audit plan and establishing audit quality;
- (d) Ensure that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (e) Oversee the implementation of the Whistle Blowing Policy and Procedures for the Group;
- (f) Oversee anti-corruption compliance matters and the implementation of the Anti-Bribery and Corruption Policy for the Group;
- (g) Investigate any concerns received on possible improprieties within the Group; and
- (h) Evaluate the internal and external audit processes.

The Board will review the Terms of Reference ("TOR") of the AC from time to time (if the need arises) to ensure that the AC continues to carry out its functions effectively. The last review of TOR by the Board was conducted in September 2023. The TOR has been made available on the Company's website at [www.sam-malaysia.com](http://www.sam-malaysia.com).

## COMPOSITION

The AC is comprises solely of Non-Executive Directors, with Independent Directors forming the majority. Their attendance at the 8 Committee meetings held during the financial year under review is tabulated below.

Designation	Designation	Attendance
Chairman	YM Tunku Afwida Binti Dato' Tunku Abdul Malek (Independent Non-Executive Director)	8/8
Members	Datuk Dr. Wong Lai Sum (Independent Non-Executive Director)	8/8
	Shum Sze Keong (Non-Independent Non-Executive Director)	8/8
	Ng Chee Kiet (Independent Non-Executive Director)	8/8

YM Tunku Afwida Binti Dato' Tunku Abdul Malek and Ng Chee Kiet are members of the Malaysian Institute of Accountants ("MIA"). The above composition of the AC meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), which stipulates that at least one member of the AC must be a member of the MIA.

All AC members possess financial literacy and have the capability to analyse and interpret financial statements, enabling them to effectively discharge their duties and responsibilities.

The Nominating and Remuneration Committee ("NRC") had on 23 May 2024 reviewed the terms of office and performance of the AC members. Based on its review, the NRC is satisfied that the AC and its members have effectively discharged their functions, duties and responsibilities in accordance with the TOR and in supporting the Board to ensure that the Group maintains high corporate governance standards and fulfil its oversight responsibilities in relation to financial reporting and internal controls.

# Audit Committee Report (Cont'd)

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

In line with the TOR, the AC held 8 meetings during the financial year and carried out the following activities:

### Financial results

- (a) Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements of the Group, prior to submission to the Board for its consideration and approval, focusing particularly on changes in or implementation of major accounting policies, major judgement areas, significant and unusual events and compliance with applicable accounting standards.
- (b) Received verbal assurance from the CFO that adequate processes and controls were in place for an effective and efficient preparation of the quarterly consolidated financial statements.

### External auditors

- (a) Evaluated the scope of work, proposed audit fees and yearly audit plan presented by the External Auditors.
- (b) Met with the External Auditors twice, in the absence of management, to discuss reservations and any other matters arising from their interim and final audits. No major concerns were raised by the External Auditors.
- (c) Reviewed and assessed the performance of the existing External Auditors of the Group.
- (d) Reviewed the External Auditors' report and opinion of the External Auditors in relation to the audited financial statements of the Company and the Group, including any significant findings in relation to audit.
- (e) Reviewed the assistance provided by the employees of the Group to the External Auditors and the overall conduct of the audit.
- (f) Reviewed and evaluated the suitability and independence of the External Auditors, obtained assurance of independence from the External Auditors and recommended the re-appointment of the Group's External Auditors to the Board.
- (g) Reviewed the Non-Audit Services and fees payable to External Auditors and its affiliates to ensure that the fees are within the threshold approved by the Board.

### Internal Auditors

- (a) Reviewed the adequacy and relevance of the scope, function, competency and resources of the Internal Auditors and that it has the necessary authority to carry out its work.
- (b) Reviewed and approved the internal audit plan adopted by the Internal Auditors.
- (c) Reviewed the internal audit reports, audit recommendations made by the Internal Auditors and Management's responses to these recommendations and actions taken to improve the system of internal controls and procedures. Where appropriate, the AC has directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.
- (d) Reviewed the implementation of the rectifications and improvements by the Management through follow-up audit reports from the Internal Auditors.
- (e) Reported to the Board on the activities of the Internal Auditors and significant findings and results.
- (f) Reviewed the assessment of the performance of the Internal Auditors.
- (g) Reviewed the FY2025 Internal Audit budget.

# Audit Committee Report (Cont'd)

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

### RPT and RRPT

- (a) Reviewed the reports of related party transactions ("RPT") and recurrent related party transactions ("RRPT") to assess if the actual transacted amounts were within the prescribed approved limit.
- (b) Reviewed and ensured that proper records were maintained to identify and capture all the RPT and RRPT.
- (c) Reviewed the proposed renewal of existing and new shareholders' mandate for RRPT of a revenue and/or trading nature before recommending to the Board.
- (d) Reviewed the non-recurrent related party transactions where the transactions were below 0.25% of percentage ratios and not subject to announcement to Bursa Securities.
- (e) Reviewed the reports prepared by an external consultant in relation to the review on the RPT and RRPT entered into by the Group during the financial year.
- (f) Reviewed the proposed amendments to the related party policy.

### Conflict of Interest

- (a) Reviewed the declaration by AC members, directors, key senior management and legal representatives ("Key Persons") of their conflict of interests concerning to the agenda items discussed during the meetings.

### Others

- (a) Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group and also the AC Report prior to the Board's approval for inclusion in the Annual Report.
- (b) Reviewed the AC Evaluation Report.
- (c) Reviewed the proposed amendments to the Whistle Blowing Policy.
- (d) Reviewed and recommended to the Board the proposed acquisition of the entire equity interest of Aviatron (M) Sdn. Bhd. ("Proposed Acquisition") and a proposed renounceable rights issue of new ordinary shares in the Company ("Proposed Right Issue") with the intention of, amongst others, using the funds raised to finance the Proposed Acquisition.
- (e) Reviewed and recommended to the Board the appointment of Independent Adviser/Adviser/Reporting Accountants for the Proposed Acquisition.
- (f) Reviewed and recommended to the Board the proposed amendments on the TOR of AC.

# Audit Committee Report (Cont'd)

## INTERNAL AUDIT FUNCTION

The internal audit function has been outsourced to an external service provider. The AC approves the Internal Audit plan which covers three key identified areas of internal controls, risk management and governance processes. Based on the internal audit plan approved by the AC, the audit work is conducted by the Internal Auditors. The Internal Auditors report directly to the AC.

In conducting their audit work, the Internal Auditors review the adequacy and effectiveness of the internal control systems. They also check for compliance with rules, regulations, policies and procedures. In addition, they evaluate the efficiency of auditable areas, as approved by the AC through the Internal Audit Plan. The results of the audit were presented to the AC during the periodic meetings held within the year.

The internal audits were performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "IIA Standards").

Throughout the financial year, the Internal Audit covered the following areas:

- (a) General Information Technology Controls - covered Group-wide entities
- (b) Inventory Management - covered SAM Tooling Technology Sdn. Bhd., a subsidiary in Malaysia
- (c) Machine/Equipment Maintenance - covered Meerkat Precision Sdn. Bhd., a subsidiary in Malaysia
- (d) Production Planning - covered SAM Precision (M) Sdn. Bhd., a subsidiary in Malaysia

Follow-up audits were performed to ascertain the status of the implementation of the recommendations on the previous internal audit visits.

The AC confirms that all audit findings have been addressed by Management in a timely manner and to the AC's satisfaction.

During the financial year, the total costs incurred for the internal audit services amounted to RM129,777.

## ACCOUNTABILITY AND AUDIT

### Financial reporting

The Board strives to deliver a balanced and insightful evaluation of the Group's financial performance and prospects. This is primarily achieved through the annual financial statements, quarterly results announcements to shareholders, Management Discussion and Analysis and the Sustainability Reporting section of the Annual Report. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

### Internal control & risk management

The Board assumes the overall responsibility for overseeing and managing risks. In view of this, the Board has in place a structured enterprise risk management framework for the Group to identify, monitor, control and report on principal risks faced by the Group on a regular basis.

The AC will identify the risks from the internal audits carried out and refer the same to the Risk & Sustainability Committee ("RSC") for RSC's further action and monitoring.

The RSC reviews risk management policies and strategies for the Group, recommends them to the Group and assists the Board in fulfilling its risk management and statutory responsibilities by managing the Group's overall risk exposure.

The key features and state of internal control and risk management of the Group is furnished in the Statement on Risk Management and Internal Control of this Annual Report.

# Audit Committee Report (Cont'd)

## ACCOUNTABILITY AND AUDIT (Cont'd)

### Relationship with external auditors

The External Auditors of the Company fulfil an essential role on behalf of Company in giving an assurance to the shareholders and others, of the reliability of the financial statements of the Group. The External Auditors are obligated to notify the Board of Directors, the AC and Management about any significant flaws in the Group's reporting systems, deficiencies in internal control and non-compliance with approved accounting standards and legal and regulatory requirements.

The audit fees payable by the Company and by the Group to the External Auditors and its affiliated firms or corporations amounted to RM70,000 and RM432,875 respectively. The non-audit fees payable by the Company and by the Group to the External Auditors and its affiliated firms or corporations amounted to RM445,422 and RM643,411 respectively.

The details of non-audit fees for the Company and the Group are stated below:

Nature of Services	Company RM	Group RM
Professional services for acquisition & rights issue	346,333	346,333
Review of work papers for audit performed by third party auditor	40,000	60,000
Audit of net assets as at date of acquisition	40,000	40,000
Review of Statement on Risk Management and Internal Control	12,000	12,000
Independent Whistleblowing Services	7,089	7,089
Application for licenses and incentives for a subsidiary in Thailand	-	152,272
Income tax compliance matters for a subsidiary in Singapore	-	25,717
<b>Total</b>	<b>445,422</b>	<b>643,411</b>

Annually, the Board, via the AC, evaluates and confirms the independence and suitability of the External Auditors to maintain their position. The scope of the assessment covers the calibre of the audit firm, team, fees, scope and planning as well as quality of processes and performance, independence and objectivity and client communication. The Board has formalised a set of criteria on assessment on the independence and suitability of External Auditors, as well as to govern circumstances under which contracts for provision of non-audit services could be entered into by the External Auditors.

This AC Report was approved by the Board of Directors on 29 May 2024.

# Statement on Risk Management and Internal Control

## BOARD RESPONSIBILITY

The Board of Directors ("Board") of SAM Engineering & Equipment (M) Berhad ("Company" or "SAMEE") affirms its overall responsibility for overseeing the system of internal control and risk management of the Company and its subsidiaries ("Group"); and for reviewing the adequacy and integrity of the system.

The system of internal control covers governance, risk management, financial strategy as well as organisational, operational, regulatory and compliance control. The Board acknowledges that the purpose of this system is to manage, rather than to eliminate the risks of not adhering to the Group's policies and potential impediments to the achievement of its goals and objectives. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud.

The adequacy and effectiveness of risk management and internal controls are reviewed by both the Risk & Sustainability Committee ("RSC") and Audit Committee ("AC") respectively, through the Group's Enterprise Risk Management ("ERM") framework and regular internal audits conducted. The Group's ERM is conducted internally whereas the internal audits are carried out by auditors who are independent service providers. Internal control issues as well as actions taken by Management of SAMEE to address issues discovered, are tabled by the internal auditors for deliberation during the AC meetings.

Each business unit, along with their supporting departments have implemented their own control processes within their business operations, under the leadership of the Chief Executive Officer ("CEO"), who bears the responsibility for the supervision of the Group's overarching business and regulatory governance.

## RISK MANAGEMENT

The Group has established an ERM framework that adheres to the principles and guidelines of the Committee of Sponsoring Organisations of the Treadway Commission's Enterprise Risk Management – Integrating with Strategy and Performance 2017. This framework is seamlessly integrated into the Group's management systems in order to identify, measure, assess and manage risks in the Group's activities and ensure they are aligned with the Group's strategic objectives and regulatory requirements.

The Board has delegated responsibility to the RSC to undertake the review of the risk management framework and risk dashboards, which detail the likelihood and impact of the significant risks and the corresponding action plans taken by Management to mitigate such risk.

The RSC is supported by the Chief Risk Officer, key management personnel and the risk management division of each business units, which are under the leadership of their respective heads.

### Enterprise Risk Management Framework

The Group's ERM framework is illustrated below:

#### Governance and Culture

- Board of directors provides oversight of the Group's strategic plans and their corresponding strategies; and carries out governance responsibilities to support Management in achieving the strategic plans and business objectives for long term value creation
- Management establishes operating structures in the pursuit of strategic and business objectives
- Management defines the desired Group-wide culture
- Management demonstrates commitment to the Group's core values
- Management is committed to build human capabilities in alignment with strategic and business objectives

#### Strategy and Objective Setting

- Management considers potential effects of business context on risk profile
- Management defines risk appetite in the context of creating, preserving and realising value
- Management evaluates alternative strategies and their potential impacts on the risk profile
- Management considers risks in formulating business objectives at various levels that align and support the strategy

# Statement on Risk Management and Internal Control (Cont'd)

## RISK MANAGEMENT (Cont'd)

### Enterprise Risk Management Framework (Cont'd)

#### Performance

- Management identifies risks that impact the performance of strategy and business objectives
- Management assesses the severity of the identified risks
- Management prioritises risks as the basis to select appropriate responses to risks
- Management selects and implements risk responses
- Management develops and evaluates portfolio view of risks

#### Review and Revision

- Management assesses changes that may substantially affect strategy and business objectives
- Management reviews group performance and considers its risks
- Management pursues improvement in the ERM

#### Information, Communication and Reporting

- Management leverages Group's information and technology systems to support the ERM
- Management uses existing communication channels to support the ERM
- Management reports on risk, culture and performance at different levels and across the Group

The ERM framework undergoes periodic evaluations and modifications to ensure its continuous relevance and effectiveness in managing the Group's evolving risk landscape, in tandem with the dynamic business environment.

## INTERNAL CONTROL SYSTEM

### KEY INTERNAL CONTROL PROCESSES

#### 1. Authority and Responsibility

- (a) The duties of the Board in terms of oversight, particularly in relation to internal control, compliance, and governance, are entrusted to the Audit Committee, following well-defined Terms of Reference, which are subject to periodic review and amendment when deemed necessary.
- (b) The Group has a clear organisation structure with well-defined lines of reporting and appropriate levels of responsibility.
- (c) The Authority Limits Document is reviewed and revised when necessary to reflect the authorisation limits of the Management.

#### 2. Planning, Monitoring and Reporting

- (a) An annual planning and budgetary exercise is undertaken, deliberated and approved by the Board before implementation.
- (b) Updates regarding the Group's business and operations, including financial performance variances, are presented to the Board at each meeting.
- (c) The Chief Financial Officer ("CFO") is required to assure the AC that adequate processes and controls are in place for an effective and efficient financial closing process in the preparation of each quarterly consolidated financial statements.

#### 3. Policies and Procedures

Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations as well as to detect and prevent fraud or other irregularities. Reviews are performed to ensure that documents remain current and relevant. The policies and procedures are documented and are reviewed and updated when applicable. Common Group policies are available on intranet for easy access by employees.

# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROL SYSTEM (Cont'd)

### KEY INTERNAL CONTROL PROCESSES (Cont'd)

#### 4. Audits

The AC assesses compliance with policies and procedures, as well as relevant laws and regulations through internal audits performed. The internal auditors report directly to the AC to assist the AC in discharging their duties and responsibilities.

The details of the activities carried out by the AC are reported in the Audit Committee Report in the 2024 Annual Report.

#### 5. Conduct of Staff

- (a) A Standard of Conduct, Business Ethics and Conflicts of Interest defines the ethical standards and conduct of work required and is established for all employees.
- (b) A Whistle Blowing Policy is also established to provide an avenue for staff or any external party to report any improprieties including any breach or suspected breach of any law or regulation in a safe and confidential manner.
- (c) A Personal Data Protection Policy is established for the management, control and protection of confidential information used by the Group to avoid leakage and improper use of such information.
- (d) An Anti-Bribery and Corruption Policy is established for the purpose of setting the Group's "top-down" tone for a zero-tolerance approach towards bribery and corruption.
- (e) Segregation of duties is practiced whereby conflicting tasks are distributed amongst different employees to reduce the possibility of error and fraud.

#### 6. Business Continuity Management

The Company and its major subsidiaries have instituted the Business Continuity Management ("BCM") Policy. This BCM Policy sets out the objectives, scope, strategies and emergency response procedures as well as the chain of command and responsibility for the efficacious execution of the business continuity plan across the Group. In addition, Business Continuity Plans ("BCP") have been implemented for essential business functions and critical systems infrastructure. These BCP are subject to review and update as and when necessary. In addition, the Group had conducted a disaster recovery simulation to evaluate the robustness of core information technology systems and the Group's preparedness against potential business disruption situations. The findings and feedbacks garnered were analysed for continuous improvement.

#### 7. Information Technology ("IT") Security and Cyber Resilience

The Group places utmost importance on the security and resiliency of its information and technology infrastructure, as it is integral to maintaining business operations, meeting the expectations of customers and stakeholders and safeguarding its reputation. The Information Technology Cybersecurity and Incident Response Policy together with Information Technology Disaster Recovery Procedures have been established to ensure that the Group's information systems and data are properly safeguarded and adequately protected from major threats such as errors, frauds, privacy violations, service disruptions and natural disasters.

The Group's IT Department conducts continuous and systematic reviews to identify potential threats, inclusive of cyber threats, and to enhance the technology infrastructure. These processes and controls are designed to bolster the Group's ability to prevent, detect and respond to any potential business disruptions and system failures. Furthermore, the Group engages external consultants to conduct targeted assessments on core IT risks, such as cybersecurity and resilience. Such evaluations function as a measure to align the Group's IT capabilities with globally recognised standards and industry best practices.

# Statement on Risk Management and Internal Control (Cont'd)

## REVIEW OF THIS STATEMENT

### RSC and AC

The AC and RSC have reviewed this Statement on Risk Management and Internal Control. Any lapse in internal controls has been adequately addressed in consultation with the internal auditors. The internal audits conducted throughout the year have not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control system.

### External Auditors

The external auditors have reviewed this 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 respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

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. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

## CONCLUSION

Notwithstanding the fact that the Group's system of internal control and risk management do not eliminate the possibility of collusion, deliberate circumvention of procedures by employees, fraud or other unforeseen circumstances, the Board has received assurance from the CEO and CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

The Board is of the view that the system of internal control and risk management, which are in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the investment of shareholders, the interest of customers, regulators, employees, other stakeholders and the Group's assets.

The Statement on Risk Management and Internal Control was approved by the Board of Directors on 29 May 2024.

