



Malpac Holdings Berhad
199001005856 (197424-V)

ANNUAL REPORT 2023



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Proxy Form

NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting (“**33rd AGM**”) of Malpac Holdings Berhad (“**the Company**”) will be held at Dewan Tan Sri Hamzah, Royal Selangor Club Kiara Sports Annexe, Bukit Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, W. P. Kuala Lumpur on Wednesday, 29 November 2023 at 2.00 p.m., to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1 on Ordinary Business)
2. To approve the payment of Directors' fees of RM60,000.00 for the financial year ended 30 June 2023. (Ordinary Resolution 1)
(Please refer to Explanatory Note 2 on Ordinary Business)
3. To approve the payment of Directors' benefits of up to RM400,000.00 for the period immediately after the 33rd AGM until the next AGM of the Company to be held in 2024. (Ordinary Resolution 2)
(Please refer to Explanatory Note 2 on Ordinary Business)
4. To re-elect Mr. Tan Chon Sing @ Tan Kim Tieng who retires pursuant to Clause 76(3) of the Company's Constitution. (Ordinary Resolution 3)
(Please refer to Explanatory Note 3 on Ordinary Business)
5. To re-elect the following Directors who retire pursuant to Clause 78 of the Company's Constitution:-
(i) Mr. Loo Pak Soon; and
(ii) Puan Noraini Binti Yaacob (Please refer to Explanatory Note 4 on Ordinary Business)
(Ordinary Resolution 4)
(Ordinary Resolution 5)
6. To re-appoint Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)
(Please refer to Explanatory Note 5 on Ordinary Business)

SPECIAL BUSINESS

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

7. **SPECIAL RESOLUTION
WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016** (Please refer to Explanatory Note 1 on Special Business)

“THAT pursuant to Section 85 of the Companies Act 2016 (“**the Act**”) read together with Clause 12(3) 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 in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company to the allottees subject to passing Ordinary Resolution 7 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act.

AND THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 7 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act.” (Special Resolution)
8. **ORDINARY RESOLUTION
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** (Please refer to Explanatory Note 2 on Special Business)

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 (“**the Act**”) and subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, from time to time, at such price, 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 Ordinary 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 THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.” (Ordinary Resolution 7)

Notice Of Thirty-Third Annual General Meeting (Continued)

9. ORDINARY RESOLUTION PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES

(Please refer to Explanatory Note 3 on Special Business)

(Ordinary Resolution 8)

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:-

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase.

("Proposed Renewal of Share Buy-Back Mandate").

AND THAT the authority to facilitate the Proposed Renewal Share Buy-Back Mandate will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Renewal Share Buy-Back Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

Notice Of Thirty-Third Annual General Meeting (Continued)

10. **ORDINARY RESOLUTION**
PROPOSED GRATUITY PAYMENT TO ENCIK MUHAYUDDIN BIN MUSA WHO HAD RESIGNED FROM THE COMPANY ON 30 MAY 2023 (Please refer to Explanatory Note 4 on Special Business)

"THAT approval be and is hereby given for the Company to pay a gratuity amounting to RM100,000.00 to Encik Muhayuddin Bin Musa who had resigned from the Company on 30 May 2023, in recognition of his services and contributions to the Company for more than twelve (12) years.

(Ordinary Resolution 9)

AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution."

11. **ORDINARY RESOLUTION**
PROPOSED GRATUITY PAYMENT TO ENCIK JOHARI LOW BIN ABDULLAH WHO HAD RESIGNED FROM THE COMPANY ON 30 MAY 2023 (Please refer to Explanatory Note 4 on Special Business)

"THAT approval be and is hereby given for the Company to pay a gratuity amounting to RM100,000.00 to Encik Johari Low Bin Abdullah who had resigned from the Company on 30 May 2023, in recognition of his services and contributions to the Company for more than twelve (12) years.

(Ordinary Resolution 10)

AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution."