# Other Information

## 1. Recurrent Related Party Transactions (RRPT) of revenue or trading nature for the year ended 31 March 2024

Details of RRPT made during the financial year ended 31 March 2024 pursuant to the shareholders' mandate obtained by the company at the Annual General Meeting held on 27 September 2023 are as follows:

Companies within the Group involved in RRPT	Nature of transactions	Related Party with whom the Group is transacting	Amount in RM'000	Interested Related Party	Relationship	
SAMEE Group	Sales of aerospace parts and other precision tools	SAMPL Group	14,708	Tan Kai Hoe, Shum Sze Keong, Peter Lim Hee Seng, Temasek, Accuron, SAMPL	Tan Kai Hoe is the Non-Independent Non-Executive Chairman of SAMEE, Director and Deputy Chairman of SAMPL and Director, President & CEO of Accuron.	
	Sales of fabrication, machining services & special process services		5,436			
	Provision of corporate management services, engineering and administrative services		2,006			
	Purchase of fabrication machining special process services		(13,736)			Peter Lim Hee Seng is the Executive Director and CEO of SAMEE, Director of SAM (Suzhou) Co., Ltd. (a subsidiary of SAMPL) and all subsidiaries of SAMEE except Aviatron, Vice President of Aerospace SAMPL. To-date, Peter Lim Hee Seng is a director of SAMPL and SAM Aerospace (NI) Ltd. (a subsidiary of SAMPL) and also serve as the CEO of SAMPL.
	Purchase of corporate management, engineering and administrative, fitting and quality assurance services		(7,107)			
	Rental of office, factory premises and machines		(5,737)			
	Purchase of fabrication and machining parts and components		-			Shum Sze Keong is the Non-Independent Non-Executive Director of SAMEE and a Director of SAMPL.

SAMEE : SAM Engineering & Equipment (M) Berhad

SAMEE Group : SAM Engineering & Equipment (M) Berhad and its subsidiaries

SAMPL : Singapore Aerospace Manufacturing Pte Ltd, the immediate holding company of SAMEE

SAMPL Group : SAMPL and its subsidiaries / associates excluding SAMEE Group

Aviatron : Aviatron (M) Sdn Bhd. Aviatron ceased as a direct subsidiary of SAM Singapore and became a subsidiary of SAMEE after the completion of acquisition of Aviatron by SAMEE on 26 February 2024.

Accuron : Accuron Technologies Limited, the immediate holding company of SAMPL

Temasek : Temasek Holdings (Private) Limited, the immediate holding company of Accuron

# Other Information (Cont'd)

## 2. Employees' Share Grant Scheme ("ESGS")

The ESGS was approved by shareholders at the Extraordinary General Meeting held on 14 August 2018. The ESGS is administered by the ESGS Committee which is appointed by the Board of Directors in accordance with the By-Laws of the ESGS.

The main features of the ESGS are as follows:

- (a) The ESGS shall be in force for a period of 5 years from 30 November 2018 ("ESGS Period") and may be extended at the discretion of the Board upon the recommendation of the ESGS Committee, provided that the ESGS Period shall not in aggregate exceed a duration of 10 years from 30 November 2018, or such longer duration as may from time to time be permitted by the relevant authorities;
- (b) The total number of shares which may be made available under the ESGS shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESGS Period;
- (c) The ESGS Award was granted to the eligible employees in accordance to the By-Laws of ESGS with vesting conditions to be fulfilled before it is converted into the Company's shares. The Directors and senior management of the Group will not participate in the ESGS;
- (d) The Company did not award any shares under ESGS during the financial year under review; and
- (e) There were no shares granted to the Non-Executive Directors of the Company since the implementation of ESGS.

## 3. Material Contracts Involving Interests of Directors and Major Shareholders

There were no material contracts of the Company and its subsidiaries involving interests of directors and major shareholders for the financial year under review, except for the conditional share sale agreement dated 25 September 2023 between the Company and Singapore Aerospace Manufacturing Pte Ltd, the immediate holding company, in relation to the acquisition of the entire equity interest in Aviatron (M) Sdn. Bhd. by the Company for a purchase consideration of USD43.40 million, satisfied wholly in cash. The interested directors are Mr Tan Kai Hoe, Mr Shum Sze Keong and Mr Peter Lim Hee Seng.

## 4. Status of Utilisation of Proceeds Raised from Corporate Proposal

On 22 February 2024, the Company issued 135,397,357 new ordinary shares pursuant to the Rights Issue Exercise ("Rights Share") at an issue price of RM3.60 per Rights Share, raising total proceeds amounting to RM487,430,485, on the basis of one Rights Share for every four existing shares. The details of the utilisation of the proceeds are as follows:

Utilisations of Proceeds	Proposed Utilisation RM'000	Actual Utilised RM'000
Settlement of the Purchase Consideration	202,231	202,231
Repayment of loans and/or advances extended by SAMPL to Aviatron together with interest accrued thereon	198,740	197,848
Repayment of bank borrowings	82,459	83,529
Defray expenses relating to the acquisition of Aviatron and the Rights Issue	4,000	3,822
	<b>487,430</b>	<b>487,430</b>

# Statement of Directors' Responsibility in Relation to the Financial Statements

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of their profit or loss and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was approved by the Board of Directors on 29 May 2024.

# Financial Statements

---

101

Directors' Report .....	101
Statements of Financial Position .....	108
Statements of Profit or Loss and Other Comprehensive Income .....	110
Consolidated Statement of Changes in Equity .....	112
Statement of Changes in Equity .....	114

---

115

Statement of Cash Flows .....	115
Notes to the Financial Statement .....	120
Statement by Directors .....	182
Statutory Declaration .....	183
Independent Auditors' Report .....	184

---

# Directors' Report

For The Year Ended 31 March 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

## Principal activities

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

There has been no significant change in the nature of these activities during the financial year.

## Ultimate holding company

The Company is an indirect subsidiary of Temasek Holdings (Private) Limited, of which is incorporated in the Republic of Singapore and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

## Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

## Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	108,581	22,798

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

## Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows :

- i) In respect of the financial year ended 31 March 2023 :
  - a first interim single tier dividend of 2.50 sen per ordinary share totalling RM13,540,000 declared on 24 May 2023 and paid on 8 August 2023.
- ii) In respect of the financial year ended 31 March 2024 :
  - a first interim single tier dividend of 3.30 sen per ordinary share totalling RM22,341,000 declared on 29 May 2024 and payable on 8 August 2024.

The Directors do not recommend any other dividend to be paid for the current financial year.

# Directors' Report

For The Year Ended 31 March 2024

## Directors of the Company

Directors who served during the financial year until the date of this report are :

Tan Kai Hoe  
Shum Sze Keong  
Datuk Dr. Wong Lai Sum  
YM Tunku Afwida Binti Dato' Tunku Abdul Malek  
Suresh Natarajan  
Ng Chee Kiet  
Peter Lim Hee Seng  
Piroon Saengpakdee (Appointed on 27 March 2024)

## Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the Company's subsidiaries during the financial year until the date of this report are as follows :

Peter Lim Hee Seng  
Ng Boon Keat  
Timothy Tung Kin Hoe  
Kong Suh Chin (Appointed on 8 December 2023)  
Larry Foo Wah Jin (Appointed on 26 September 2023)  
Teh Mun Ling (Resigned on 31 March 2024)

## Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares			Balance at 31.3.2024
	Balance at 1.4.2023	Bought	(Sold)	
<b>Interests in the Company :</b>				
Peter Lim Hee Seng				
Direct interests :				
- own	653,600	296,400	-	950,000
<b>Interest in the related corporations :</b>				
<b>Singapore Telecommunications Limited</b>				
Tan Kai Hoe				
Direct interests :				
- own	21,190	-	-	21,190
Shum Sze Keong				
Direct interests :				
- own	1,610	-	-	1,610
Indirect interests :				
- others <sup>(1)</sup>	1,610	-	-	1,610

# Directors' Report

(Cont'd)

For The Year Ended 31 March 2024

## Directors' interests in shares (Cont'd)

	Number of ordinary shares			Balance at 31.3.2024
	Balance at 1.4.2023	Bought	(Sold)	
<b>Interest in the related corporations : (Cont'd)</b>				
<b>Singapore Telecommunications Limited (Cont'd)</b>				
Peter Lim Hee Seng				
Direct interests :				
- own	870	-	-	870
Suresh Natarajan				
Direct interests :				
- own	1,610	-	-	1,610
<b>Mapletree Industrial Trust Management Ltd (Unit holdings in Mapletree Industrial Trust)</b>				
Tan Kai Hoe				
Direct interests :				
- own	4,170	-	-	4,170
Peter Lim Hee Seng				
Direct interests :				
- own	7,900	-	-	7,900
<b>SIA Engineering Company Limited</b>				
Tan Kai Hoe				
Direct interests :				
- own	9,000	-	-	9,000
Peter Lim Hee Seng				
Direct interests :				
- own	1,000	-	-	1,000
<b>CapitaLand India Trust Management Pte. Ltd</b>				
Tan Kai Hoe				
Direct interests :				
- own	20,000	-	-	20,000

# Directors' Report (Cont'd)

For The Year Ended 31 March 2024

## Directors' interests in shares (Cont'd)

	Balance at 1.4.2023	Number of ordinary shares		Balance at 31.3.2024
		Bought	(Sold)	
<b>Interest in the related corporations : (Cont'd)</b>				
<b>CapitaLand Investment Limited</b>				
Tan Kai Hoe				
Direct interests :				
- own	5,000	-	-	5,000
<b>CapitaLand Integrated Commercial Trust Management Limited</b>				
Tan Kai Hoe				
Direct interests :				
- own	773	-	-	773
<b>Singapore Airlines Limited</b>				
Tan Kai Hoe				
Direct interests :				
- own	7,500	-	-	7,500
<b>Singapore Technologies Engineering Ltd</b>				
Tan Kai Hoe				
Direct interests :				
- own	2,000	-	-	2,000
<b>StarHub Ltd</b>				
Tan Kai Hoe				
Direct interests :				
- own	10,000	-	-	10,000
<b>Paragon Reit Management Pte. Ltd.</b>				
Tan Kai Hoe				
Direct interests :				
- own	4,692	-	-	4,692

<sup>(1)</sup> Interests pursuant to Section 59(11)(c) of the Companies Act 2016

None of the other Directors holding office at 31 March 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

# Directors' Report (Cont'd)

For The Year Ended 31 March 2024

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2024 are as follows :

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company :		
Fees	639	-
Remuneration	232	-
	<u>871</u>	<u>-</u>

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

## Issue of shares and debentures

During the financial year, the Company increased its issued and paid-up share capital from RM214,784,016 to RM702,214,501 pursuant to the rights issue of 135,397,357 new ordinary shares ("Rights Shares") at RM3.60 per Rights Share amounting to RM487,430,485 on the basis of one Rights Share for every four existing shares.

There were no other changes in the issued and paid-up share capital of the Company and no debentures were issued during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year other than through the Employees' Share Grant Scheme ("ESGS") operated by the Company as disclosed in the financial statements.

## Employees' Share Grant Scheme

At an Extraordinary General Meeting held on 14 August 2018, the Company's shareholders approved the establishment of an ESGS of up to 5% of the total number of issued shares of the Company to eligible employees of the Group. The ESGS is administered by the ESGS Committee in accordance with the By-Laws of the ESGS.

The salient features of the ESGS are, *inter alia*, as follows :

- The ESGS shall be in force for a period of 5 years from 30 November 2018 ("ESGS Period") and may be extended at the discretion of the Board upon the recommendation of the ESGS Committee, provided that the ESGS Period shall not in aggregate exceed a duration of 10 years from 30 November 2018, or such longer duration as may from time to time be permitted by the relevant authorities;
- The total number of shares which may be made available under the ESGS shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESGS Period;
- Eligible employees are employees employed by and are on the payroll of any company in the Group (excluding dormant subsidiaries) and his/her employment has been confirmed by the company, who are at least 18 years of age and is not undischarged bankrupt. The Directors and senior management of the Group will not participate in the ESGS;

# Directors' Report (Cont'd)

For The Year Ended 31 March 2024

## Employees' Share Grant Scheme (Cont'd)

The salient features of the ESGS are, *inter alia*, as follows : (Cont'd)

- (d) Not more than 10% of the aggregate number of shares to be issued under the ESGS shall be allocated to any individual eligible employee who, either singly or collectively through persons connected with the eligible employee, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (e) The shares issued pursuant to the ESGS shall rank *pari passu* in all respects with the existing ordinary shares of the Company.

The above scheme lapsed on 30 November 2023. Individual eligible employees under the scheme were paid in April 2024 pursuant to provision of By-Law 24.2.

## Indemnity and insurance costs

During the financial year, the total cost of insurance amounting to RM180,100 was incurred by the Company to cover the Directors and officers of the Group and of the Company for a total sum insured of RM122 million.

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

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

# Directors' Report (Cont'd)

For The Year Ended 31 March 2024

## Significant event

The details of such event are disclosed in Note 31 to the financial statements.

## Subsequent event

The details of such event are disclosed in Note 32 to the financial statements.

## Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are as follows :

	Group RM'000	Company RM'000
Audit fees	350	70
Non-audit fees	458	438
	<u>808</u>	<u>508</u>

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

.....  
**Tan Kai Hoe**

Director

.....  
**Peter Lim Hee Seng**

Director

Date : 28 June 2024

# Statements of Financial Position

As at 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Assets</b>					
Property, plant and equipment	3	<b>668,981</b>	476,786	<b>1,019</b>	980
Right-of-use assets	4	<b>34,782</b>	38,003	-	460
Intangible assets	5	<b>111,241</b>	12,311	<b>1,108</b>	1,338
Investments in subsidiaries	6	-	-	<b>626,715</b>	316,789
Deferred tax assets	7	<b>26,660</b>	13,310	-	-
Prepayments	8	<b>27,550</b>	23,570	-	-
<b>Total non-current assets</b>		<b>869,214</b>	563,980	<b>628,842</b>	319,567
Inventories	9	<b>399,625</b>	481,113	-	-
Contract assets	10	<b>296,903</b>	191,841	-	-
Trade and other receivables	8	<b>460,969</b>	342,067	<b>201,149</b>	11,811
Derivative financial assets	11	<b>209</b>	2,370	-	-
Current tax assets		<b>4,052</b>	5,221	<b>1</b>	1
Cash and bank balances		<b>36,244</b>	21,045	<b>2,729</b>	529
<b>Total current assets</b>		<b>1,198,002</b>	1,043,657	<b>203,879</b>	12,341
<b>Total assets</b>		<b>2,067,216</b>	1,607,637	<b>832,721</b>	331,908
<b>Equity</b>					
Share capital	12	<b>702,215</b>	214,784	<b>702,215</b>	214,784
Reserves	13	<b>731,177</b>	600,080	<b>116,250</b>	105,238
<b>Equity attributable to owners of the Company</b>		<b>1,433,392</b>	814,864	<b>818,465</b>	320,022

# Statements of Financial Position (Cont'd)

As at 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Liabilities</b>					
Loans and borrowings	14	<b>19,040</b>	74,920	-	-
Lease liabilities		<b>12,708</b>	19,267	-	-
Deferred income	16	<b>434</b>	627	-	-
Other payables	18	<b>3,817</b>	-	<b>1,579</b>	-
Provisions	17	<b>38</b>	812	-	-
Deferred tax liabilities	7	<b>24,657</b>	17,523	-	-
<b>Total non-current liabilities</b>		<b>60,694</b>	113,149	<b>1,579</b>	-
Loans and borrowings	14	<b>278,434</b>	404,601	-	-
Lease liabilities		<b>7,350</b>	10,885	-	472
Deferred income	16	<b>220</b>	207	-	-
Trade and other payables	18	<b>252,657</b>	241,177	<b>12,677</b>	11,414
Contract liabilities	10	<b>3,945</b>	-	-	-
Derivative financial liabilities	11	<b>1,472</b>	959	-	-
Provisions	17	<b>8,063</b>	8,151	-	-
Current tax liabilities		<b>20,989</b>	13,644	-	-
<b>Total current liabilities</b>		<b>573,130</b>	679,624	<b>12,677</b>	11,886
<b>Total liabilities</b>		<b>633,824</b>	792,773	<b>14,256</b>	11,886
<b>Total equity and liabilities</b>		<b>2,067,216</b>	1,607,637	<b>832,721</b>	331,908

The notes on pages 120 to 181 are an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	19	<b>1,497,400</b>	1,445,358	<b>62,442</b>	93,436
Cost of sales		<b>(1,265,977)</b>	(1,277,305)	-	-
<b>Gross profit</b>		<b>231,423</b>	168,053	<b>62,442</b>	93,436
Other operating income		<b>32,015</b>	27,679	<b>254</b>	190
Distribution expenses		<b>(3,693)</b>	(3,748)	<b>(169)</b>	(101)
Administrative expenses		<b>(78,869)</b>	(57,014)	<b>(36,222)</b>	(27,236)
Net (loss)/gain on impairment of financial instruments and contract assets	21	<b>(871)</b>	596	<b>(15)</b>	(10)
Other operating expenses		<b>(5,478)</b>	(5,545)	<b>(3,485)</b>	(2,655)
<b>Results from operating activities</b>		<b>174,527</b>	130,021	<b>22,805</b>	63,624
Interest income		<b>779</b>	111	-	-
Finance costs	20	<b>(31,497)</b>	(15,161)	<b>(7)</b>	(21)
Net finance costs		<b>(30,718)</b>	(15,050)	<b>(7)</b>	(21)
<b>Profit before tax</b>	21	<b>143,809</b>	114,971	<b>22,798</b>	63,603
Tax expense	23	<b>(35,228)</b>	(26,122)	-	-
<b>Profit for the year</b>		<b>108,581</b>	88,849	<b>22,798</b>	63,603

# Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

For The Year Ended 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Cash flow hedge		(2,873)	2,588	-	-
Foreign currency translation differences		37,175	47,461	-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>34,302</b>	<b>50,049</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>142,883</b>	<b>138,898</b>	<b>22,798</b>	<b>63,603</b>
<b>Profit for the year attributable to :</b>					
Owners of the Company		108,581	88,849	22,798	63,603
<b>Total comprehensive income for the year attributable to :</b>					
Owners of the Company		142,883	138,898	22,798	63,603
<b>Basic/Diluted earnings per ordinary share (sen)</b>	24	<b>19.53</b>	16.41		

The notes on pages 120 to 181 are an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For The Year Ended 31 March 2024

	Attributable to owners of the Company		Distributable		Total equity RM'000	
	Share capital RM'000	Employees' Share Grant Scheme reserve RM'000	Hedging reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>At 1 April 2022</b>	213,967	693	(1,255)	77,748	403,532	694,685
Other comprehensive income for the year	-	-	2,588	-	-	2,588
- Cash flow hedge	-	-	2,588	-	-	2,588
- Foreign currency translation differences	-	-	-	47,461	-	47,461
<b>Total other comprehensive income for the year</b>	-	-	2,588	47,461	-	50,049
Profit for the year	-	-	-	-	88,849	88,849
<b>Total comprehensive income for the year</b>	-	-	2,588	47,461	88,849	138,898
Transactions with owners of the Company	-	-	-	-	(18,949)	(18,949)
- Dividend to owners of the Company (Note 25)	-	-	-	-	(18,949)	(18,949)
- Shares issued pursuant to ESGS (Note 12.1)	817	(817)	-	-	-	-
- Share-based payment transactions	-	230	-	-	-	230
	817	(587)	-	-	(18,949)	(18,719)
<b>At 31 March 2023</b>	214,784	106	1,333	125,209	473,432	814,864

Note 12 <----- Note 13 ----->

# Consolidated Statement of Changes in Equity (Cont'd)

For The Year Ended 31 March 2024

	Attributable to owners of the Company					Total equity RM'000
	Share capital RM'000	Employees' Share Grant Scheme reserve RM'000	Hedging reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
	Non-distributable		Distributable			
<b>At 1 April 2023</b>	214,784	106	1,333	125,209	473,432	814,864
Other comprehensive income for the year	-	-	(2,873)	-	-	(2,873)
- Cash flow hedge	-	-	(2,873)	-	-	(2,873)
- Foreign currency translation differences	-	-	-	37,175	-	37,175
<b>Total other comprehensive income for the year</b>	-	-	(2,873)	37,175	-	34,302
Profit for the year	-	-	-	-	108,581	108,581
<b>Total comprehensive income for the year</b>	-	-	(2,873)	37,175	108,581	142,883
Transactions with owners of the Company	-	1,754	-	-	-	1,754
- Share-based payment transactions	487,431	-	-	-	-	487,431
- Issue of new ordinary shares via rights issue (Note 12.2)	-	-	-	-	(13,540)	(13,540)
- Dividend to owners of the Company (Note 25)	-	-	-	-	-	-
<b>At 31 March 2024</b>	702,215	1,860	(1,540)	162,384	568,473	1,433,392

Note 12 <----- Note 13 ----->

The notes on pages 120 to 181 are an integral part of these financial statements.

# Statement of Changes in Equity

For The Year Ended 31 March 2024

	←----- Attributable to owners of the Company ----->			
	Share capital RM'000	Non-distributable Employees' Share Grant Scheme reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 1 April 2022</b>	213,967	693	60,478	275,138
Profit for the year representing total comprehensive income for the year	-	-	63,603	63,603
Transactions with owners of the Company				
- Share-based payment transactions	-	230	-	230
- Shares issued pursuant to ESGs (Note 12.1)	817	(817)	-	-
- Dividend to owners of the Company (Note 25)	-	-	(18,949)	(18,949)
	817	(587)	(18,949)	(18,719)
<b>At 31 March 2023/1 April 2023</b>	<b>214,784</b>	<b>106</b>	<b>105,132</b>	<b>320,022</b>
Profit for the year representing total comprehensive income for the year	-	-	<b>22,798</b>	<b>22,798</b>
Transactions with owners of the Company				
- Issue of new ordinary shares via rights issue (Note 12.2)	<b>487,431</b>	-	-	<b>487,431</b>
- Share-based payment transactions	-	<b>1,754</b>	-	<b>1,754</b>
- Dividend to owners of the Company (Note 25)	-	-	<b>(13,540)</b>	<b>(13,540)</b>
	<b>487,431</b>	<b>1,754</b>	<b>(13,540)</b>	<b>475,645</b>
<b>At 31 March 2024</b>	<b>702,215</b>	<b>1,860</b>	<b>114,390</b>	<b>818,465</b>
	Note 12	←----- Note 13 ----->		

The notes on pages 120 to 181 are an integral part of these financial statements.

# Statements of Cash Flows

For The Year Ended 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		<b>143,809</b>	114,971	<b>22,798</b>	63,603
Adjustments for :					
Property, plant and equipment					
- depreciation	3	<b>62,629</b>	55,513	<b>481</b>	491
- gain on disposals	21	<b>(19)</b>	(125)	-	-
- written off	21	<b>161</b>	251	-	10
Right-of-use assets					
- depreciation	4	<b>10,276</b>	10,597	<b>460</b>	459
- gain on derecognition	21	<b>(388)</b>	-	-	-
Amortisation of intangible assets	5	<b>3,307</b>	2,849	<b>326</b>	253
Amortisation of government grants	21	<b>(217)</b>	(9,604)	-	-
Fair value (gain)/loss on derivatives	21	<b>(352)</b>	452	-	-
Interest income		<b>(779)</b>	(111)	<b>(1,450)</b>	(37)
Interest expense	20	<b>30,892</b>	13,659	-	-
Accretion of interest on lease liabilities	20	<b>605</b>	1,502	<b>7</b>	21
Dividend income	19	-	-	<b>(31,117)</b>	(67,563)
Employees' Share Grant Scheme expenses	15	<b>1,754</b>	230	<b>233</b>	125
Net loss/(gain) on impairment on					
- trade receivables	21	<b>649</b>	(463)	-	-
- contract assets	21	<b>222</b>	(133)	-	-
- amount due from a subsidiary	21	-	-	<b>15</b>	10
- investments in subsidiaries	21	-	-	<b>26</b>	15
Provision for					
- warranties	17	<b>645</b>	686	-	-
- onerous contracts	17	-	920	-	-
Reversal of provision for					
- warranties	17	<b>(1,792)</b>	(1,276)	-	-
- onerous contracts	17	<b>(1,184)</b>	-	-	-
<b>Operating profit/(loss) before changes in working capital</b>		<b>250,218</b>	189,918	<b>(8,221)</b>	(2,613)

# Statements of Cash Flows (Cont'd)

For The Year Ended 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Changes in working capital :					
Trade and other receivables		(41,680)	(25,095)	7,168	(3,992)
Inventories		119,237	(147,307)	-	-
Contract assets		(42,749)	(31,346)	-	-
Trade and other payables		(6,420)	11,224	2,842	567
Contract liabilities		(68)	(615)	-	-
<b>Cash generated from/(used in) operations</b>		<b>278,538</b>	<b>(3,221)</b>	<b>1,789</b>	<b>(6,038)</b>
Dividends received		-	-	31,117	67,563
Income tax paid		(40,225)	(29,215)	-	-
<b>Net cash from/(used in) operating activities</b>		<b>238,313</b>	<b>(32,436)</b>	<b>32,906</b>	<b>61,525</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	A	(93,872)	(219,159)	(520)	(481)
Additions to intangible assets	B	(2,444)	(3,749)	(96)	(1,084)
Increase in investments in subsidiaries		-	-	(107,721)	(41,159)
Acquisition of subsidiary, net of cash and cash equivalents	31	(191,429)	-	(202,231)	-
Advances to a subsidiary		-	-	(197,848)	-
Repayment of advances to a subsidiary		-	-	2,848	-
Interest received		779	111	1,450	37
Proceeds from disposals of property, plant and equipment		53	364	-	-
<b>Net cash used in investing activities</b>		<b>(286,913)</b>	<b>(222,433)</b>	<b>(504,118)</b>	<b>(42,687)</b>

# Statements of Cash Flows (Cont'd)

For The Year Ended 31 March 2024

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from financing activities</b>					
Proceeds from rights issue of new ordinary shares	12.2	487,431	-	487,431	-
Dividends paid	25	(13,540)	(18,949)	(13,540)	(18,949)
Interest paid		(31,497)	(15,161)	(7)	(21)
(Repayment)/Drawdown of term loans		(6,029)	19,234	-	-
(Repayment)/Drawdown of other borrowings		(176,018)	249,247	-	-
Repayment of loan from immediate holding company		(197,848)	-	-	-
Payment of lease liabilities		(10,442)	(9,819)	(472)	(459)
<b>Net cash from/(used in) financing activities</b>		<b>52,057</b>	<b>224,552</b>	<b>473,412</b>	<b>(19,429)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,457</b>	<b>(30,317)</b>	<b>2,200</b>	<b>(591)</b>
Cash and cash equivalents at beginning of financial year		21,045	31,063	529	1,120
Effect of exchange rate fluctuations		11,742	20,299	-	-
<b>Cash and cash equivalents at end of financial year</b>	C	<b>36,244</b>	<b>21,045</b>	<b>2,729</b>	<b>529</b>

## Cash outflows for leases as a lessee

	Note	<----- Group ----->		<----- Company ----->	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Included in net cash from/(used in) operating activities :</b>					
Payment relating to :					
- short-term leases	21	1,766	2,093	118	223
- leases of low-value assets	21	170	178	25	22
- interest on lease liabilities	20	605	1,502	7	21
<b>Included in net cash from/(used in) financing activities :</b>					
Payment of lease liabilities		10,442	9,819	472	459
<b>Total cash outflows for leases</b>		<b>12,983</b>	<b>13,592</b>	<b>622</b>	<b>725</b>

# Statements of Cash Flows (Cont'd)

For The Year Ended 31 March 2024

## NOTES

### A. Purchase of plant and equipment

During the financial year, the Group and the Company acquired plant and equipment by way of the following :

	<----- Group ----->		<----- Company ----->	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Acquired in cash	<b>93,872</b>	219,159	<b>520</b>	481
Prepayment in relation to purchase of plant and equipment	<b>(3,980)</b>	(879)	-	-
Increase/(Decrease) in amount due to vendor of plant and equipment	<b>101</b>	(799)	-	-
<b>Total additions</b>	<b>89,993</b>	217,481	<b>520</b>	481

### B. Additions to intangible assets

During the financial year, the Group and the Company acquired intangible assets by way of the following :

	<----- Group ----->		<----- Company ----->	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Acquired in cash	<b>2,444</b>	3,749	<b>96</b>	1,084
Prepayment	-	21	-	-
<b>Total additions</b>	<b>2,444</b>	3,770	<b>96</b>	1,084

### C. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise cash and bank balances as shown on the statements of financial position.

# Statements of Cash Flows (Cont'd)

For The Year Ended 31 March 2024

## NOTES (Cont'd)

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 April 2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Remeasurement RM'000	Effect of movement in exchange rates RM'000	At 31 March 2023 RM'000
Revolving credit, promissory notes and trust receipts	198,452	249,247	-	-	-	447,699
Term loans	12,588	19,234	-	-	-	31,822
Lease liabilities	27,467	(9,819)	10,118	525	1,861	30,152
	238,507	258,662	10,118	525	1,861	509,673

Group	At 1 April 2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Acquisition through combinations RM'000	Changes arising from obtaining control of a subsidiary RM'000	Effect of movement in exchange rates RM'000	At 31 March 2024 RM'000
Revolving credit, promissory notes and trust receipts	447,699	(176,018)	-	-	-	-	271,681
Term loans	31,822	(6,029)	-	-	-	-	25,793
Lease liabilities	30,152	(10,442)	2,517	38	(3,837)	1,630	20,058
	509,673	(192,489)	2,517	38	(3,837)	1,630	317,532

Company	At 1 April 2022 RM'000	Net changes from financing cash flows RM'000	At 31 March 2023/1 April 2023 RM'000	At 31 March 2024 RM'000
Lease liabilities	931	(459)	472	(472)

The notes on pages 120 to 181 are an integral part of these financial statements.

# Notes to the Financial Statements

For The Year Ended 31 March 2024

SAM Engineering & Equipment (M) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

## Principal place of business

Plot 17, Hilir Sungai Keluang Tiga  
Bayan Lepas Free Industrial Zone  
Phase 4  
11900 Penang

## Registered office

Suite 18.05, MWE Plaza  
No.8, Lebuhr Farquhar  
10200 Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities of the subsidiaries are stated in Note 6 to the financial statements.

The immediate holding company is Singapore Aerospace Manufacturing Pte. Ltd. and the penultimate holding company is Accuron Technologies Limited. The ultimate holding company is Temasek Holdings (Private) Limited. All the above companies are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 28 June 2024.

## 1. Basis of preparation

### (a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company :

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

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

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025**

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

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027**

- MFRS 18, *Presentation and Disclosure in Financial Statements*

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 1. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below:

Item	Measurement basis
Derivative financial instruments	Fair value

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 9.1 - Inventories.

## 2. Changes in material accounting policies

### 2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see note 7).

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 31 March 2023 in the jurisdictions in which the Group operates. The retrospective application has no impact on the Group's consolidated financial statements.

### 2.2 Material accounting policy information

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

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment

Group	At	Acquisition		Written off	Reclassification	Effect of	At
	1 April	through	Disposals				movements in
Cost	RM'000	business combinations	RM'000	RM'000	RM'000	exchange rates	2024
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	38,799	-	-	-	-	2,034	40,833
Buildings	111,897	329	89,540	-	-	3,482	205,248
Electrical installation and fittings	39,642	11,060	-	(2)	15,034	1,743	67,477
Factory equipment	41,411	4,866	-	(207)	1,771	1,755	49,367
Motor vehicles	2,859	141	373	-	-	99	3,472
Office equipment, furniture and fittings	39,177	2,723	5,977	(130)	1,080	1,419	50,191
Plant and machinery	656,542	23,370	273,760	(3,109)	9,200	24,593	984,309
Capital expenditure-in-progress	61,017	47,504	325	-	(27,085)	2,847	84,608
	<b>991,344</b>	<b>89,993</b>	<b>369,975</b>	<b>(3,448)</b>	<b>(331)</b>	<b>37,972</b>	<b>1,485,505</b>

Note 31.1

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

Group	At 1 April 2022 RM'000	Additions RM'000	Disposals RM'000	Transfer RM'000	Written off RM'000	Reclassification RM'000	Effect of movements in exchange rates RM'000	At 31 March 2023 RM'000
Freehold land	-	38,799	-	-	-	-	-	38,799
Buildings	50,907	57,614	-	-	-	(45)	3,421	111,897
Electrical installation and fittings	20,575	18,290	-	(18)	(476)	36	1,235	39,642
Factory equipment	34,119	6,602	-	(754)	(924)	229	2,139	41,411
Motor vehicles	2,200	723	-	-	(171)	-	107	2,859
Office equipment, furniture and fittings	33,145	4,691	(11)	(9)	(609)	161	1,809	39,177
Plant and machinery	590,112	11,320	(928)	(31)	(1,095)	19,478	37,686	656,542
Capital expenditure-in-progress	1,336	79,442	-	-	-	(19,859)	98	61,017
	732,394	217,481	(939)	(812)	(3,275)	-	46,495	991,344

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

Group	At 1 April 2023 RM'000	Depreciation for the year RM'000	Acquisition through business combinations RM'000	Disposals RM'000	Written off RM'000	Effect of movements in exchange rates RM'000	At 31 March 2024 Accumulated depreciation RM'000	Accumulated impairment RM'000	Total at 31 March 2024 RM'000
<b>Depreciation and impairment loss</b>									
<b>2024</b>									
Freehold land	-	-	-	-	-	-	-	-	-
Buildings	27,376	3,326	26,200	-	-	885	57,787	-	57,787
Electrical installation and fittings	14,575	2,165	-	(2)	-	619	17,203	154	17,357
Factory equipment	29,351	3,434	-	(173)	(83)	1,272	33,743	58	33,801
Motor vehicles	2,000	209	373	-	-	63	2,645	-	2,645
Office equipment, furniture and fittings	32,104	3,134	5,322	(130)	(49)	1,174	41,513	42	41,555
Plant and machinery	409,152	50,361	191,893	(3,109)	(38)	15,120	663,379	-	663,379
	<b>514,558</b>	<b>62,629</b>	<b>223,788</b>	<b>(3,414)</b>	<b>(170)</b>	<b>19,133</b>	<b>816,270</b>	<b>254</b>	<b>816,524</b>

Note 31.1

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

Group	At 1 April 2022 RM'000	Depreciation for the year RM'000	Disposals RM'000	Transfer RM'000	Written off RM'000	Effect of movements in exchange rates RM'000	At 31 March 2024 Accumulated depreciation RM'000	Accumulated impairment RM'000	Total at 31 March 2023 RM'000
<b>Depreciation and impairment loss</b>									
<b>2023</b>									
Freehold land	-	-	-	-	-	-	-	-	-
Buildings	23,386	2,398	-	-	-	1,592	27,376	-	27,376
Electrical installation and fittings	13,279	1,017	-	(13)	(476)	768	14,421	154	14,575
Factory equipment	26,149	2,761	-	(525)	(709)	1,675	29,293	58	29,351
Motor vehicles	2,011	60	-	-	(171)	100	2,000	-	2,000
Office equipment, furniture and fittings	28,363	2,755	(11)	(4)	(577)	1,578	32,062	42	32,104
Plant and machinery	343,299	46,522	(928)	(31)	(1,091)	21,381	409,152	-	409,152
	436,487	55,513	(939)	(573)	(3,024)	27,094	514,304	254	514,558

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

	At 31 March 2024 RM'000	At 31 March 2023 RM'000	At 1 April 2022 RM'000
<b>Group</b>			
<b>Carrying amounts</b>			
Freehold land	40,833	38,799	-
Buildings	147,461	84,521	27,521
Electrical installation and fittings	50,120	25,067	7,296
Factory equipment	15,566	12,060	7,970
Motor vehicles	827	859	189
Office equipment, furniture and fittings	8,636	7,073	4,782
Plant and machinery	320,930	247,390	246,813
Capital expenditure-in-progress	84,608	61,017	1,336
	<b>668,981</b>	<b>476,786</b>	<b>295,907</b>

	At 1 April 2023 RM'000	Additions RM'000	Written off RM'000	At 31 March 2024 RM'000
<b>Company</b>				
<b>Cost</b>				
Motor vehicles	523	-	-	523
Office equipment, furniture and fittings	3,835	520	(17)	4,338
Electrical installation and fittings	1,070	-	(2)	1,068
Factory equipment	13	-	-	13
	<b>5,441</b>	<b>520</b>	<b>(19)</b>	<b>5,942</b>

	At 1 April 2022 RM'000	Additions RM'000	Written off RM'000	At 31 March 2023 RM'000
Motor vehicles	523	-	-	523
Office equipment, furniture and fittings	3,424	429	(18)	3,835
Electrical installation and fittings	1,018	52	-	1,070
Factory equipment	13	-	-	13
	<b>4,978</b>	<b>481</b>	<b>(18)</b>	<b>5,441</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

	At 1 April 2023 RM'000	Depreciation for the year RM'000	Written off RM'000	At 31 March 2024 RM'000
<b>Company</b>				
<b>Depreciation</b>				
Motor vehicles	519	1	-	520
Office equipment, furniture and fittings	3,137	466	(17)	3,586
Electrical installation and fittings	792	14	(2)	804
Factory equipment	13	-	-	13
	<b>4,461</b>	<b>481</b>	<b>(19)</b>	<b>4,923</b>

	At 1 April 2022 RM'000	Depreciation for the year RM'000	Written off RM'000	At 31 March 2023 RM'000
Motor vehicles	517	2	-	519
Office equipment, furniture and fittings	2,666	479	(8)	3,137
Electrical installation and fittings	782	10	-	792
Factory equipment	13	-	-	13
	<b>3,978</b>	<b>491</b>	<b>(8)</b>	<b>4,461</b>

	At 31 March 2024 RM'000	At 31 March 2023 RM'000	At 1 April 2022 RM'000
<b>Carrying amounts</b>			
Motor vehicles	3	4	6
Office equipment, furniture and fittings	752	698	758
Electrical installation and fittings	264	278	236
	<b>1,019</b>	<b>980</b>	<b>1,000</b>

### 3.1 Security

Land and buildings with a total carrying amount of RM98,894,000 (2023 : RM16,310,000) have been charged to the bank as security for credit facilities granted to the Group as disclosed in Note 14 to the financial statements.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 3. Property, plant and equipment (Cont'd)

### 3.2 Material accounting policy information

#### (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

#### (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

	Years
Buildings	30 - 50
Electrical installation and fittings	3 - 50
Factory equipment	5 - 10
Motor vehicles	5
Office equipment, furniture and fittings	3 - 10
Plant and machinery	5 - 10

## 4. Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
<b>Group</b>				
At 1 April 2022	10,363	24,839	113	35,315
Addition	-	10,118	-	10,118
Remeasurement	-	525	-	525
Depreciation	(310)	(10,251)	(36)	(10,597)
Effect of movements in exchange rates	693	1,941	8	2,642
At 31 March 2023/1 April 2023	<b>10,746</b>	<b>27,172</b>	<b>85</b>	<b>38,003</b>
Depreciation	<b>(339)</b>	<b>(9,900)</b>	<b>(37)</b>	<b>(10,276)</b>
Addition	-	2,517	-	2,517
Acquisition through business combinations (Note 31.1)	6,674	39	-	6,713
Derecognition*	-	(3,449)	-	(3,449)
Effect of movements in exchange rates	386	884	4	1,274
At 31 March 2024	<b>17,467</b>	<b>17,263</b>	<b>52</b>	<b>34,782</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 4. Right-of-use assets (Cont'd)

	Building RM'000
<b>Company</b>	
At 1 April 2022	919
Depreciation	(459)
At 31 March 2023/1 April 2023	<u>460</u>
Depreciation	<u>(460)</u>
At 31 March 2024	<u>-</u>

\* Derecognition of the right-of-use assets during the financial year is a result of the acquisition of Aviatron (M) Sdn. Bhd. during the year. The leasehold building was classified as right-of-use assets in the previous financial year is derecognised and classified as property, plant and equipment.