12. To consider any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

WONG WAI FOONG [SSM PC NO. 202008001472 (MAICSA 7001358)]
TAN HSIAO YUEN [SSM PC NO. 201908002342 (MAICSA 7056952)]
Company Secretaries

Kuala Lumpur
31 October 2023

NOTES:-

- For the purpose of determining who shall be entitled to attend this 33rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 22 November 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 33rd AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this 33rd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Listing Requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:-
 - In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
 - By electronic means via facsimile
In the case of an appointment made via facsimile transmission, this proxy form must be received at 03-2276 6131.For options (ii), the Company may request any member to deposit original executed proxy form to its Share Registrar before or on the day of meeting for verification purpose.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure **ALL** the particulars as required in this proxy form are completed, signed and dated accordingly.
- Last date and time for lodging this proxy form is **Monday, 27 November 2023 at 2.00 p.m.**

Notice Of Thirty-Third Annual General Meeting (Continued)

12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- (a) Identity card (NRIC) (Malaysian), or
 - (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - (c) Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this 33rd AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2023

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (“the Act”) for discussion only. They do not require shareholders’ approval and hence, this item on the Agenda will not put forward for voting by shareholders of the Company.

2. Ordinary Resolutions 1 and 2 – Payment of Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The proposed Ordinary Resolution 1 is to facilitate the payment of Directors’ fees for the financial year ended 30 June 2023.

The proposed Ordinary Resolution 2, if approved, will authorise the payment of Directors’ Benefits comprising allowance and other emoluments/benefits payable to Chairman and the Non-Executive Directors. The current board remuneration policy is set out below:

DESCRIPTION	RM
Monthly allowance	1,000.00
Meeting allowance (per Board of Directors meeting)	1,500.00
Other Benefits	Medical and health care coverage; Business Travel and Accommodation and other benefits

Note: Do note that the Group’s Executive Directors do not receive the above said Directors’ Benefits other than those specified in the service contract of the respective Executive Directors of the Group.

The estimated amount for the period immediately after the 33rd AGM until the next AGM of the Company to be held in 2024 is RM400,000.00. In the event that the proposed Directors’ Benefits are insufficient, approval will be sought at the next AGM for the shortfall.

3. Ordinary Resolution 3 – Re-election of Director pursuant to Clause 76(3) of the Company’s Constitution

Mr. Tan Chon Sing @ Tan Kim Tieng is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 33rd AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance (“MCCG”), the profile of Mr. Tan Chon Sing @ Tan Kim Tieng (“Mr. Tan”) is set out in the Director’s profile of the Annual Report 2023. The Board has through the Nomination Committee (“NC”), considered the assessment of the said Directors pursuant to the Fit and Proper Policy adopted by the Company and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The justification to support the Board’s recommendation to re-elect Mr Tan is as follows:

- (a) Mr. Tan, the Non-Independent Executive Chairman of the Company, manages the Group’s organizational structure and communicates with the Board to ensure the Company abides by its principles of good corporate governance. He has an extensive career and vast experience in the stockbroking industry and is able to provide investment and financial advisory to the Group. He has exercised his due care and carried out his professional duties proficiently during his tenure as a Non-Independent Executive Chairman of the Company.

Based on the above, the Board collectively agreed that he had met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge his role as Director and recommended him to be re-elected as Director of the Company at the forthcoming 33rd AGM.

4. Ordinary Resolutions 4 and 5 – Re-election of Directors pursuant to Clause 78 of the Company’s Constitution

Mr. Loo Pak Soon (“Mr. Loo”) and Puan Noraini Binti Yaacob (“Puan Noraini”) who were appointed as Directors of the Company on 30 May 2023 will retire at the 33rd AGM pursuant to Clause 78 of the Company’s Constitution. They have offered themselves for re-election at the 33rd AGM.

Notice Of Thirty-Third Annual General Meeting (Continued)

Pursuant to Practice 5.7 of the MCGG, the profiles of both Directors are set out in the Directors' profile of the Annual Report 2023. The Board has through the NC considered the assessment of the said Directors pursuant to the Fit and Proper Policy adopted by the Company and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The justifications to support the Board's recommendation to re-elect the aforementioned Directors are as follows:

- (a) Mr. Loo, an Independent Non-Executive Director, has demonstrated his independence through his engagement with the Board, Board Committees and Management by providing his professional feedback during the meetings. He also exercised due care and carried out his duties during his tenure as an Independent Non-Executive Director, Chairman of the Audit Committee, member of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.
- (b) Puan Noraini fulfills the requirements of independence set out in the Listing Requirements of Bursa Securities. She has remained objective and independent in expressing her views and participating in Board deliberations and decision making. Puan Noraini has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director, Chairperson of the Remuneration Committee and member of the Audit Committee, Nomination Committee, Risk Management Committee of the Company.

The Board has through the NC, considered their assessment and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors.

The Board has also through the NC conducted an assessment of their independence and was satisfied that they have complied with the criteria on independence as prescribed by the Listing Requirements of Bursa Securities.

5. Ordinary Resolution 6 – Re-appointment of Auditors

The Audit Committee ("AC") had at its meeting held on 23 August 2023 assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs PKF PLT as External Auditors of the Company for the financial year ending 30 June 2024. The Board had in turn reviewed the recommendation of the AC and recommended the same to be tabled for approval at the forthcoming 33rd AGM of the Company under Ordinary Resolution 6.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Special Resolution – Waiver of Pre-emptive Rights

The Special Resolution is pertaining to the waiver of pre-emptive rights pursuant to Section 85 of the Act. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive right. The Special Resolution if passed, would allow the Directors to issue new shares to any person without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

2. Ordinary Resolution 7 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

Subject to the passing of the Special Resolution on waiver of pre-emptive rights pursuant to Section 85 of the Act, the proposed Ordinary Resolution 7, if passed, would renew the mandate granted to the Directors at the 33rd AGM and provide flexibility to the Directors to undertake fundraising activities including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), business expansion, working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company did not allot any shares pursuant to the shareholders' mandate granted to the Directors at the 32nd AGM as there were no requirement for such fundraising activities.

3. Ordinary Resolution 8 – Proposed Renewal of Share Buy-back Mandate

The proposed Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 31 October 2023 in relation to the Proposed Renewal of Share Buy-Back Mandate for further information.

4. Ordinary Resolutions 9 and 10 – Proposed Gratuity Payment to Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah

Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah had served the Company for more than 12 years and resigned from the Company on 30 May 2023.

The proposed gratuity payment to Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah is in recognition and appreciation of their long services, dedication and contributions to the Company during their tenure of services as Independent Non-Executive Directors in the past years.

The proposed resolutions 9 and 10, if passed, will give approval to the Company to make payment of gratuity amounting to RM100,000.00 each to Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah, in recognition and appreciation of their long services, dedications and contributions to the Company.

CORPORATE INFORMATION

Board Of Directors

Mr. Tan Chon Sing @ Tan Kim Tieng (<i>Chairman</i>)	Non-Independent Executive Director
Mr. Loo Pak Soon	Independent Non-Executive Director
Mr. Lim Hong Liang	Non-Independent Executive Director
Mr. Kan Ah Chun	Non-Independent Executive Director
Puan Noraini Binti Yaacob	Independent Non-Executive Director
Mr. Gan Teck Chong @ Gan Kwan Chong	Non-Independent Non-Executive Director

Chief Executive Officer

Mr. Ang Poo Guan

Audit Committee

Chairman: Mr. Loo Pak Soon
Members: Puan Noraini Binti Yaacob
Mr. Gan Teck Chong @ Gan Kwan Chong

Remuneration Committee

Chairperson: Puan Noraini Binti Yaacob
Members: Mr. Loo Pak Soon
Mr. Gan Teck Chong @ Gan Kwan Chong

Nomination Committee

Chairman: Mr. Loo Pak Soon
Members: Puan Noraini Binti Yaacob
Mr. Gan Teck Chong @ Gan Kwan Chong

Investment Committee

Chairman: Mr. Lim Hong Liang
Members: Mr. Tan Chon Sing @ Tan Kim Tieng
Mr. Kan Ah Chun
Mr. Ang Poo Guan

Risk Management Committee

Chairman: Mr. Lim Hong Liang
Members: Puan Noraini Binti Yaacob
Mr. Loo Pak Soon

Company Secretaries

Ms. Wong Wai Foong [SSM PC No. 202008001472 (MAICSA 7001358)]
Ms. Tan Hsiao Yuen [SSM PC No. 201908002342 (MAICSA 7056952)]

Registered Office

Unit 30-01, Level 30, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : 03-27839191
Fax: 03-27839111
Email address: info@my.tricorglobal.com