The Group leases land, factory buildings and office equipment. The leases for land is for a period of 60 years, whereas the leases for factory buildings run between 3 to 10 years and office equipment for 5 years. Lease payments for factory buildings are subject to increase every 2 to 3 years to reflect current market rentals.

### 4.1 Extension options

One of the lease of factory buildings contains extension option exercisable by the Group 3 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of exercise of extension options %
<b>2024</b>			
<b>Group</b>			
Buildings	<u>5,060</u>	<u>24,165</u>	<u>100</u>
<b>2023</b>			
<b>Group</b>			
Buildings	<u>6,067</u>	<u>30,268</u>	<u>100</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 4. Right-of-use assets (Cont'd)

### 4.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

### 4.3 Restriction imposed by lease

The lease contracts for certain buildings and office equipment prohibits the Group to sublease the leased assets. The Group is allowed to sublease the land with the approval from local authorities.

### 4.4 Material accounting policy information

#### (a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### (b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (c) Recognition exemption

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

## 5. Intangible assets

	Goodwill RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
At 1 April 2022	-	17,073	11,525	28,598
Additions	-	1,391	2,379	3,770
Effect of movements in exchange rates	-	1,166	571	1,737
At 31 March 2023/1 April 2023	-	<b>19,630</b>	<b>14,475</b>	<b>34,105</b>
Additions	-	<b>113</b>	<b>2,331</b>	<b>2,444</b>
Acquisition through business combinations (Note 31.1)	<b>81,408</b>	<b>35,846</b>	<b>1,801</b>	<b>119,055</b>
Effect of movements in exchange rates	-	<b>322</b>	<b>453</b>	<b>775</b>
At 31 March 2024	<b>81,408</b>	<b>55,911</b>	<b>19,060</b>	<b>156,379</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 5. Intangible assets (Cont'd)

	Goodwill RM'000	Development expenditure RM'000	Computer software RM'000	Total RM'000
<b>Group</b>				
<b>Amortisation and impairment loss</b>				
At 1 April 2022				
Accumulated amortisation	-	8,170	9,468	17,638
Accumulated impairment loss	-	-	254	254
	-	8,170	9,722	17,892
Amortisation for the year	-	1,649	1,200	2,849
Effect of movements in exchange rates	-	559	494	1,053
At 31 March 2023/1 April 2023				
Accumulated amortisation	-	<b>10,378</b>	<b>11,162</b>	<b>21,540</b>
Accumulated impairment loss	-	-	<b>254</b>	<b>254</b>
	-	<b>10,378</b>	<b>11,416</b>	<b>21,794</b>
Amortisation for the year	-	<b>1,803</b>	<b>1,504</b>	<b>3,307</b>
Acquisition through business combinations (Note 31.1)	-	<b>18,021</b>	<b>1,409</b>	<b>19,430</b>
Effect of movements in exchange rates	-	<b>209</b>	<b>398</b>	<b>607</b>
At 31 March 2024				
Accumulated amortisation	-	<b>30,411</b>	<b>14,473</b>	<b>44,884</b>
Accumulated impairment loss	-	-	<b>254</b>	<b>254</b>
	-	<b>30,411</b>	<b>14,727</b>	<b>45,138</b>
<b>Carrying amounts</b>				
At 1 April 2022	-	8,903	1,803	10,706
At 31 March 2023	-	9,252	3,059	12,311
At 31 March 2024	<b>81,408</b>	<b>25,500</b>	<b>4,333</b>	<b>111,241</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 5. Intangible assets (Cont'd)

	<b>Computer software RM'000</b>
<b>Company</b>	
<b>Cost</b>	
At 1 April 2022	3,298
Addition	1,084
At 31 March 2023/1 April 2023	<b>4,382</b>
Addition	<b>96</b>
At 31 March 2024	<b>4,478</b>
<b>Amortisation</b>	
At 1 April 2022	2,791
Amortisation for the year	253
At 31 March 2023/1 April 2023	<b>3,044</b>
Amortisation for the year	<b>326</b>
At 31 March 2024	<b>3,370</b>
<b>Carrying amounts</b>	
At 1 April 2022	507
At 31 March 2023	1,338
At 31 March 2024	<b>1,108</b>

### Impairment review of goodwill

For impairment testing of goodwill relating to current year acquisition, the consideration paid represented the evidence of the subsidiary's fair value less cost to sell.

#### 5.1 Material accounting policy information

##### (a) Recognition and measurement

Intangible assets other than goodwill, that are acquired by the Group which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### (b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows :

- Computer software 2 - 6 years
- Development expenditure 5 - 10 years

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 6. Investments in subsidiaries - Company

	2024 RM'000	2023 RM'000
Cost of investments	666,671	356,719
Less : Impairment loss	(39,956)	(39,930)
	626,715	316,789

During the current financial year, the Company recorded an impairment of RM26,000 (2023 : RM15,000) on its investment cost in a subsidiary after having assessed the recoverable amount of the said subsidiary of RM1,538,000 (2023 : RM1,565,000).

On 26 February 2024, the Company completed the acquisition of Aviatron (M) Sdn. Bhd. for a total purchase consideration of USD43,400,000 (equivalent to RM202,231,000) (Note 31).

During the current financial year, the Company also increased its investments in SAM Meerkat (M) Sdn. Bhd. and SAM Precision (Thailand) Limited for a total cash consideration of RM83,000,000 (2023 : Nil) and USD5,283,000 (2023 : USD9,279,000) equivalent to RM24,721,000 (2023 : RM41,159,000) respectively.

Details of the subsidiaries are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024 %	2023 %	
SAM Meerkat (M) Sdn. Bhd.	Malaysia	100	100	Design and assembly of modular or complete machine and equipment
SAM Tooling Technology Sdn. Bhd.	Malaysia	100	100	Design, development and manufacture of trim and form dies and suspension tooling for hard disk drive parts
Avitron Private Limited	Republic of Singapore	100 <sup>(1)</sup>	100 <sup>(1)</sup>	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
SAM Precision (M) Sdn. Bhd	Malaysia	100	100	Fabrication of precision tools and machinery parts and manufacture of aircraft and other equipment parts, spares, components and precision engineering parts
Aviatron (M) Sdn. Bhd.	Malaysia	100	-(1)	Manufacture and assembly of aircraft equipment, spares, components and precision engineering parts
Meerkat Precision Sdn. Bhd.	Malaysia	100	100	Manufacture of aircraft and other related equipment parts, spares, components and precision engineering parts, precision and engineering components

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 6. Investments in subsidiaries - Company (Cont'd)

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024 %	2023 %	
SAM Precision (Thailand) Limited	Thailand	100 <sup>(2)</sup>	100 <sup>(2)</sup>	Manufacture of dies, jigs and parts and cutting tools for disk drives, electronics, semi-conductor and other industries and assembly of modular or complete machine and equipment
SAM Technologies (M) Sdn. Bhd.	Malaysia	100	100	Dormant
Meerkat Integrator Sdn. Bhd.	Malaysia	100	100	Dormant
LKT Automation Sdn. Bhd.	Malaysia	100	100	Dormant
LKT Integration Sdn. Bhd.	Malaysia	100	100	Dormant
LKT Technology Sdn. Bhd.	Malaysia	100	100	Dormant
<b>Held by SAMPM</b>				
Meerkat Technology Pte. Ltd.	Republic of Singapore	100 <sup>(1)</sup>	100 <sup>(1)</sup>	Dormant

### Notes:

<sup>(1)</sup> Not audited by member firms of KPMG International.

<sup>(2)</sup> Audited by member firms of KPMG International.

### 6.1 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 7. Deferred tax assets/(liabilities) Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

Group	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment - capital allowance	2,646	1,034	(27,257)	(26,470)	(24,611)	(25,436)
Right-of-use assets	-	-	(2,665)	(3,205)	(2,665)	(3,205)
Lease liabilities	3,127	3,644	-	-	3,127	3,644
Provisions	12,399	8,890	-	-	12,399	8,890
Tax losses carry-forward	13,753	6,939	-	-	13,753	6,939
Unutilised reinvestment allowance	-	4,955	-	-	-	4,955
<b>Deferred tax assets/(liabilities)</b>	<b>31,925</b>	<b>25,462</b>	<b>(29,922)</b>	<b>(29,675)</b>	<b>2,003</b>	<b>(4,213)</b>
Set-off of tax	(5,265)	(12,152)	5,265	12,152	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>26,660</b>	<b>13,310</b>	<b>(24,657)</b>	<b>(17,523)</b>	<b>2,003</b>	<b>(4,213)</b>

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 7. Deferred tax assets/(liabilities) (Cont'd)

### Movements in temporary differences during the year

Group	At 1 April 2022 RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2023/ April 2023 RM'000	Acquisition through business combinations RM'000	Recognised in profit or loss (Note 23) RM'000	Effect of movement in exchange rates RM'000	At 31 March 2024 RM'000
<b>Deferred tax assets/(liabilities)</b>								
Property, plant and equipment	(18,112)	(6,286)	(1,038)	(25,436)	(5,676)	8,334	(1,833)	(24,611)
- capital allowance	(3,959)	753	1	(3,205)	-	540	-	(2,665)
Right-of-use assets	4,433	(715)	(74)	3,644	-	(518)	1	3,127
Lease liabilities	3,410	5,777	(297)	8,890	(831)	3,417	923	12,399
Provisions	1,668	4,406	865	6,939	-	5,779	1,035	13,753
Tax losses carry-forward	3,885	1,070	-	4,955	-	(4,955)	-	-
Unutilised reinvestment allowance	(8,675)	5,005	(543)	(4,213)	(6,507)	12,597	126	2,003

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 7. Deferred tax assets/(liabilities) (Cont'd)

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2024 RM'000	2023 RM'000
<b>Group</b>		
Tax losses carry-forward	68,913	69,378
Capital allowance carry-forwards	8,220	7,871
Provisions and others	9,473	6,085
	<u>86,606</u>	<u>83,334</u>
<b>Company</b>		
Tax losses carry-forward	10,974	10,974
Capital allowance carry-forwards	820	309
Provisions and others	9,473	6,248
	<u>21,267</u>	<u>17,531</u>

As stipulated in the Finance Act 2021, the tax losses carry-forward as at 31 December 2018 and thereafter will only be available for carry forward up to a period of 10 consecutive years. Any amounts not utilised upon expiry will be disregarded.

The tax losses carry-forward will expire in the following year of assessments ("YA") under the current tax legislation of Malaysia as shown below :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Expire in				
- YA2029	43,036	43,036	2,807	2,807
- YA2030	2,022	2,022	2,022	2,022
- YA2031	2,159	2,159	2,159	2,159
- YA2032	2,346	2,346	2,346	2,346
- YA2034	1,640	1,640	1,640	1,640
	<u>51,203</u>	<u>51,203</u>	<u>10,974</u>	<u>10,974</u>

The capital allowance carry-forwards and the tax losses carry-forward in certain foreign jurisdictions do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 7. Deferred tax assets/(liabilities) (Cont'd)

### 7.1 Global minimum top-up tax

As at 31 March 2024, the Governments of the Singapore ("SG") and Malaysia ("MY") have both enacted new legislation, respectively, to implement the global minimum top-up tax. The newly enacted tax legislation in SG and MY will only come into effect in year 2025, there is no current tax impact for the year ended 31 March 2024.

### 7.2 Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### 7.3 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

## 8. Trade and other receivables

	Note	2024 RM'000	2023 RM'000
<b>Group</b>			
<b>Non-current</b>			
Prepayments	8.1	<u>27,550</u>	<u>23,570</u>
<b>Current</b>			
<b>Trade</b>			
Amount due from :			
- immediate holding company	8.2	2,583	2,930
- related companies	8.2	-	2,566
Trade receivables		<u>392,115</u>	<u>284,403</u>
		<u>394,698</u>	<u>289,899</u>
<b>Non-trade</b>			
Amount due from immediate holding company	8.2	44	112
Other receivables	8.3	16,252	9,263
Deposits		5,110	3,874
Prepayments	8.1	44,865	38,919
		<u>66,271</u>	<u>52,168</u>
		<u>460,969</u>	<u>342,067</u>
		<u>488,519</u>	<u>365,637</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 8. Trade and other receivables (Cont'd)

	Note	2024 RM'000	2023 RM'000
<b>Company</b>			
<b>Trade</b>			
Amount due from :			
- immediate holding company	8.2	-	35
- subsidiaries	8.2	1,395	2,797
- a related company	8.2	-	49
		<u>1,395</u>	<u>2,881</u>
<b>Non-trade</b>			
Amount due from immediate holding company	8.2	44	-
Amount due from subsidiaries	8.2	196,710	7,548
Amount due from a related company	8.2	-	76
Other receivables		1,606	84
Deposits		267	540
Prepayments		1,127	682
		<u>199,754</u>	<u>8,930</u>
		<u>201,149</u>	<u>11,811</u>

### 8.1 Prepayments - Group

The non-current prepayments of the Group were paid for the purchase of property, plant and equipment amounting to RM27,550,000 (2023 : RM23,570,000).

The current prepayments of the Group comprise mainly payments made for trade purchases amounting to RM25,103,000 (2023 : RM26,816,000).

### 8.2 Amounts due from immediate holding company, subsidiaries and related companies

The trade amounts due from immediate holding company, subsidiaries and related companies are subject to normal trade terms.

Included in non-trade amount due from subsidiaries is RM195,000,010 (2023 : RM Nil) which earns interest at rates 3.61% (2023 : Nil) per annum. Other than as disclosed, the non-trade amounts due from immediate holding company, subsidiaries and related company are unsecured, interest-free and repayable on demand.

### 8.3 Other receivables

Included in other receivables of the Group is an amount of RM10,855,000 (2023 : RM7,237,000) representing value added tax receivables from tax authorities of subsidiaries.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 9. Inventories - Group

	2024 RM'000	2023 RM'000
Raw materials	325,387	356,029
Work-in-progress	59,407	102,303
Manufactured inventories	14,831	22,781
	<u>399,625</u>	<u>481,113</u>
Recognised in profit or loss :		
Inventories recognised as cost of sales	1,219,909	1,263,282
Write down to net realisable value included in cost of sales	<u>3,357</u>	<u>6,031</u>

### 9.1 Significant judgements and assumptions

The Directors review inventories for obsolescence and decline in net realisable value to below cost. Such review involves judgements and estimates.

In determining the amount of inventories to be written down or reversed, the Directors took into consideration the age of the inventories, likelihood of future consumption, rework and customer acceptance. Possible changes to these estimates could result in a revision to the carrying amount of the Group's inventories and profit or loss.

### 9.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first out method.

## 10. Contract assets/(liabilities) - Group

	2024 RM'000	2023 RM'000
Contract assets	<u>296,903</u>	191,841
Contract liabilities	<u>3,945</u>	-

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date for the manufacture of aircraft components, design and assembly of modular for equipment and related components and precision engineering parts. Typically, the amounts will be billed within 12 months and are expected to be collected based on the normal credit period extended to customers.

The contract liabilities relate to advance consideration received from customers in both the aerospace and equipment segments where revenue is recognised over time.

Changes to contract assets and contract liabilities during the year are as follows :

	2024 RM'000	2023 RM'000
Contract liabilities at the beginning of the period recognised as revenue	<u>-</u>	<u>615</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 11. Derivative financial assets/(liabilities) - Group

	Nominal value RM'000	Current assets RM'000	Current liabilities RM'000
<b>2024</b>			
Derivatives used for hedging			
- Forward exchange contracts	<b>140,413</b>	<b>209</b>	<b>(1,472)</b>
<b>2023</b>			
Derivatives used for hedging			
- Forward exchange contracts	154,631	2,370	(959)

Forward exchange contracts are used to manage foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

## 12. Share capital - Group/Company

	2024		2023	
	Amount RM'000	Number of shares ( '000)	Amount RM'000	Number of shares ( '000)
Issued and fully paid ordinary shares with no par value classified as equity instruments :				
At beginning of financial year	<b>214,784</b>	<b>541,590</b>	213,967	541,400
Issue of new ordinary shares pursuant to ESGs (Note 12.1)	-	-	817	190
Issue of new ordinary shares via rights issue ("Rights Shares") (Note 12.2)	<b>487,431</b>	<b>135,397</b>	-	-
At end of financial year	<b>702,215</b>	<b>676,987</b>	214,784	541,590

12.1 In the previous financial year, the Company issued 189,840 new ordinary shares pursuant to the ESGs at an issue price of RM4.31 per share amounting to RM817,831.

12.2 During the financial year, the Company issued of 135,397,357 Rights Shares at an issue price of RM3.60 per Rights Share amounting to RM487,430,485 on the basis of one Rights Share for every four existing shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 13. Reserves

	Note	2024 RM'000	2023 RM'000
<b>Group</b>			
<b>Non-distributable</b>			
Employees' Share Grant Scheme reserve	13.1	1,860	106
Hedging reserve	13.2	(1,540)	1,333
Translation reserve	13.3	162,384	125,209
		<u>162,704</u>	<u>126,648</u>
<b>Distributable</b>			
Retained earnings		568,473	473,432
		<u>731,177</u>	<u>600,080</u>

	Note	2024 RM'000	2023 RM'000
<b>Company</b>			
<b>Non-distributable</b>			
Employees' Share Grant Scheme reserve	13.1	1,860	106
<b>Distributable</b>			
Retained earnings		114,390	105,132
		<u>116,250</u>	<u>105,238</u>

The movements in the reserves are disclosed in the statements of changes in equity.

### 13.1 Employees' Share Grant Scheme reserve

The reserve relates to the performance-based Employees' Share Grant Scheme operated by the Company as disclosed in Note 15 and is based on the cumulative fair value of the services received from the Group's eligible employees over the vesting period.

### 13.2 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

### 13.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and financial statements of certain subsidiaries from functional currency, U.S. Dollar ("USD") to the presentation currency.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 14. Loans and borrowings - Group

	2024 RM'000	2023 RM'000
<b>Non-current</b>		
<b>Secured</b>		
Term loans - variable rate	19,040	20,192
Trust receipts	-	54,728
	<b>19,040</b>	<b>74,920</b>
<b>Current</b>		
<b>Secured</b>		
Term loans - variable rate	6,753	11,630
Trust receipts	81,469	-
Promissory notes	51,427	10,812
Revolving credit	43,446	318,668
	<b>183,095</b>	<b>341,110</b>
<b>Unsecured</b>		
Revolving credit	95,339	63,491
	<b>278,434</b>	<b>404,601</b>
	<b>297,474</b>	<b>479,521</b>

Certain loans and borrowings of the Group are granted with corporate guarantee given by the Company and is secured by legal charges over land and buildings as disclosed in Note 3.1 to the financial statements.