Principal Place Of Business

2nd Floor, No. 23 Jalan Kong Sang
70000 Seremban, Negeri Sembilan Darul Khusus
Tel : 06-7653816 & 7653836
Fax: 06-7653815

External Auditors

Messrs PKF PLT
202206000012(LLP0030836-LCA) & AF0911
Level 33, Menara 1MK
Kompleks 1 Mont Kiara
No. 1, Jalan Kiara
Mont Kiara
50480 Kuala Lumpur

Tax Consultant

PKF Tax Services Sdn Bhd
Level 33, Menara 1MK
Kompleks 1 Mont Kiara
No. 1, Jalan Kiara
Mont Kiara
50480 Kuala Lumpur

Solicitors

Logan Sabapathy & Co

Share Registrar

Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Tel : 03-22766138
Fax: 03-22766131
Email address: sectrarsmg@gmail.com

Principal Bankers

CIMB Bank Berhad
Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad

Stock Exchange Listing

Bursa Malaysia Securities Berhad, Main Market
Stock Name : Malpac
Stock Code : 4936

Company Website

<http://www.malpac.com.my>

PROFILE OF BOARD OF DIRECTORS AND KEY MANAGEMENT

MR. TAN CHON SING @ TAN KIM TIENG Chairman

Mr. Tan Chon Sing @ Tan Kim Tieng (“**Mr. Tan**”), Malaysian, male, aged 84, was re-designated as Non-Independent Non-Executive Chairman of Malpac Holdings Berhad on 30 May 2023. He was appointed to the Board on 15 May 1990. He is a member of the Investment Committee of the Company. He graduated from Nanyang University in 1963 with a Bachelor of Commerce degree and was a banker for eleven years before joining the stockbroking industry in 1976 as Manager in a stockbroking firm in Seremban which was converted into a private limited company in 1987 and he was duly appointed a director of the company. The stockbroking business was disposed to a third party in 2001 and his position was converted to that of a remisier in the new outfit till October 2017. He also sits on the Board of several other companies within the Malpac Group as well as a few other private limited companies.

Mr. Tan attended all four (4) Board Meetings held during the financial year ended 30 June 2023.

MR GAN TECK CHONG @ GAN KWAN CHONG

Mr. Gan Teck Chong @ Gan Kwan Chong (“**Mr. Gan**”), Malaysian, male, aged 76, is a Non-Independent Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is a member of the Audit, Remuneration and Nomination Committees of the Company. He has been in the stockbroking business for more than forty years. He commenced his career as a remisier in a stockbroking firm in Melaka and subsequently appointed as a partner of a stockbroking firm in Seremban. He was then appointed as director of the same stockbroking firm when it was converted into a private limited company in April 1987. The stockbroking business of the company was disposed to a third party in 2001 and his position was then converted to that of a remisier in the new outfit. He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative license under the Securities Industry Act, 1983.

Mr. Gan attended all the four (4) Board Meetings held during the financial year ended 30 June 2023.

MR. LOO PAK SOON

Mr. Loo Pak Soon (“**Mr. Loo**”), Malaysian, male, aged 60, is an Independent Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 30 May 2023. He is also the Chairman of the Audit and Nomination Committee and a member of the Remuneration and Risk Management Committee. He graduated with a Bachelor of Commerce (Honours) with major in Finance from the University of Windsor, Canada in 1984. He started his career as a banker in 1984 and has 8 years of commercial and merchant banking experience working with various banks. In 1992, he joined NCK Corporation Berhad and was involved in the restructuring and listing exercise of NCK Corporation Berhad onto the then Main Board of the Kuala Lumpur Stock Exchange (“KLSE”).