## 15. Employee benefits

At an Extraordinary General Meeting held on 14 August 2018, the Company's shareholders approved the establishment of the Employees' Share Grant Scheme ("ESGS") of up to 5% of the total number of issued shares of the Company to eligible employees of the Group. The ESGS is administered by the ESGS Committee in accordance with the By-Laws of the ESGS.

The salient features of the ESGS are, *inter alia*, as follows :

- (a) The ESGS shall be in force for a period of 5 years from 30 November 2018 ("ESGS Period") and may be extended at the discretion of the Board upon the recommendation of the ESGS Committee provided that the ESGS Period shall not in aggregate exceed a duration of 10 years from 30 November 2018, or such longer duration as may from time to time be permitted by the relevant authorities;
- (b) The total number of shares which may be made available under the ESGS shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESGS Period;
- (c) Eligible employees are employees employed by and are on the payroll of any company in the Group (excluding dormant subsidiaries) and his/her employment has been confirmed by the company, who are at least 18 years of age and is not undischarged bankrupt. The Directors and senior management of the Group will not participate in the ESGS;

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 15. Employee benefits (Cont'd)

The salient features of the ESGS are, *inter alia*, as follows : (Cont'd)

- (d) Not more than 10% of the aggregate number of shares to be issued under the ESGS shall be allocated to any individual eligible employee who, either singly or collectively through persons connected with the eligible employee, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (e) The shares issued pursuant to the ESGS shall rank *pari passu* in all respects with the existing ordinary shares of the Company.

The above scheme lapsed on 30 November 2023. Individual eligible employees under the scheme were paid in April 2024 pursuant to provision of By-Law 24.2.

### Value of employee services received for issue of ESGS

	2024 RM'000	2023 RM'000
<b>Group</b>		
ESGS granted during the year	-	1,860
Amount recognised as employee expense over vesting period as determined by ESGS Committee	1,754	230
<b>Company</b>		
ESGS granted during the year	-	233
Amount recognised as employee expense over vesting period as determined by ESGS Committee	233	125

RM1,521,000 (2023 : RM105,000) of the ESGS expense were re-charged by the Company to the subsidiaries which benefited from the services of the employees.

## 16. Deferred income - Group

	2024 RM'000	2023 RM'000
<b>Non-current</b>		
Government grants	434	627
<b>Current</b>		
Government grants	220	207
	<b>654</b>	<b>834</b>

### Government grants

The Group received government grants for the purchase of plant and machinery. The grants are amortised on a systematic basis over the useful life of the plant and machinery.

During the financial year, RM217,000 (2023 : RM9,604,000) was amortised and recognised as other income in profit or loss.

### 16.1 Material accounting policy information

The Group has elected to present government grants related to assets as deferred income.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 17. Provisions - Group

	Provision for warranties RM'000	Provision for onerous contracts RM'000	Total RM'000
At 1 April 2022	7,687	273	7,960
Provision during the year	686	920	1,606
Reversed to profit or loss	(1,276)	-	(1,276)
Effect of movements in exchange rates	646	27	673
At 31 March 2023/1 April 2023	<b>7,743</b>	<b>1,220</b>	<b>8,963</b>
Provision during the year	<b>645</b>	-	<b>645</b>
Acquisition through business combinations	<b>1,104</b>	-	<b>1,104</b>
Reversed to profit or loss	<b>(1,792)</b>	<b>(1,184)</b>	<b>(2,976)</b>
Effect of movements in exchange rates	<b>325</b>	<b>40</b>	<b>365</b>
At 31 March 2024	<b>8,025</b>	<b>76</b>	<b>8,101</b>
<b>Presented as :</b>			
Non-current	-	193	193
Current	7,687	80	7,767
At 1 April 2022	7,687	273	7,960
Non-current	-	812	812
Current	7,743	408	8,151
At 31 March 2023	7,743	1,220	8,963
Non-current	-	<b>38</b>	<b>38</b>
Current	<b>8,025</b>	<b>38</b>	<b>8,063</b>
At 31 March 2024	<b>8,025</b>	<b>76</b>	<b>8,101</b>

### Warranties

Provision for warranties represent estimated liabilities for defects arising from products sold under warranty. The provision is based on management's estimate made from historical warranty data associated with the products and judgement on the probability of a defect arising from products sold.

### Onerous contracts

A provision for onerous contracts is recognised when the costs of meeting the obligations under the contract exceed the economic benefits expected to be derived. The provision is measured at the present value of the expected costs required to fulfil the requirements of the contract in excess of the contracted revenue.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 18. Trade and other payables

	Note	2024 RM'000	2023 RM'000
<b>Group</b>			
<b>Non-current</b>			
Accrued expenses	18.1	<u>3,817</u>	<u>-</u>
<b>Current</b>			
<b>Trade</b>			
Amount due to related companies	18.2	-	2,584
Trade payables		104,115	116,413
Trade accruals		25,564	36,136
		<u>129,679</u>	<u>155,133</u>
<b>Non-trade</b>			
Amount due to :			
- immediate holding company	18.2	536	2,711
- related companies	18.2	-	697
Other payables	18.3	21,474	4,890
Accrued expenses	18.1	100,968	77,746
		<u>122,978</u>	<u>86,044</u>
		<u>252,657</u>	<u>241,177</u>
<b>Company</b>			
<b>Non-current</b>			
Accrued expenses	18.1	<u>1,579</u>	<u>-</u>
<b>Current</b>			
<b>Non-trade</b>			
Amount due to :			
- immediate holding company	18.2	-	1,268
- subsidiaries	18.2	1,582	1,806
Other payables		299	148
Accrued expenses	18.1	10,796	8,192
		<u>12,677</u>	<u>11,414</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 18. Trade and other payables (Cont'd)

### 18.1 Accrued expenses

#### Non-current

The non-current accrued expenses of the Group consist of long term incentive plan payable to the employees over two years and provision for retirement fund of RM3,376,000 (2023 : Nil) and RM441,000 (2023 : Nil) respectively.

The non-current accrued expenses of the Company consist of long term incentive plan payable to the employees over two years.

#### Current

Included in the current accrued expenses of the Group and the Company is amount of RM3,383,000 and RM1,578,000 respectively representing long term incentive plan payable to the employees within a year.

### 18.2 Amounts due to immediate holding company, subsidiaries and related companies

The trade amount due to related companies was subject to normal trade terms.

The non-trade amounts due to immediate holding company, subsidiaries and related companies are unsecured, interest-free and payable on demand.

### 18.3 Other payables - Group

Included in other payables is RM1,371,000 (2023 : RM1,270,000) payable for the purchase of plant and equipment.

## 19. Revenue

	2024 RM'000	2023 RM'000
<b>Group</b>		
Revenue from contracts with customers	<u>1,497,400</u>	<u>1,445,358</u>
<b>Company</b>		
Revenue from contracts with customers		
- Management fee	29,875	25,836
Other revenue		
- Dividend income from subsidiaries	31,117	67,563
- Interest income	1,450	37
	<u>62,442</u>	<u>93,436</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 19. Revenue (Cont'd)

### 19.1 Disaggregation of revenue

Group	Aerospace		Equipment		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Primary geographical markets</b>						
Malaysia	11,308	11,398	61,944	58,304	73,252	69,702
Asia (excluding Malaysia)	62	11,083	868,686	678,697	868,748	689,780
North America	365,908	262,241	133,227	374,764	499,135	637,005
Latin America	6,451	746	-	-	6,451	746
Europe	47,611	43,619	2,203	4,506	49,814	48,125
	<b>431,340</b>	<b>329,087</b>	<b>1,066,060</b>	<b>1,116,271</b>	<b>1,497,400</b>	<b>1,445,358</b>
<b>Major products and service lines</b>						
Manufacture of aircraft components, other aircraft related equipment parts, spares and precision engineering parts	430,824	328,784	-	-	430,824	328,784
Design and assembly of modular for equipment; manufacture of components and precision engineering parts for modular or complete machine and equipment	-	-	882,337	916,994	882,337	916,994
Manufacture of components, spares and precision engineering parts, design and assembly of modular or complete machine and equipment, trim and form dies, jigs and suspension tooling	-	-	182,453	198,262	182,453	198,262
Support services	516	303	1,270	1,015	1,786	1,318
	<b>431,340</b>	<b>329,087</b>	<b>1,066,060</b>	<b>1,116,271</b>	<b>1,497,400</b>	<b>1,445,358</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 19. Revenue (Cont'd)

### 19.1 Disaggregation of revenue (Cont'd)

Group	Aerospace		Equipment		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Timing and recognition</b>						
At a point in time	-	-	464,553	694,828	464,553	694,828
Over time	431,340	329,087	601,507	421,443	1,032,847	750,530
Total revenue from contracts with customers	431,340	329,087	1,066,060	1,116,271	1,497,400	1,445,358

### Company

#### Primary geographical markets

Malaysia

27,034

23,711

Asia (excluding Malaysia)

2,841

2,125

Total revenue from contracts with customers

29,875

25,836

#### Major service line and timing of recognition

Management fee recognised at a point in time

29,875

25,836

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 19. Revenue (Cont'd)

### 19.2 Nature of goods and services

The following information reflects the typical transactions of the Group :

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Manufacture of aircraft components and other aircraft related equipment parts, spares and precision engineering parts	Revenue is recognised over time as costs are incurred. Control of goods are transferred over time as the goods have no alternative use and there is an enforceable right to payment for performance completed to date.	Credit period within the industry standard.	Discounts may be offered for certain contracts determined on a case to case basis.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Design and assembly of modular for equipment; manufacture of components and precision engineering parts for modular or complete machine and equipment	Certain revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed. Other than the above, revenue is recognised at point in time when the machine are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns are only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and do not form a separate performance obligation.
Manufacture of components, spares and precision engineering parts, design and assembly of modular or complete machine and equipment, manufacture of trim and form dies and suspension tooling	Revenue is recognised at a point in time when the products/parts or machine are delivered and accepted by the customers.	Credit period within the industry standard.	Not applicable.	Returns only applicable for products that do not meet customer's specifications.	Product warranties are assurance type warranty and does not form a separate performance obligation.
Support services and management services	Revenue is recognised at a point in time when the service is performed or rendered.	Credit period within the industry standard.	Not applicable.	Not applicable.	Not applicable.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 19. Revenue (Cont'd)

### 19.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2025 RM'000
<b>Group</b>	
Design and assembly of modular for equipment	347,574

The above revenue does not have variable element in consideration.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and did not disclose information on transaction price allocated to remaining performance obligations that have original expected durations of one year or shorter.

## 20. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	30,892	13,659	-	-
Interest expense on lease liabilities	605	1,502	7	21
	<u>31,497</u>	<u>15,161</u>	<u>7</u>	<u>21</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 21. Profit before tax

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/ (crediting) :					
Auditors' remuneration					
- Audit fees					
- KPMG PLT		350	300	70	70
- Affiliate of KPMG PLT		83	70	-	-
- Other auditors		170	152	-	-
- Non-audit fees					
- KPMG PLT		458	12	438	12
- Affiliate of KPMG PLT		185	173	7	30
<b>Material expenses/(income)</b>					
Impairment on investments in subsidiaries	6	-	-	26	15
Personnel expenses :					
- Wages, salaries and others (including Directors' emoluments)		179,977	177,707	21,708	17,541
- Employees' Provident Fund contributions		14,899	15,100	2,283	1,613
Gain on disposals of property, plant and equipment		(19)	(125)	-	-
Property, plant and equipment written off		161	251	-	10
Gain on derecognition of right-of-use assets		(388)	-	-	-
Fair value (gain)/loss on derivatives		(352)	452	-	-
Foreign exchange loss/(gain) :					
- Unrealised		77	(716)	(123)	(112)
- Realised		5,238	203	214	111
Government grants	a	(9,332)	(1,462)	(11)	(190)
Amortisation of government grants	16	(217)	(9,604)	-	-
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	b	1,766	2,093	118	223
Expenses relating to leases of low-value assets	b	170	178	25	22
<b>Net loss/(gain) on impairment of financial instruments and contract assets</b>					
Financial assets at amortised cost		649	(463)	15	10
Contract assets		222	(133)	-	-
		<b>871</b>	<b>(596)</b>	<b>15</b>	<b>10</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 21. Profit before tax (Cont'd)

### Note a

Wages and operating expenses related subsidies from governments that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

### Note b

The Group and the Company lease IT equipment and apartments with contract terms ranging from 1 to 5 years. These leases are either short-term or for low-value items. The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for such leases.

## 22. Key management personnel compensation

Key management personnel compensation are as follows :

	Group and Company	
	2024 RM'000	2023 RM'000
Directors of the Company		
- Fees	639	557
- Other emoluments	232	146
	<b>871</b>	703
Other key management personnel		
- Remuneration	6,088	4,432
- Employees' Provident Fund contributions	387	366
	<b>6,475</b>	4,798
	<b>7,346</b>	5,501

Other key management personnel comprise persons other than Directors of the Company, having authority and responsibility for planning and controlling the activities of the Group either directly or indirectly.

The estimated monetary value of benefits-in-kind receivable by key management personnel of the Group and of the Company amounted to RM59,745 and RM59,745 (2023 : RM59,789 and RM59,789) respectively.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 23. Tax expense

Major components of tax expense include :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Income tax expense</b>				
<b>Malaysia</b>				
- current year	48,555	31,804	-	-
- prior year	(860)	(850)	-	-
	<b>47,695</b>	30,954	-	-
<b>Overseas</b>				
- current year	130	173	-	-
	<b>130</b>	173	-	-
Total income tax expense	<b>47,825</b>	31,127	-	-
<b>Deferred tax expense</b>				
- reversal of temporary differences	(11,136)	(3,349)	-	-
- prior year	(1,461)	(1,656)	-	-
	<b>(12,597)</b>	(5,005)	-	-
Total tax expense	<b>35,228</b>	26,122	-	-

## Reconciliation of tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year	108,581	88,849	22,798	63,603
Total tax expense	35,228	26,122	-	-
Profit excluding tax	<b>143,809</b>	114,971	<b>22,798</b>	63,603
Income tax calculated using Malaysian tax rate at 24%	34,514	27,593	5,471	15,265
Effect of different tax rates in foreign jurisdictions	1,517	1,796	-	-
Non-deductible expenses	3,061	1,173	1,284	280
Tax exempt income	(2,328)	(1,799)	(7,652)	(16,330)
Effect of tax incentives	-	(2,779)	-	-
Effect of deferred tax assets not recognised	785	2,644	897	785
	<b>37,549</b>	28,628	-	-
Over provision in prior years	(2,321)	(2,506)	-	-
	<b>35,228</b>	26,122	-	-

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 23. Tax expense (Cont'd)

### Reconciliation of tax expense (Cont'd)

On 30 October 2017, a subsidiary was granted an income tax exemption of 100% on statutory income for certain products for a period of 10 years effective from 1 April 2014 as determined by the Minister of International Trade and Industry of Malaysia with a possible extension for a period of 5 years subject to certain conditions being complied with.

## 24. Earnings per ordinary share - Group

### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of RM108,581,000 (2023 : RM88,849,000) and the weighted average number of ordinary shares outstanding, calculated as follows :

	2024	2023
Issue ordinary shares as at beginning of year	541,589,428	541,399,588
Issue of Rights Shares during the year	14,427,587	-
Effect of ESGS exercised during the year	-	107,663
Weighted average number of ordinary shares at end of year	<u>556,017,015</u>	<u>541,507,251</u>
Basic earnings per ordinary share (sen)	<u>19.53</u>	<u>16.41</u>

### Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no dilutive potential ordinary shares.

## 25. Dividends - Company

Dividends recognised by the Company :

	RM per share	Total amount RM'000	Date of payment
<b>2024</b>			
First interim 2023 ordinary	2.50	<u>13,540</u>	<b>8 August 2023</b>
<b>2023</b>			
First interim 2022 ordinary	3.50	<u>18,949</u>	18 August 2022

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 26. Related parties

### Significant related party transactions

The significant related party transactions of the Group and the Company are shown below. The transactions were entered in the normal course of business and established under negotiated terms. The balances relating to the below transactions are shown in Note 8 and Note 18.

#### i) Subsidiaries

	2024 RM'000	2023 RM'000
<b>Company</b>		
Allocation of share-based payments	1,521	105
Dividend income	31,117	67,563
Management fee income	29,875	25,836
Rental expense of office	(480)	(480)

#### ii) Immediate holding company

	2024 RM'000	2023 RM'000
<b>Group</b>		
Sales of aerospace parts and other precision tools	10,266	10,929
Dividend paid	(8,461)	(13,550)
Provision of corporate management services, engineering and administrative services	215	243
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	(6,435)	(5,407)
Rental expense of office, factory premises and machine	(3,412)	(4,009)
<b>Company</b>		
Provision of corporate management services, engineering and administrative services	-	35
Dividend paid	(8,461)	(13,550)
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	(4,136)	(3,720)

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 26. Related parties (Cont'd)

### iii) Related companies

	2024 RM'000	2023 RM'000
<b>Group</b>		
Sales of fabrication, machining services and special services	5,436	4,491
Sales of aerospace parts and other precision tools	4,442	6,151
Purchase of corporate management services, engineering and administrative services/fitting and quality assurance services	(672)	(887)
Purchase of fabrication/machining services/special process	(13,736)	(9,642)
Rental of office, factory premises and machines	(2,325)	(2,284)
Provision of corporate management services, engineering and administrative services	1,791	1,284
Sales of equipment	-	302
	<u>          </u>	<u>          </u>
<b>Company</b>		
Provision of corporate management services, engineering and administrative services	1,791	1,284
	<u>          </u>	<u>          </u>

- iv) There were no transactions with key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 22 to the financial statements.