He joined Powernet Industries Sdn Bhd as a Financial Controller in 1993. While there, he was also a Director of Ken Holdings Berhad from 1996 to 2006. At Powernet Industries Sdn Bhd, he successfully assisted in turning the company around from a loss-making concern and got it listed onto the then Second Board of the KLSE as Kumpulan Powernet Bhd in 2002. He was the Executive Director and Special Assistant to the Chairman cum Managing Director from 2002 to 2015. From October 2015 to February 2016, he remained in Kumpulan Powernet Bhd to handover outstanding matters to the new owners and management team. He was principally involved in the financial operations and strategic planning of Kumpulan Powernet Bhd. With his vast experience in various industries, finance background and corporate experience, he joined MTS Fibromat (M) Sdn Bhd as the Chief Operating Officer in 2016. In May 2019, Fibromat (M) Bhd, through a restructuring exercise, acquired MTS Fibromat (M) Sdn Bhd and was listed on the LEAP Market of Bursa Malaysia Securities Bhd. On 22 August 2019, he was appointed as an Executive Director of Fibromat (M) Bhd and on 31 March 2021, he was re-designated as Non-Independent Non-Executive Director. Mr. Loo is also a Non-Independent Non-Executive Director of Ken Holdings Berhad.

Mr. Loo did not attend all the four (4) Board Meetings held during the financial year ended 30 June 2023 as he was appointed on 30 May 2023 and the last Board Meeting of the Company for the financial year ended 30 June 2023 was held on 17 May 2023.

MR. LIM HONG LIANG

Mr. Lim Hong Liang (“**Mr. Lim**”), Malaysian, male, aged 64, is a Non-Independent Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 16 October 1990. He is the Chairman of the Investment and Risk Management Committee of the Company. He holds a Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Sydney. Before joining Malpac, he was employed in the commercial banking sector for six years. He also sits on the Board of few other companies within the Malpac Group as well as several other private limited companies.

Mr. Lim attended all the four (4) Board Meetings held during the financial year ended 30 June 2023.

Profile Of Board Of Directors And Key Management (Continued)

MR. KAN AH CHUN

Mr. Kan Ah Chun (“**Mr. Kan**”), Malaysian, male, aged 70, is a Non-Independent Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 10 September 1996. He is a member of the Investment Committee of the Company. After graduating from University of Malaya with a Bachelor of Science (Hons) Degree in 1977, he was attached to the teaching profession from 1978 to 1982. He then joined a commercial bank until 1996 when he joined Malpac Securities Sdn. Bhd. He also sits on the Board of a company within the Malpac Group as well as several other private limited companies.

Mr. Kan attended all the four (4) Board Meetings held during the financial year ended 30 June 2023.

PUAN NORAINI BINTI YAACOB

Puan Noraini Binti Yaacob (“**Puan Noraini**”), Malaysian, female, aged 61 was appointed to the board of Malpac Holdings Berhad as an Independent Non-Executive director on 30 May 2023. She is also the Chairperson of Remuneration Committee and member of Audit, Risk Management and Nomination Committee. She graduated with a Bachelor of Commerce (Honours) Degree from Carleton University, Canada. Her career started in both development and commercial banking sectors progressing to investment holding. Currently she is involved in the capacity of director in various companies both in Malaysia and Australia involved predominantly in property investments.

Puan Noraini did not attend all the four (4) Board Meetings held during the financial year ended 30 June 2023 as she was appointed on 30 May 2023 and the last Board Meeting of the Company for the financial year ended 30 June 2023 was held on 17 May 2023.

NONE OF THE DIRECTORS HAS:

- Any family relationship with any other Director and/or major shareholder of Malpac Holdings Berhad.
- Any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- Any conviction for offences within the past five years other than traffic offences or any public sanction or penalty imposed by the regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

MR. ANG POO GUAN

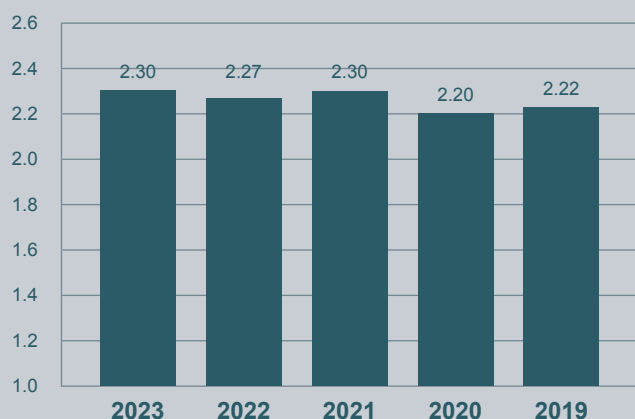
Chief Executive Officer

Mr. Ang Poo Guan (“**Mr. Ang**”), Malaysian, male, aged 74, was appointed as Chief Executive Officer of Malpac Holdings Berhad on 1 March 2002. He also holds directorships in a few subsidiary companies of the Group. He is a member of the Investment Committee of the Company. He graduated from the University of Malaya in 1972 with a Bachelor of Agric. Sc. (Hon.) degree. He joined a plantation management company for a short stint before joining an agricultural development bank in 1973. In 1980 he joined a foreign commercial bank where he rose to the position of Senior Vice President. In 1996, he left the banking sector to join Malpac Management Sdn. Bhd., a subsidiary of Malpac Holdings Berhad, where he was appointed Chief Executive Officer cum Director. He is also a director of several private limited companies. Mr. Ang holds 168,500 (0.22%) shares indirectly in Malpac Holdings Berhad. He does not have any family relationship with any director and/or major shareholder of Malpac Holdings Berhad, nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no convictions for any offences within the past five years or any public sanction or penalty imposed by the regulatory bodies during the financial year.

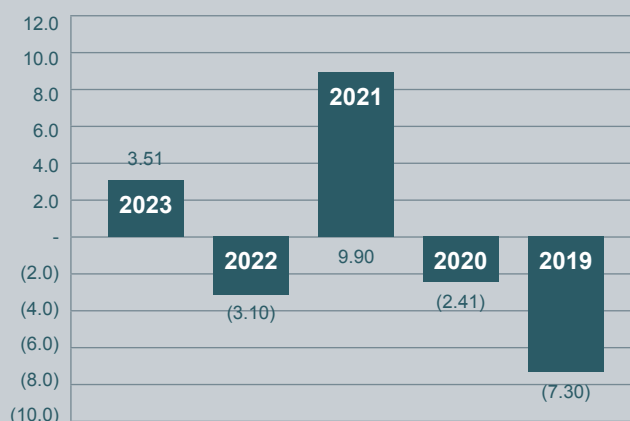
GROUP FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL HIGHLIGHTS (Ringgit Malaysia)	2023	2022	2021	2020	2019
A STATEMENT OF COMPREHENSIVE INCOME					
1 Revenue	6,325,622	2,780,573	2,659,452	3,566,793	4,190,971
2 EBITDA	3,316,701	(1,872,225)	7,730,642	(1,378,198)	(5,093,420)
3 (Loss)/Profit before tax	3,035,240	(2,125,408)	7,427,368	(1,781,664)	(5,474,444)
4 Profit after tax	2,634,454	(2,315,742)	7,427,291	(1,806,776)	(5,474,629)
5 Net (loss)/profit attributable to equity holders	2,634,454	(2,315,742)	7,427,291	(1,806,776)	(5,474,629)
B STATEMENT OF FINANCIAL POSITION					
1 Total assets	182,887,629	179,339,063	182,454,707	209,760,482	211,052,046
2 Total liabilities	10,267,593	9,353,481	10,153,383	44,886,449	44,371,237
3 Shareholders' equity	172,620,036	169,985,582	172,301,324	164,874,033	166,680,809
C FINANCIAL INDICATORS					
1. Return on equity (%)	1.53	(1.36)	4.31	(1.10)	(3.28)
2. Return on total assets (%)	1.44	(1.29)	4.07	(0.86)	(2.59)
3. (Loss)/Earnings per share (sen)	3.51	(3.10)	9.90	(2.41)	(7.30)
4. Net assets per share (RM)	2.30	2.27	2.30	2.20	2.22
5. Share price as at the financial year/period end (RM)	0.835	1.13	1.13	0.52	0.79

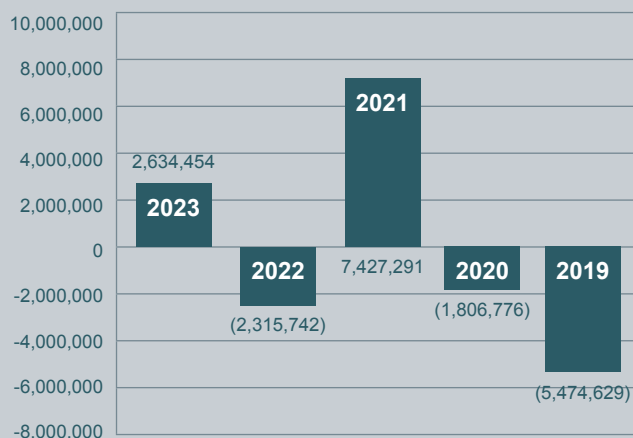
NET ASSET PER SHARE (Ringgit Malaysia)