## 27. Operating segment - Group

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

Aerospace	Provides a dedicated end-to-end manufacturing solutions on critical engine parts and other related equipment parts
Equipment	Provides an array of equipment engineering and solutions for commercial, semiconductor and other industries

Performance is measured based on segment profit or loss before tax as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other non-reportable segment comprise investment holding activities and provision of intra-group management services which did not meet the quantitative thresholds for reportable segments.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 27. Operating segment - Group (Cont'd)

### Segment assets

The total of segment asset is measured on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
<b>2024</b>				
Revenue from external customers	431,340	1,066,060	-	1,497,400
Inter-segment revenue	3,478	80	(3,558)	-
<b>Total revenue</b>	<b>434,818</b>	<b>1,066,140</b>	<b>(3,558)</b>	<b>1,497,400</b>
Profit before tax (segment profit)	14,095	129,714	-	143,809
Included in the measure of segment profit are :				
- Write back/(down) of inventories	84	(3,441)	-	(3,357)
- Depreciation and amortisation	(51,780)	(24,432)	-	(76,212)
- Government grants	9,258	74	-	9,332
- Amortisation of government grants	217	-	-	217
- Gain on disposal of property, plant and equipment	-	19	-	19
- Net loss on impairment of financial instruments and contract assets	(237)	(634)	-	(871)
<b>Segment assets</b>	<b>1,195,726</b>	<b>871,490</b>	<b>-</b>	<b>2,067,216</b>
Included in the measure of segment assets are :				
Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	14,155	75,838	-	89,993
- Additions to right-of-use assets	2,517	-	-	2,517
- Additions to intangible assets	103	2,341	-	2,444

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 27. Operating segment - Group (Cont'd)

	Aerospace RM'000	Equipment RM'000	Elimination RM'000	Total RM'000
<b>2023</b>				
Revenue from external customers	329,087	1,116,271	-	1,445,358
Inter-segment revenue	4,171	-	(4,171)	-
<b>Total revenue</b>	<b>333,258</b>	<b>1,116,271</b>	<b>(4,171)</b>	<b>1,445,358</b>
(Loss)/Profit before tax (segment profit)	(1,929)	116,900	-	114,971
Included in the measure of segment profit are :				
- Write-down of inventories	(5,250)	(781)	-	(6,031)
- Depreciation and amortisation	(51,775)	(17,184)	-	(68,959)
- Government grants	314	1,148	-	1,462
- Amortisation of government grants	9,604	-	-	9,604
- Gain on disposal of property, plant and equipment	75	50	-	125
- Net gain on impairment of financial instruments and contract assets	359	237	-	596
<b>Segment assets</b>	<b>645,843</b>	<b>961,794</b>	<b>-</b>	<b>1,607,637</b>
Included in the measure of segment assets are :				
Additions to non-current assets other than financial instruments and deferred tax assets				
- Additions to property, plant and equipment	5,026	212,455	-	217,481
- Additions to right-of-use assets	7,031	3,087	-	10,118
- Additions to intangible assets	166	3,604	-	3,770

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 27. Operating segment - Group (continued)

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the customers. Segment assets are based on the geographical location of the assets.

	Revenue RM'000	Non-current assets RM'000
<b>Geographical information</b>		
<b>2024</b>		
Malaysia	73,252	472,576
Asia (excluding Malaysia)	868,748	396,638
North America	499,135	-
Latin America	6,451	-
Europe	49,814	-
	<b>1,497,400</b>	<b>869,214</b>
<b>2023</b>		
Malaysia	69,702	237,546
Asia (excluding Malaysia)	689,780	326,434
North America	637,005	-
Latin America	746	-
Europe	48,125	-
	1,445,358	563,980

### Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue :

Customer	Revenue		Segment
	2024 RM'000	2023 RM'000	
Customer A	597,297	417,019	Equipment
Customer B	230,694	149,806	Aerospace
Customer C	221,484	237,514	Equipment
	<b>1,049,475</b>	804,339	

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 28. Capital commitments - Group

	2024 RM'000	2023 RM'000
<b>Property, plant and equipment</b>		
Contracted but not provided for	<u>51,467</u>	<u>68,339</u>

## 29. Financial instruments

### 29.1 Categories of financial instruments

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

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")  
- Designated upon initial recognition ("DUIR")
- (c) Derivatives used for hedging

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
<b>Financial assets</b>				
<b>2024</b>				
<b>Group</b>				
Trade and other receivables (excluding prepayments and value added tax receivables)	383,539	383,539	-	-
Cash and bank balances	36,244	36,244	-	-
Derivative financial assets	209	-	209	-
	<u>419,992</u>	<u>419,783</u>	<u>209</u>	<u>-</u>
<b>2023</b>				
<b>Group</b>				
Trade and other receivables (excluding prepayments and value added tax receivables)	295,911	295,911	-	-
Cash and bank balances	21,045	21,045	-	-
Derivative financial assets	2,370	-	526	1,844
	<u>319,326</u>	<u>316,956</u>	<u>526</u>	<u>1,844</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000
<b>Financial assets</b>		
<b>2024</b>		
<b>Company</b>		
Trade and other receivables (excluding prepayments)	200,022	200,022
Cash and bank balances	2,729	2,729
	<u>202,751</u>	<u>202,751</u>
<b>2023</b>		
<b>Company</b>		
Trade and other receivables (excluding prepayments)	11,129	11,129
Cash and bank balances	529	529
	<u>11,658</u>	<u>11,658</u>

	Carrying amount RM'000	AC RM'000	FVTPL - DUIR RM'000	Derivatives used for hedging RM'000
<b>Financial liabilities</b>				
<b>2024</b>				
<b>Group</b>				
Loans and borrowings	297,474	297,474	-	-
Trade and other payables	256,474	256,474	-	-
Derivative financial liabilities	1,472	-	1,374	98
	<u>555,420</u>	<u>553,948</u>	<u>1,374</u>	<u>98</u>
<b>2023</b>				
<b>Group</b>				
Loans and borrowings	479,521	479,521	-	-
Trade and other payables	241,177	241,177	-	-
Derivative financial liabilities	959	-	708	251
	<u>721,657</u>	<u>720,698</u>	<u>708</u>	<u>251</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000
<b>Financial liabilities</b>		
<b>2024</b>		
<b>Company</b>		
Other payables	<u>14,256</u>	<u>14,256</u>
<b>2023</b>		
<b>Company</b>		
Other payables	<u>11,414</u>	<u>11,414</u>

### 29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (losses)/gains on :				
Financial assets at amortised cost	(5,053)	(2,408)	1,249	(82)
Financial liabilities measured at amortised cost	(31,078)	(10,278)	110	110
Financial assets and financial liabilities at fair value through profit or loss :				
- Recognised in profit or loss	352	(452)	-	-
Derivatives used for hedging :				
- Recognised in other comprehensive (expense)/income	(2,873)	2,588	-	-
	<u>(38,652)</u>	<u>(10,550)</u>	<u>1,359</u>	<u>28</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

### 29.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for banking facilities granted to subsidiaries.

#### Trade receivables and contract assets

*Risk management objectives, policies and processes for managing the risk*

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are performed on customers as needed.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

*Concentration of credit risk*

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	29,014	19,180	1,080	1,768
Asia (excluding Malaysia)	152,338	192,051	315	1,113
North America	455,775	252,222	-	-
Europe	25,785	18,131	-	-
Latin America	28,689	156	-	-
	<b>691,601</b>	<b>481,740</b>	<b>1,395</b>	<b>2,881</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.4 Credit risk (Cont'd)

#### Trade receivables and contract assets (Cont'd)

##### *Recognition and measurement of impairment losses*

The Group uses an allowance matrix to measure Expected Credit Loss ("ECLs") of trade receivables and contract assets for all segments. Consistent with the debt recovery process, invoices which are past due more than 90 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are based on published industry default rates, adjusted as necessary to reflect the Group's credit risk. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at year end which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>Group</b>			
<b>2024</b>			
Current (Not past due)	649,545	(3,652)	645,893
1 - 30 days past due	30,093	(205)	29,888
31 - 60 days past due	5,536	(31)	5,505
61 - 90 days past due	6,707	(36)	6,671
	<b>691,881</b>	<b>(3,924)</b>	<b>687,957</b>
<b>Credit impaired</b>			
More than 90 days past due	3,664	(20)	3,644
	<b>695,545</b>	<b>(3,944)</b>	<b>691,601</b>
Trade receivables	396,680	(1,982)	394,698
Contract assets	298,865	(1,962)	296,903
	<b>695,545</b>	<b>(3,944)</b>	<b>691,601</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.4 Credit risk (Cont'd)

#### Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>Group (Cont'd)</b>			
<b>2023</b>			
Current (Not past due)	472,644	(2,439)	470,205
1 - 30 days past due	8,793	(40)	8,753
31 - 60 days past due	822	(4)	818
61 - 90 days past due	233	(1)	232
	482,492	(2,484)	480,008
<b>Credit impaired</b>			
More than 90 days past due	1,955	(223)	1,732
	484,447	(2,707)	481,740
Trade receivables	291,372	(1,473)	289,899
Contract assets	193,075	(1,234)	191,841
	484,447	(2,707)	481,740

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>Company</b>			
<b>2024</b>			
Current (Not past due)	1,395	-	1,395
<b>2023</b>			
Current (Not past due)	2,881	-	2,881

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.4 Credit risk (Cont'd)

#### Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

The movements in the allowance for impairment in respect of trade receivables and contract assets of the Group during the year are shown below.

	Trade receivables Lifetime ECL RM'000	Contract assets RM'000	Total RM'000
<b>Group</b>			
Balance at 1 April 2022	1,822	1,282	3,104
Net remeasurement of loss allowance	(463)	(133)	(596)
Effect of movement in exchange rates	114	85	199
Balance at 31 March 2023/1 April 2023	<b>1,473</b>	<b>1,234</b>	<b>2,707</b>
Net remeasurement of loss allowance	<b>(142)</b>	<b>222</b>	<b>80</b>
Acquisition through business combination	<b>597</b>	<b>444</b>	<b>1,041</b>
Effect of movement in exchange rates	<b>54</b>	<b>62</b>	<b>116</b>
Balance at 31 March 2024	<b>1,982</b>	<b>1,962</b>	<b>3,944</b>

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

#### Cash and bank balances

The cash and bank balances are held with established banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies.

#### Other receivables

Other receivables are mainly consist of recoverable costs claimable from subcontractor of subsidiaries.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movement in the allowance for impairment in respect of other receivables is as follows :

	Group Loss allowance RM'000
Balance at 1 April 2022/31 March 2023/1 April 2023	-
Net remeasurement of loss allowance	<b>791</b>
Balance at 31 March 2024	<b>791</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.4 Credit risk (Cont'd)

#### Inter-company advances

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

*Recognition and measurement of impairment loss*

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of these advances, the Company considers the advances to be in default when the subsidiary is not able to pay when demanded. The Company considers such advances to be credit impaired when :

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following tables provide information about the exposure to credit risk and ECLs for inter-company advances as at year end.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>Company</b>			
<b>2024</b>			
Low credit risk	196,710	-	196,710
Credit impaired	321	(321)	-
	<b>197,031</b>	<b>(321)</b>	<b>196,710</b>
<b>2023</b>			
Low credit risk	7,624	-	7,624
Credit impaired	306	(306)	-
	<b>7,930</b>	<b>(306)</b>	<b>7,624</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.4 Credit risk (Cont'd)

#### Inter-company advances (Cont'd)

*Recognition and measurement of impairment loss (Cont'd)*

The movements in the allowance for impairment of related company advances during the year are as follows :

	Lifetime ECL RM'000
<b>Company</b>	
Balance at 1 April 2022	296
Net remeasurement of loss allowance	10
Balance at 31 March 2023/1 April 2023	<u>306</u>
Net remeasurement of loss allowance	15
Balance at 31 March 2024	<u>321</u>

#### Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of :

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

*Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounted to RM205.3 million (2023 : RM377.5 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' loans and borrowings.

*Recognition and measurement of impairment losses*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when :

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans and borrowings individually using internal information available.

As the end of the reporting period, the Company did not recognise any allowance for impairment in respect of financial guarantees.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.5 Liquidity risk (Cont'd)

#### Maturity analysis

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

2024 Group	Carrying amount RM'000	Contractual interest rates/ discount rates/ per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<i>Non-derivative financial liabilities</i>						
Trade and other payables	256,474	-	256,474	252,657	3,817	-
Lease liabilities	20,058	3.23 - 5.34	21,229	7,963	6,509	6,757
Term loans - variable rate	25,793	6.45 - 6.70	28,664	8,144	7,624	12,896
Revolving credit	138,785	5.82 - 6.33	138,785	138,785	-	-
Trust receipts	81,469	6.67 - 6.68	81,469	81,469	-	-
Promissory notes	51,427	6.52 - 6.69	51,427	51,427	-	-
	<b>574,006</b>		<b>578,048</b>	<b>540,445</b>	<b>17,950</b>	<b>19,653</b>
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled) :						
Outflow	1,263	-	141,676	141,676	-	-
Inflow	-	-	(140,413)	(140,413)	-	-
	<b>575,269</b>		<b>579,311</b>	<b>541,708</b>	<b>17,950</b>	<b>19,653</b>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<b>2024</b>						
<b>Company</b>						
Non-derivative financial liabilities						
Other payables	14,256	-	14,256	12,677	1,579	-
Financial guarantees	-	-	205,310	205,310	-	-
	<u>14,256</u>		<u>219,566</u>	<u>217,987</u>	<u>1,579</u>	<u>-</u>
<b>2023</b>						
<b>Group</b>						
Non-derivative financial liabilities						
Trade and other payables	241,177	-	241,177	241,177	-	-
Lease liabilities	30,152	3.38 - 13.00	32,367	11,627	9,691	11,049
Term loans - variable rate	31,822	5.70 - 6.70	35,195	12,975	18,108	4,112
Revolving credit	382,159	5.10 - 5.86	382,159	382,159	-	-
Trust receipts	54,728	5.71 - 5.91	58,766	3,220	55,546	-
Promissory notes	10,812	5.91	10,812	10,812	-	-
	<u>750,850</u>		<u>760,476</u>	<u>661,970</u>	<u>83,345</u>	<u>15,161</u>
Derivative financial liabilities						
Forward exchange contracts (gross settled) :						
Outflow	(1,411)	-	153,220	153,220	-	-
Inflow	-	-	(154,631)	(154,631)	-	-
	<u>749,439</u>		<u>759,065</u>	<u>660,559</u>	<u>83,345</u>	<u>15,161</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2023</b>							
<b>Company</b>							
Non-derivative financial liabilities							
Other payables	11,414	-	11,414	11,414	-	-	-
Lease liabilities	472	2.90	480	480	-	-	-
Financial guarantees	-	-	377,468	377,468	-	-	-
	<u>11,886</u>		<u>389,362</u>	<u>389,362</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.6 Market risk

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

#### 29.6.1 Currency risk

The Group is exposed to foreign currency risk on 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 U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Ringgit Malaysia ("RM") and Thai Baht ("THB").

*Risk management objectives, policies and processes for managing the risk*

The Group uses forward exchange contracts to hedge its foreign currency risk arising mainly from sales and purchases denominated in foreign currency. The forward exchange contracts have maturities of less than a year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

*Exposure to foreign currency risk*

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

	<----- Denominated in ----->			
	USD RM'000	SGD RM'000	RM RM'000	THB RM'000
<b>Group</b>				
<b>2024</b>				
<b>Balances recognised in the statement of financial position</b>				
Trade and other receivables	1,856	113	13,182	8,465
Cash and bank balances	946	1,772	2,977	1,526
Trade and other payables	(47)	(9,408)	(68,762)	(8,435)
Lease liabilities	-	(18,320)	(33)	(1,705)
Net exposure	<u>2,755</u>	<u>(25,843)</u>	<u>(52,636)</u>	<u>(149)</u>

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.6 Market risk (Cont'd)

#### 29.6.1 Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

	←----- Denominated in ----->			
	USD RM'000	SGD RM'000	RM RM'000	THB RM'000
<b>Group</b>				
<b>2023</b>				
<b>Balances recognised in the statement of financial position</b>				
Trade and other receivables	2,748	2,930	8,775	3,412
Cash and bank balances	1,294	1,343	4,293	1,441
Trade and other payables	-	(8,815)	(51,426)	(3,616)
Lease liabilities	-	(21,496)	(5,717)	(2,939)
Net exposure	4,042	(26,038)	(44,075)	(1,702)

Currency risk sensitivity analysis

A 5% (2023 : 5%) strengthening of the functional currency of Group entities against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact on forecasted sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Profit or loss	
	2024 RM'000	2023 RM'000
<b>Group</b>		
USD	(105)	(154)
SGD	982	989
RM	2,000	1,675
THB	6	65
	2,883	2,575

A 5% (2023 : 5%) weakening of the functional currency of Group entities against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.6 Market risk (Cont'd)

#### 29.6.2 Interest rate risk

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

*Risk management objectives, policies and processes for managing the risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

*Exposure to interest rate risk*

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>				
Financial liabilities				
- Lease liabilities	<u>(20,058)</u>	<u>(30,152)</u>	<u>-</u>	<u>(472)</u>
<b>Floating rate instruments</b>				
Financial assets				
- Amount due from subsidiaries	<u>-</u>	<u>-</u>	<u>195,000</u>	<u>-</u>
Financial liabilities				
- Term loan	<u>(25,793)</u>	<u>(31,822)</u>	<u>-</u>	<u>-</u>
- Revolving credit	<u>(138,785)</u>	<u>(382,159)</u>	<u>-</u>	<u>-</u>
- Trust receipts	<u>(81,469)</u>	<u>(54,728)</u>	<u>-</u>	<u>-</u>
- Promissory notes	<u>(51,427)</u>	<u>(10,812)</u>	<u>-</u>	<u>-</u>
	<u>(297,474)</u>	<u>(479,521)</u>	<u>-</u>	<u>-</u>

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for floating rate instruments*

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group and Company's post-tax profit or loss would have been RM1,130,000 (2023 : RM1,822,000) higher/lower and RM741,000 (2023 : Nil) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate instruments. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.7 Fair value information

The carrying amounts of cash and bank balances, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

2024	Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000	
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000			
	<b>Financial assets</b>											
	Forward exchange contracts	-	209	-	209	-	-	-	-	-	209	209
	<b>Financial liabilities</b>											
	Accrued expenses	-	-	-	-	-	-	(3,577)	(3,577)	(3,577)	(3,577)	(3,817)
	Term loans - variable rate	-	-	-	-	-	-	(25,793)	(25,793)	(25,793)	(25,793)	(25,793)
	Forward exchange contracts	-	(1,472)	-	(1,472)	-	-	-	-	(1,472)	(1,472)	(1,472)
		-	(1,472)	-	(1,472)	-	-	(29,370)	(29,370)	(30,842)	(31,082)	(31,082)

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.7 Fair value information (Cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>2023</b>										
<b>Group</b>										
<b>Financial assets</b>										
Forward exchange contracts	-	2,370	-	2,370	-	-	-	-	2,370	2,370
<b>Financial liabilities</b>										
Term loans - variable rate	-	-	-	-	-	-	(31,822)	(31,822)	(31,822)	(31,822)
Forward exchange contracts	-	(959)	-	(959)	-	-	-	-	(959)	(959)
	-	(959)	-	(959)	-	-	(31,822)	(31,822)	(32,781)	(32,781)

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 29. Financial instruments (Cont'd)

### 29.7 Fair value information (Cont'd)

#### Policy on transfer between levels

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

There has been no transfer between the levels in fair value during the financial year (2023 : no transfer in either direction).

#### Level 2 fair value

##### *Derivatives*

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

##### *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loans approximate fair value as their effective interest rates change accordingly to movements in the market interest rate.

### 29.8 Material accounting policy information

The Group or the Company applies trade date accounting for regular way purchase or sale of financial assets.

## 30. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There was no change in the Group's approach to capital management during the financial year.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 31. Significant event - acquisition of a subsidiary

### 31.1 Acquisition of a subsidiary - Aviatron (M) Sdn. Bhd.

On 26 February 2024, the Group completed the acquisition of 100% equity interest of Aviatron (M) Sdn. Bhd. ("Aviatron") for a total purchase consideration of USD43,400,000 (equivalent to RM202,231,000), satisfied in cash. Aviatron is involved in manufacture and assembly of aircraft equipment, spares, components and precision engineering parts. In the one month to 31 March 2024, Aviatron contributed revenue of RM13,343,000 and profit of RM3,250,000. If the acquisition had occurred on 1 April 2023, management estimates that consolidated revenue would have been RM1,629,319,000, and consolidated profit for the financial year would have been RM118,648,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date :

#### Fair value of consideration transferred

	Group 2024 RM'000
Cash and cash equivalents	<u>202,231</u>

#### Identifiable assets acquired and liabilities assumed

	Group 2024 RM'000
Property, plant and equipment	146,187
Right-of-use assets	6,713
Intangible assets	18,217
Inventories	38,798
Trade and other receivables	133,995
Cash and cash equivalents	10,802
Current tax liabilities	(798)
Provisions	(1,104)
Deferred tax liabilities	(6,507)
Derivative liabilities	(153)
Lease liabilities	(38)
Trade and other payables	(221,276)
Contract liabilities	(4,013)
Total identifiable net assets	<u>120,823</u>

The Group will be carrying out the purchase price allocation exercise within twelve months from the date of acquisition to determine the fair value of the identifiable assets and liabilities acquired. As at 31 March 2024, the goodwill has been determined on a provisional basis.

# Notes to the Financial Statements (Cont'd)

For The Year Ended 31 March 2024

## 31. Significant event - Acquisitions of a subsidiary (Cont'd)

### 31.1 Acquisition of a subsidiary - Aviatron (M) Sdn. Bhd. (Cont'd)

#### Net cash outflow arising from acquisition of a subsidiary

	Group 2024 RM'000
Purchase consideration settled in cash and cash equivalents	202,231
Less: Cash and cash equivalents acquired	(10,802)
	<u>191,429</u>

#### Goodwill

	Group 2024 RM'000
Goodwill was recognised as a result of the acquisition as follows :	
Total consideration transferred	202,231
Identifiable net assets	(120,823)
Goodwill	<u>81,408</u>

#### Acquisition-related costs

The Group incurred acquisition-related costs of RM3,822,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

## 32. Subsequent event

On 11 June 2024, the Company increased its investment in Aviatron by subscribing new 150,000,000 ordinary shares amounting to RM150,000,000 by way of capitalisation of amount due from Aviatron.

# Statement by Directors

Pursuant To Section 251(2) Of The Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 108 to 181 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 31 March 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....  
**Tan Kai Hoe**  
Director

.....  
**Peter Lim Hee Seng**  
Director

Date : 28 June 2024

# Statutory Declaration

Pursuant To Section 251(1)(b) Of The Companies Act 2016

I, **Teh Mun Ling**, the officer primarily responsible for the financial management of SAM Engineering & Equipment (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 108 to 181 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Teh Mun Ling**, MIA CA16317, at George Town in the State of Penang on 28 June 2024.

.....  
**Teh Mun Ling**  
Chief Financial Officer

Before me :

# Independent Auditors' Report

TO THE MEMBERS OF SAM ENGINEERING & EQUIPMENT (M) BERHAD  
(Registration No. 199401012509 (298188 - A))(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of SAM Engineering & Equipment (M) Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 108 to 181.

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, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

#### 1. Acquisition of Aviatron (M) Sdn. Bhd.

Refer to Note 31.1 of the financial statements.

##### The key audit matter

During the year, the Company acquired 100% equity interest of Aviatron (M) Sdn. Bhd. ("Aviatron") for a total purchase consideration of USD43.4 million (equivalent to RM202 million) satisfied in cash. As at 31 March 2024, the provisional goodwill arising from the acquisition amounted to RM81.4 million.

This is a key audit matter because:

- accounting for the acquisition of a subsidiary is complex, and hence, requires significant involvement of our more experienced engagement team members; and
- it has a material impact on the financial statements of the Group.

##### How the matter was addressed in our audit

Our audit procedures include, among others:

- Read and obtained an understanding of the Share Sale Agreement;
- Assessed that the investment cost of Aviatron, has been accounted for in accordance with the requirements of accounting standards;
- Performed an audit on the carrying amount of the net assets at the acquisition date;
- Evaluated the computation of the provisional goodwill by comparing the purchase consideration to the net assets at the date of acquisition; and
- Determined the adequacy of the disclosures in the financial statements.

# Independent Auditors' Report (Cont'd)

TO THE MEMBERS OF SAM ENGINEERING & EQUIPMENT (M) BERHAD  
(Registration No. 199401012509 (298188 - A))(Incorporated in Malaysia)

## Key Audit Matters (Cont,d)

### 2. Valuation of inventories - Group

Refer to Note 1(d) – Use of estimates and judgements and Note 9 - Inventories to the financial statements.

#### The key audit matter

The Group's inventories amounted to RM400 million as at 31 March 2024 in the consolidated statement of financial position which represented 19% of the Group's total assets.

Inventories are measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down for inventories to net realisable value required judgement by the Group.

We have identified valuation of inventories as a key audit matter because the judgements made by the Group may be affected by external and market considerations which are inherently uncertain.

#### How the matter was addressed in our audit

Our audit procedures include, among others:

- Evaluated the design and implementation of controls over management's process in identifying and writing down slow-moving and obsolete inventories;
- Attended the year end physical inventory counts to identify the existence of any damaged inventories;
- Tested the age profile of the inventories to receiving documents and production reports;
- Evaluated the Group's basis of writing down slow-moving inventories based on the age of the inventory relative to sales or consumption trends;
- Agreed the quality affected inventories that were written down to the Group's Non-conformance Reports and Material Disposition Reports; and
- Compared the carrying value of inventories to sales made subsequent to the year end and determined whether they were sold at prices higher than the carrying value.

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

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

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report 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 the annual report, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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.

# Independent Auditors' Report (Cont'd)

TO THE MEMBERS OF SAM ENGINEERING & EQUIPMENT (M) BERHAD  
(Registration No. 199401012509 (298188 - A))(Incorporated in Malaysia)

## 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 scepticism throughout the audit. We also:

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

# Independent Auditors' Report (Cont'd)

TO THE MEMBERS OF SAM ENGINEERING & EQUIPMENT (M) BERHAD  
(Registration No. 199401012509 (298188 - A))(Incorporated in Malaysia)

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

## Other Matter

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

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Penang

Date : 28 June 2024

**Chong Dee Shiang**  
Approval Number : 02782/09/2024 J  
Chartered Accountant

# Analysis of Shareholdings

As At 01 July 2024

Issued Share Capital : 676,986,785 Ordinary Shares  
 Class of Equity Securities : Ordinary Shares ("Shares")  
 Voting Rights : One vote per Share

## Distribution Schedule of Shareholders

Size of shareholdings	No. of holders	%	No. of holdings	%
1 - 99	140	4.40	4,471	0.00
100 - 1,000	838	26.33	531,580	0.08
1,001 - 10,000	1,361	42.76	5,988,400	0.88
10,001 - 100,000	610	19.16	19,530,897	2.89
100,001 - 33,849,338 (*)	233	7.32	276,936,365	40.91
33,849,339 and above (**)	1	0.03	373,995,072	55.24
<b>TOTAL</b>	<b>3,183</b>	<b>100.00</b>	<b>676,986,785</b>	<b>100.00</b>

Remark : \* Less than 5% of issued holdings  
 : \*\* 5% And above of issued holdings

## The 30 largest securities account holders

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Holder name	No of holdings	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR SINGAPORE AEROSPACE MANUFACTURING PTE LTD	373,995,072	55.24
2	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	20,219,625	2.99
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	19,573,200	2.89
4	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	18,154,400	2.68
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	13,703,000	2.02
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	10,271,900	1.52
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	8,200,000	1.21
8	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	8,105,200	1.20
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (2)	7,215,000	1.07
10	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	6,560,000	0.97
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	4,988,800	0.74

# Analysis of Shareholdings (Cont'd)

As At 01 July 2024

## The 30 largest securities account holders (cont'd)

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Holder name	No of holdings	%
12	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	4,982,375	0.74
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	4,557,000	0.67
14	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	4,432,500	0.65
15	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	4,169,700	0.62
16	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	3,934,000	0.58
17	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)	3,771,900	0.56
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	3,770,100	0.56
19	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	3,704,600	0.55
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM AM EQ)	3,618,000	0.53
21	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR SINGULAR VALUE FUND	3,131,700	0.46
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (ABERDEEN 2)	3,089,300	0.46
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	3,033,300	0.45
24	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	2,942,600	0.43
25	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	2,863,250	0.42
26	AMANAHRAYA TRUSTEES BERHAD PUBLIC SECTOR SELECT FUND	2,682,500	0.40
27	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	2,014,500	0.30

# Analysis of Shareholdings (Cont'd)

As At 01 July 2024

## The 30 largest securities account holders (Cont'd)

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Holder name	No of holdings	%
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	2,000,000	0.30
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	2,000,000	0.30
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND	1,950,000	0.29
<b>TOTAL</b>		<b>553,633,522</b>	<b>81.80</b>
<b>TOTAL ISSUED HOLDINGS</b>		<b>676,986,785</b>	

## Substantial Shareholders' Shareholdings

Name	Direct Interest	No. of Shares held		Note
		%	Indirect Interest	
Singapore Aerospace Manufacturing Pte. Ltd.	373,995,072	55.24	-	-
Accuron Technologies Limited	-	-	373,995,072	55.24 (a)
Temasek Holdings (Private) Limited	-	-	373,995,072	55.24 (b)

### Note:

- (a) Deemed interested via Singapore Aerospace Manufacturing Pte. Ltd. pursuant to Section 8(4) of the Companies Act, 2016 ("Act").
- (b) Deemed interested via Accuron Technologies Limited pursuant to Section 8(4) of the Act.

## Directors' Shareholdings

### (1) The Company

Name	Direct Interest	No. of Shares held		Note
		%	Indirect Interest	
Tan Kai Hoe	-	-	-	-
Peter Lim Hee Seng	950,000	0.14	-	-
Shum Sze Keong	-	-	-	-
Datuk Dr Wong Lai Sum	-	-	-	-
YM Tunku Afwida Binti Dato' Tunku Abdul Malek	-	-	-	-
Suresh Natarajan	-	-	-	-
Ng Chee Kiet	-	-	-	-
Piroon Saengpakdee	-	-	-	-

# Analysis of Shareholdings (Cont'd)

As At 01 July 2024

## Directors' Shareholdings (Cont'd)

### (2) Related Corporation

Name	No. of Shares held				Note
	Direct Interest	%	Indirect Interest	%	
Tan Kai Hoe:					
(a) CapitaLand India Trust Management Pte. Ltd. (f.k.a. Ascendas Property Fund Trustee Pte. Ltd.) (Manager of CapitaLand India Trust)	23,000	**	-	-	
(b) CapitaLand Integrated Trust Management Limited (Unit holding in CapitaLand Integrated Commercial Trust)	773	**	-	-	
(c) CapitaLand Ascott Trust Management Limited (f.k.a. Ascott Residence Trust Management Limited) (Manager of CapitaLand Ascott Trust)	500	**	-	-	
(d) CapitaLand Investment Limited	5,000	**	-	-	
(e) Mapletree Industrial Trust Management Ltd. (Manager of Mapletree Industrial Trust)	4,170	**	-	-	
(f) Paragon REIT Management Pte. Ltd. (f.k.a. SPH Reit Management Pte. Ltd.) (Manager of Paragon REIT)	92	**	-	-	
(g) SIA Engineering Company Limited	9,000	**	-	-	
(h) Singapore Airlines Limited	7,500	**	-	-	
(i) Singapore Technologies Engineering Ltd.	2,000	**	-	-	
(j) Singapore Telecommunications Limited	190	**	-	-	
(k) StarHub Ltd.	10,000	**	-	-	
Shum Sze Keong:					
(a) Singapore Telecommunications Limited	1,610	**	1,610	**	(i)
Mr. Peter Lim Hee Seng:					
(a) Mapletree Industrial Trust Management Ltd. - (Unit holdings in Mapletree Industrial Trust)	7,900 <sup>#</sup>	**	-	-	
(b) SIA Engineering Company Limited	1,000	**	-	-	
(c) Singapore Telecommunications Limited	870	**	-	-	
Mr. Suresh Natarajan					
(a) Singapore Telecommunications Limited	1,610	**	-	-	

**Note:**

(i) Deemed interested through his spouse pursuant to Section 59(11)(c) of the Act.

<sup>#</sup> Unit holdings

\*\* Negligible

Other than the above, none of the other Directors in office has any interest in the shares of the Company and its related corporations as at 1 July 2024.

# Notice of 30<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Thirtieth (30<sup>th</sup>) Annual General Meeting (“AGM”) of SAM Engineering & Equipment (M) Berhad (“SAMEE” or the “Company”) will be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice: -

- Day and Date** : Friday, 30 August 2024
- Time** : 2:30 p.m.
- Broadcast venue** : SAM Meerkat (M) Sdn Bhd, Plot 103, Hilir Sungai Keluang Lima, Taman Perindustrian Bayan Lepas 4, 11900 Penang.
- Online Meeting Platform** : Securities Services ePortal <https://sshsb.net.my/>
- Modes of Communication** : 1. Typed text in the Online Meeting Platform  
2. Email your questions to investorrelations@sam-malaysia.com prior to 30<sup>th</sup> AGM by 23 August 2024

## AGENDA

### AS ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note (B)(1))*
2. To re-elect the following Directors who are due to retire in accordance with Regulation 95 of the Company’s Constitution and being eligible, had offered themselves for re-election:-
  - 2.1 Mr. Ng Chee Kiet
  - 2.2 Mr. Shum Sze Keong**Resolution 1**  
**Resolution 2**
3. To re-elect Mr. Piroon Saengpakdee who is due to retire in accordance with Regulation 102 of the Company’s Constitution and being eligible, had offered himself for re-election. **Resolution 3**
4. To approve the payment of Directors’ fee as tabulated below, payable to each Director, as applicable, for the period from the conclusion of this AGM until the next AGM of the Company: -
 

Fee for each Director	RM100,000
Fee for the Chairman of the Audit Committee	RM15,000
Fee for the Chairman of the following Board Committees: -	
- Nominating & Remuneration Committee	RM10,000
- Risk & Sustainability Committee	RM10,000
Fee for the member of the Audit Committee	RM10,000
Fee for each Member of the following Board Committees: -	
- Nominating & Remuneration Committee	RM7,500
- Risk & Sustainability Committee	RM7,500

**Resolution 4**
5. To approve the payment of the following benefits to Directors (excluding Directors’ fee), payable to each Director, as applicable, for the period from the conclusion of this AGM until next AGM of the Company: -
 

Meeting Allowance for each Non-Executive Director	RM2,000 per meeting
Benefits-In-Kind (for all Directors)	RM70,000 per annum

**Resolution 5**
6. To re-appoint Messrs. KPMG PLT as Auditors of the Company, to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors. **Resolution 6**

# Notice of 30<sup>th</sup> Annual General Meeting (Cont'd)

## AS SPECIAL BUSINESS: -

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

### 7. Ordinary Resolution

#### Authority to issue and allot shares and Waiver of pre-emptive rights

"THAT subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company and approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby empowered to issue and allot shares in the Company, pursuant to Section 75 and Section 76 of the Act, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until: -

- (a) the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting, whichever is earlier.

AND THAT pursuant to Section 85 of the Act to be read together with Regulation 57 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Section 75 and Section 76 of the Act."

**Resolution 7**

### 8. Ordinary Resolution

#### Proposed New and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("SAMEE Group") to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.5(a) and Section 2.5(b) of the Circular to Shareholders dated 29 July 2024 which transactions are necessary for the day-to-day operations in the ordinary course of business of SAMEE Group on terms not more favourable to the related parties than those generally available to the public or unrelated third parties and are not to the detriment of the minority shareholders of the Company and the shareholders mandate is subject to annual renewal and disclosure being made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue to be in force until:-

- (a) the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting, whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the RRPT."

**Resolution 8**

# Notice of 30<sup>th</sup> Annual General Meeting (Cont'd)

## AS SPECIAL BUSINESS: - (Cont'd)

9. To transact any other business of which due notice shall have been given.

By Order of the Board,

YEOW SZE MIN, SSM PC NO. 201908003120, MAICSA 7065735  
CHEW PECK KHENG, SSM PC NO. 202008001118, LS 0009559  
Company Secretaries

Date: 29 July 2024  
Penang

## (A) Notes: -

1. The 30<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Electronic Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal's ("SSeP") platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 30<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. By utilising the RPV facilities at SSeP (prior registration as a User is required), shareholders are to remotely attend, participate, speak (by way of posing questions to the Board via real time submission of typed texts) and cast their votes at the 30<sup>th</sup> AGM.
3. (i) As the 30<sup>th</sup> AGM will be conducted via a virtual meeting, a member entitled to participate and vote at the meeting may appoint up to two (2) proxies or the Chairman of the Meeting as his/her proxy(ies) to participate and vote in his or her stead, by indicating the voting instruction in the Form of Proxy: -
  - a) A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy.
  - b) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
  - c) A proxy appointed to participate 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 Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within SSeP's platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the AGM. The questions and/or remarks submitted by the shareholders and/or proxies will be responded by the Chairman/Board/management during the AGM.

- (ii) The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Act which require the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Regulation 64 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting.
- (iii) Members/proxies/corporate representatives will not be allowed to be physically present at the Broadcast Venue.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

# Notice of 30<sup>th</sup> Annual General Meeting (Cont'd)

## (A) Notes: - (Cont'd)

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy.
6. The appointment of proxy(ies) may be made in hardcopy form or by electronic means as follow: -
  - a) In Hardcopy Form  
The instrument appointing a proxy or representative and the duly registered power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
  - b) By SSeP  
The Form of Proxy may also be lodged electronically via SSeP at <https://sshsb.net.my/>  
  
(Please refer to the Administrative Guide for more details)  
  
in either case, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 August 2024 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), all resolutions set out in this notice will be put to vote by way of a poll.

## (B) Explanatory Notes to Ordinary Business: -

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.

### 2. Resolutions 1, 2 and 3 – Re-election of Directors

Regulation 95 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office once at least in each 3 years, but shall be eligible for re-election.

Mr. Ng Chee Kiet and Mr. Shum Sze Keong who retire in accordance with Regulation 95 of the Company's Constitution and Mr. Piroon Saengpakdee who retires in accordance with Regulation 102 of the Company's Constitution and being eligible, have offered themselves for re-election.

# Notice of 30<sup>th</sup> Annual General Meeting (Cont'd)

## **(B) Explanatory Notes to Ordinary Business: - (Cont'd)**

### **2. Resolutions 1, 2 and 3 – Re-election of Directors (Cont'd)**

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nominating & Remuneration Committee's ("NRC") has assessed and recommended to the Board the re-election of retiring Directors based on the following consideration: -

- (i) satisfactory performance and have met the criteria of Fit and Proper Policy of the Company in terms of character, experience, integrity, competence and time in discharging their duties and responsibilities;
- (ii) level of independence demonstrated by the independent director; and
- (iii) their ability to act in the best interest of the Company in decision-making.

The Board approved the NRC's recommendation for the re-election of the retiring Directors pursuant to Regulations 95 and 102 of the Company's Constitution at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NRC and Board meetings.

### **3. Resolutions 4 and 5 – Proposed payment of Directors' Remuneration**

Section 230(1) of the Act provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to Directors, in two separate resolutions as follows: -

Resolution 4 – Payment of Directors' fees in respect of the period from the conclusion of this AGM until the next AGM; and

Resolution 5 – Payment of Benefit to Directors for the period from the conclusion of this AGM until the next AGM.

The Board of Directors at its meeting held on 29 May 2024 agreed as a whole the NRC's recommendation to increase the proposed Directors' fees for the period from the conclusion of this AGM until the next AGM to RM100,000.00 from RM90,000.00 as proposed in the previous 29<sup>th</sup> AGM of the Company.

The benefits payable to each Director pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of Directors of the Company, all of whom have recognised that the benefits payable are in the best interest of the Company. The meeting allowance will be accorded based on the attendance of the Director at meetings.

In the event, the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

### **4. Resolution 6 – Re-appointment of Auditors**

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2024. The current auditors, Messrs. KPMG PLT has expressed their willingness to continue in office.

The Board and Audit Committee of the Company have considered the re-appointment of Messrs. KPMG PLT as auditors of the Company and collectively agreed that Messrs. KPMG PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

The Board of Directors recommends the re-appointment of Messrs. KPMG PLT as External Auditors of the Company to hold the office until the conclusion of the next AGM.

# Notice of 30<sup>th</sup> Annual General Meeting (Cont'd)

## (C) *Explanatory Notes to Special Business: -*

### 1. **Resolution 7 – Authority to issue and allot shares and Waiver of pre-emptive rights**

The Ordinary Resolution proposed herein is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion for such purposes as the Board of Directors considers to be in the best interests of the Company (hereinafter referred to as the "General Mandate") and to waive the statutory pre-emptive rights of shareholders of the Company ("Waiver of Pre-Emptive Rights"). This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company had been granted a general mandate by its shareholders at the last AGM held on 27 September 2023 of which will lapse at the conclusion of the 30<sup>th</sup> AGM (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placing of shares for the purpose of funding future investment project(s), working capital and/or acquisitions.

### 2. **Resolution 8 – Proposed New and Renewal of Existing Shareholders' Mandate**

The proposed Ordinary Resolution 8, if approved by shareholders, will authorise the Proposed New and Renewal of Existing Shareholders' Mandate for RRPT of a revenue or trading nature and allow the Company and its subsidiaries to enter into RRPT of a revenue or trading nature as set out in Section 2.5(a) and Section 2.5(b) of the Circular dated 29 July 2024, with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked/varied by resolutions passed by the shareholders of the Company in general meeting; whichever is the earlier. Further information on the Proposed New and Renewal of Existing Shareholders' Mandate is set out in the Circular dated 29 July 2024.

#### **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the 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

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

## **1. Details of individuals who are standing for election as Directors**

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 30<sup>th</sup> AGM.

## **2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements**

Details of the general mandate to issue securities in the Company pursuant to Section 75 and Section 76 of the Act are set out in Explanatory Note (C)(1) of the Notice of the 30<sup>th</sup> AGM.

# Notification to Shareholders

Dear Valued Shareholders,

## THIRTIETH ANNUAL GENERAL MEETING ("30<sup>TH</sup> AGM")

We are pleased to invite you to the 30<sup>th</sup> AGM of SAM Engineering & Equipment (M) Berhad ("**Company**") which will be conducted on a virtual basis at the broadcast venue using the Remote Participation and Electronic Voting ("**RPV**") facilities as follows:

<b>Day and Date</b>	:	Friday, 30 August 2024
<b>Time</b>	:	2:30 p.m.
<b>Broadcast Venue</b>	:	SAM Meerkat (M) Sdn Bhd, Plot 103, Hilir Sungai Keluang Lima, Taman Perindustrian Bayan Lepas 4, 11900 Penang.
<b>Online Meeting Platform</b>	:	Securities Services ePortal <a href="https://sshsb.net.my/">https://sshsb.net.my/</a>
<b>Modes of Communication</b>	:	1. Typed text in the Online Meeting Platform 2. Email your questions to <a href="mailto:investorrelations@sam-malaysia.com">investorrelations@sam-malaysia.com</a> prior to 30 <sup>th</sup> AGM by 23 August 2024

*Note: Shareholder(s)/Proxy(ies)/Corporate Representatives from the public are **NOT ALLOWED** to be physically present at the Broadcast Venue on the day of the 30<sup>th</sup> AGM.*

There will be a business presentation after the conclusion of the 30<sup>th</sup> AGM, you may stay with us after the conclusion of meeting.

Please note that the following documents relating to 30<sup>th</sup> AGM are available for download via the QR code below and the Company's website at <https://www.sam-malaysia.com/>: -



- 1) Annual Report 2024;
- 2) Notice of 30<sup>th</sup> AGM;
- 3) Proxy Form;
- 4) Administrative Guide for the 30<sup>th</sup> AGM;
- 5) Circular to Shareholders in relation to the proposed new and renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature dated 29 July 2024.

Should you require assistance with the above matter, kindly contact Securities Services (Holdings) Sdn. Bhd., Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Penang during office hours at 604-2631966.

We thank you for your continued support to the Company and look forward to connecting with you via the RPV facilities on the day of the 30<sup>th</sup> AGM.

By order of the Board,

Yeow Sze Min (SSM PC No. 201908003120, MAICSA 7065735)  
Chew Peck Kheng (SSM PC No. 202008001118, LS 0009559)  
Company Secretaries

Penang  
Date: 29 July 2024

# Administrative Guide



## SECURITIES SERVICES e-PORTAL

### WHAT IS Securities Services e-Portal?

**Securities Services e-Portal** is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

- Submit Form of Proxy electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings

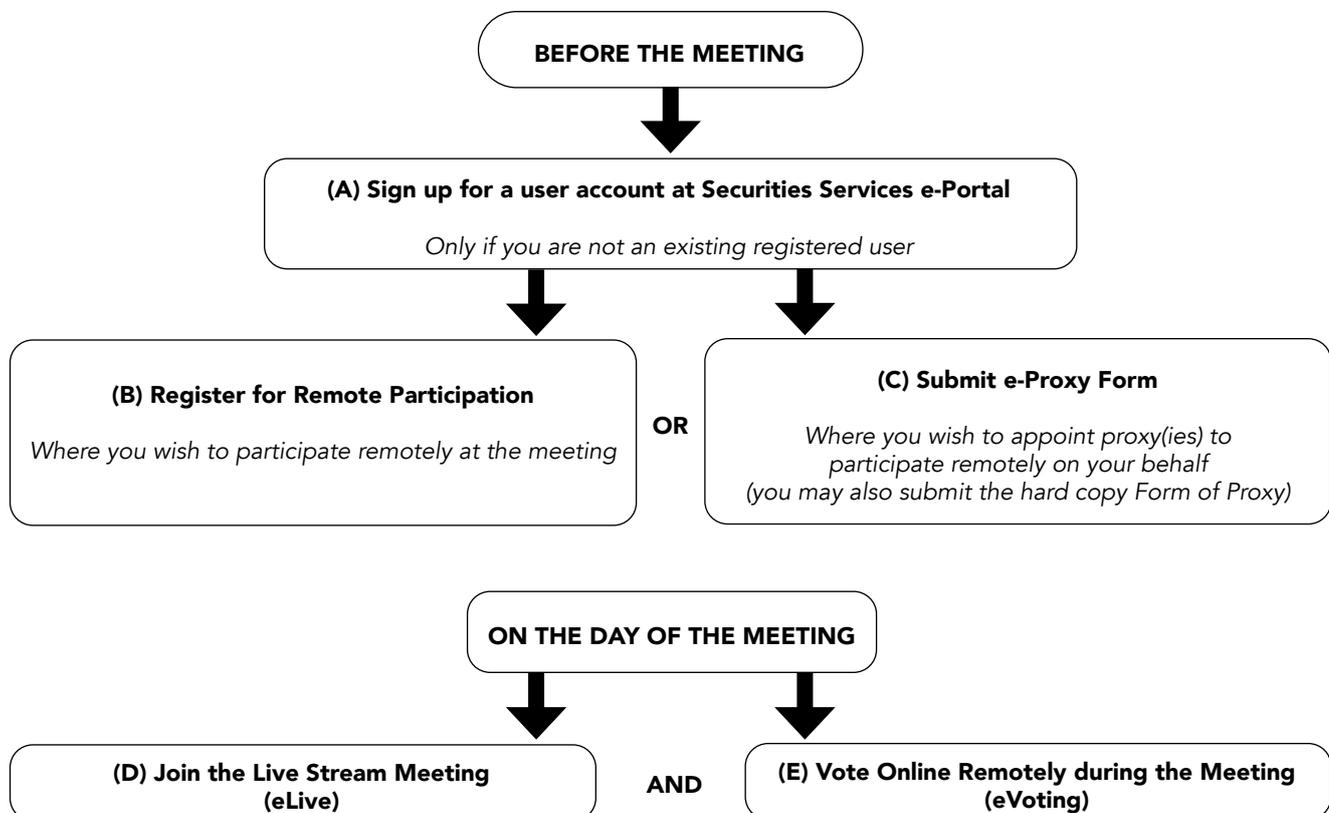
(referred to as “**e-Services**”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by SAM Engineering & Equipment (M) Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

**Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.**

### REQUIRE ASSISTANCE?

Please contact the officers at our general line (Tel: +604 263 1966) to request for e-Services Assistance during our office hours on Monday to Friday from 9.00 a.m. to 12.30 p.m. and from 1.30 p.m. to 5.30 p.m. except on public holiday. Alternatively, you may email us at [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my):



# Administrative Guide (Cont'd)

## BEFORE THE MEETING

### (A) Sign up for a user account at Securities Services e-Portal

<p>Step 1 Visit <a href="https://sshsb.net.my/">https://sshsb.net.my/</a></p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p>	<ul style="list-style-type: none"> <li>We require one (1) working day to process all user sign-ups. If you do not have a user account with the e-Portal, you will need to sign up for a user account by the deadlines stipulated below.</li> <li>Your email address is your User ID.</li> </ul>
---	---

**To register for the Meeting under (B) below, please sign up for a user account by 28 AUGUST 2024.**

**To submit e-Form of Proxy under (C) below, please sign up for a user account by 26 AUGUST 2024, failing which you may only submit the hard copy Form of Proxy.**

**This is a ONE-TIME sign up only. If you already have a user account, please proceed to either step (B) or (C) below.**

### (B) Register for Remote Participation at the Meeting

- Log in to <https://sshsb.net.my/> with your registered email and password.
- Look for **SAM Engineering & Equipment (M) Berhad** under Company Name and **30<sup>th</sup> AGM on 30 August 2024 at 2:30 p.m. – Registration for Remote Participation** under Event and click ">" to register for remote participation at the meeting.

Step 1 Check if you are attending as –

- Individual shareholder
- Corporate or authorised representative of a body corporate

*For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn. Bhd. at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang for verification before the registration closing date and time above.*

Step 2 Submit your registration for the meeting.

- All shareholders must register for remote participation at the meeting and are **highly encouraged to register as early as possible, before the eLive access date and time [see (D) below]**, in order to ensure timely access to the meeting. SS E Solutions Sdn. Bhd. holds no responsibility if shareholders failed to register before the commencement of the meeting. Access shall be granted only to eligible shareholders in accordance with the General Meeting Record of Depositors as at 23 August 2024.
- A copy of your e-Registration for remote participation can be accessed via **My Records** (refer to the left navigation panel).
- Your registration will apply to **all the CDS account(s)** of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.
- As the meeting will be conducted on a virtual basis, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.

# Administrative Guide (Cont'd)

(C) Submit e-Proxy Form	
Meeting Date and Time	Form of Proxy Submission Closing Date and Time
Friday, 30 August 2024 at 2:30 p.m.	Wednesday, 28 August 2024 at 2:30 p.m.
<ul style="list-style-type: none"> <li>➤ Log in to <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> with your registered email and password.</li> <li>➤ Look for <b>SAM Engineering &amp; Equipment (M) Berhad</b> under Company Name and <b>30<sup>th</sup> AGM on 30 August 2024 at 2:30 p.m. – Submission of Proxy Form</b> under Event and click "&gt;" to submit your Form of Proxy online for the meeting by the submission closing date and time above.</li> </ul>	
<p>Step 1 Check if you are submitting the Form of Proxy as –</p> <ul style="list-style-type: none"> <li>• Individual shareholder</li> <li>• Corporate or authorised representative of a body corporate  <i>For body corporates, the appointed corporate / authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn. Bhd. at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang for verification before the Form of Proxy submission closing date and time above.</i> </li> </ul> <p>Step 2 Enter your CDS account number or the body corporate's CDS account number. Then enter the information of your proxy(ies) and the proportion of your securities to be represented by your proxy(ies).            You may appoint the Chairman of the meeting as your proxy if you are not able to participate remotely.</p> <p>Step 3 Proceed to indicate how your votes are to be casted against each resolution.</p> <p>Step 4 Review and confirm your Form of Proxy details before submission.</p> <ul style="list-style-type: none"> <li>• A copy of your submitted e-Proxy Form can be accessed via <b>My Records</b> (refer to the left navigation panel).</li> <li>• You need to submit your e-Proxy Form for <b>every CDS account(s)</b> you have or represent.</li> </ul>	

**PROXIES**

**All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 26 August 2024. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY.** Upon processing the Form of Proxy, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a virtual basis.

# Administrative Guide (Cont'd)

## ON THE DAY OF THE MEETING

<b>Log in to <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> with your registered email and password</b>	
<b>(D) Join the Live Stream Meeting (eLive)</b>	
<b>Meeting Date and Time</b>	<b>eLive Access Date and Time</b>
Friday, 30 August 2024 at 2:30 p.m.	Wednesday, 30 August 2024 at 2:00 p.m.
<p>➤ Look for <b>SAM Engineering &amp; Equipment (M) Berhad</b> under Company Name and <b>30<sup>th</sup> AGM on 30 August 2024 at 2:30 p.m. – Live Stream Meeting</b> under Event and click "&gt;" to join the meeting.</p>	

- The access to the live stream meeting will open on the abovementioned date and time.
- If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/Management/relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

<b>(D) Online Remote Voting during the Meeting (eVoting)</b>	
<b>Meeting Date and Time</b>	<b>eVoting Access Date and Time</b>
Friday, 30 August 2024 at 2:30 p.m.	Friday, 30 August 2024 at 2:30 p.m.
<p>➤ If you are already accessing the Live Stream Meeting, click <u>Proceed to Vote</u> under the live stream player. OR</p> <p>➤ If you are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for <b>SAM Engineering &amp; Equipment (M) Berhad</b> under Company Name and <b>30<sup>th</sup> AGM on 30 August 2024 at 2:30 p.m. – Remote Voting</b> under Event and click "&gt;" to remotely cast and submit the votes online for the resolutions tabled at the meeting.</p>	
<p>Step 1 Cast your votes by clicking on the radio buttons against each resolution. Step 2 Review your casted votes and confirm and submit the votes.</p>	
<ul style="list-style-type: none"> <li>• The access to eVoting will open on the abovementioned date and time.</li> <li>• Your votes casted will apply throughout <u>all</u> the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the Form of Proxy.</li> <li>• The access to eVoting will close as directed by the Chairman of the meeting.</li> <li>• A copy of your submitted e-Voting can be accessed via <b>My Records</b> (refer to the left navigation panel).</li> </ul>	

Note: There will be a business presentation after the conclusion of the 30<sup>th</sup> AGM, you may stay with us after the conclusion of Meeting.

This page is intentionally left blank

# Form of Proxy



**SAM ENGINEERING & EQUIPMENT (M) BERHAD**  
Company Registration No. 199401012509 (298188-A)  
(Incorporated in Malaysia)

<b>NUMBER OF SHARES HELD</b>	
<b>CDS ACCOUNT NO.</b>	

I/We (Full Name in Block Letters) ..... (Tel :) .....

NRIC No./Passport No./Company No. .... of .....

..... being a member

/members of **SAM ENGINEERING & EQUIPMENT (M) BERHAD ("Company")**, hereby appoint the following person(s) :-

First Proxy		
Name	NRIC/Passport No.:	No. of shares or % of shares to be presented
(Tel: )		

and

Second Proxy		
Name	NRIC/Passport No.:	No. of shares or % of shares to be presented
(Tel: )		

or the Chairman of the meeting as \*my/our proxy to vote in \*my/our name(s) on my/our behalf at the Thirtieth Annual General Meeting ("AGM") of the Company to be conducted on a virtual basis at the Broadcast Venue at **SAM Meerkat (M) Sdn Bhd, Plot 103, Hilir Sungai Keluang Lima, Taman Perindustrian Bayan Lepas 4, 11900 Penang, Malaysia** on Friday, 30 August 2024 at 2:30 p.m. and at any adjournment thereof.

\*My/Our proxy is to vote on the resolution referred to in the Notice of AGM as indicated below: -

No.	RESOLUTIONS	For	Against
<b>ORDINARY BUSINESS</b>			
1.	To re-elect Mr. Ng Chee Kiet as Director.		
2.	To re-elect Mr. Shum Sze Keong as Director.		
3.	To re-elect Mr. Piroon Saengpakdee as Director.		
4.	To approve the payment of Directors' fee.		
5.	To approve the payment of benefits to Directors (excluding Directors' fee).		
6.	To re-appoint Messrs. KPMG PLT as auditors.		
<b>SPECIAL BUSINESS</b>			
7.	Ordinary Resolution - Authority to issue and allot shares and Waiver of pre-emptive rights.		
8.	Ordinary Resolution - Proposed new and renewal of shareholders' mandate for RRPT.		

(Please indicate with an "X" in the appropriate box how you wish your proxy to vote. If no instruction is given, the proxy will vote or abstain at his/her discretion).

\* Strike out whichever not applicable.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Signature of Shareholder / Common Seal



Notes: -

1. The 30<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Electronic Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal's ("SSEP") platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 30<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
  2. By utilising the RPV facilities at SSEP (prior registration as a User is required), shareholders are to remotely attend, participate, speak (by way of posing questions to the Board via real time submission of typed texts) and cast their votes at the 30<sup>th</sup> AGM.
  3. (i) As the 30<sup>th</sup> AGM will be conducted via a virtual meeting, a member entitled to participate and vote at the meeting may appoint up to two (2) proxies or the Chairman of the Meeting as his/her proxy(ies) to participate and vote in his or her stead, by indicating the voting instruction in the Form of Proxy: -
    - a) A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy.
    - b) Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
    - c) A proxy appointed to participate 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 Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within SSEP's platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the AGM. The questions and/or remarks submitted by the shareholders and/or proxies will be responded by the Chairman/Board/management during the AGM.
  - (ii) The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Act which require the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Regulation 64 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting.
  - (iii) Members/proxies/corporate representatives will not be allowed to be physically present at the Broadcast Venue.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
  5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies proportion of its shareholding to be represented by each proxy.
6. The appointment of proxy(ies) may be made in hardcopy form or by electronic means as follow: -
    - a) In Hardcopy Form  
The instrument appointing a proxy or representative and the duly registered power of attorney or other authority (if any), under which it is signed or a duly notarized certified copy of that power or authority, shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.
    - b) By SSEP  
The Form of Proxy may also be lodged electronically via SSEP at <https://sshsb.net.my/>  
(Please refer to the Administrative Guide for more details)  
in either case, not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
  7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
  8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 August 2024 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting or appoint proxy(ies) to participate, speak and vote on his/her behalf.
  9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this notice will be put to vote by way of a poll.
  10. Any alteration in this form must be initialed.

Fold Here to seal

STAMP

The Company Secretaries

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**

Company Registration No. 199401012509 (298188-A)  
(Incorporated in Malaysia)

Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar,  
10200 George Town, Penang, Malaysia.

Fold Here to seal