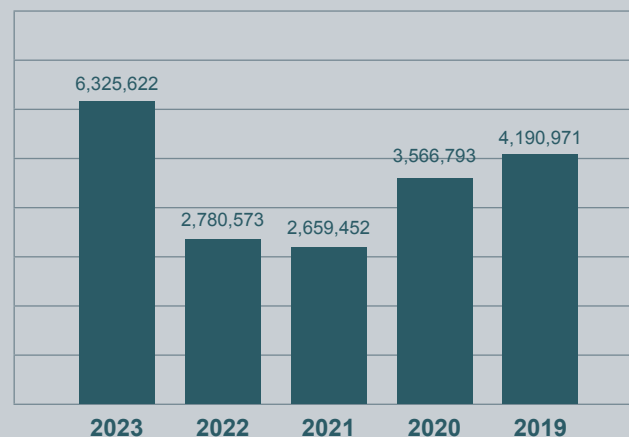
BASIC EARNINGS PER SHARE (Ringgit Malaysia)



PROFIT AFTER TAX (Ringgit Malaysia)



REVENUE (Ringgit Malaysia)



MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Malpac Holdings Berhad (“**Malpac**”) started as a stock broking firm in 1976 under the name of Chew & Teo. The Company was listed on the Main Market of Bursa Malaysia on 12 December 1990 with an authorized capital of RM50 million and a paid up of RM25 million. In September 1995, the Company increased its authorized capital to RM200 million and paid up to RM62.5 million. In 1996, the paid-up capital was further increased to RM75 million. In 2001, the stockbroking business was disposed of and the Company subsequently acquired two (2) parcels of oil palm plantation and a palm oil mill. Since February 2020, the Company has been classified as one of the affected listed issuers pursuant to paragraph 8.03A of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Company is currently an investment holding that owns investments such as properties and shares for long term investment and derives investment income.

The Company has been working diligently on a proposed mixed-development on one of the Company's property in Johor Bahru and had finalized the master plan with our appointed architect in July 2023. The Company is delighted to inform the Shareholders that the Company had on 14 August 2023 submitted a re-zoning application to the Johor relevant authority and the Company is hopeful that there would be favorable response from the planning authority soon. The proposed mixed-development comprised of retail, hospitality and residential development will be developed in phases and the Company is confident that the proposed mixed-development could generate sufficient sustainable investment and development income to the Company in the near future. The Company will make an immediate announcement should there be any firm development. As of to-date, Bursa Securities had vide its decision letter dated 4 October 2023, granted the Company a Fourth Extension of Time of up to 16 February 2024 to submit its regularization plan to the regulatory authorities. Shareholders are recommended to check our announcement regularly to find out more about the latest development of the said rebuilding exercise.

Review of Financial Results

The Group revenue from its investment activities was RM6.325 million, approximately 127% higher than the preceding financial year. The higher revenue was due to (i) profits earned from sale of quoted shares held and (ii) higher interest earned from fixed deposit placed with licensed bank. The Group will continuously actively manage the Company's cash return while pending the proposed mixed-development project in Johor Bahru and the Group foresee that the Malaysia interest rate will remain at the same level or higher in the coming quarters. For the financial year ended 30 June 2023 (“**FYE 2023**”), the Group recorded a post-tax profit of RM2.63 million or profit per share of 3.51 sen.

Prospect

For the last one year, the business and investment sentiment have improved further as compared to FYE 2022.

As stated above, the Group has submitted a rezoning application to the Johor's relevant authority for the re-alienation and amalgamation exercise for one of the Company's land in Johor Bahru. Subject to the approval by the relevant authorities, the future prospect of the Group is highly correlated to the economic and market conditions of Johor Bahru, as well as the reactions of the prospective tenants and property buyers towards the Group's product.

Separately, the two plaintiffs who had successfully claimed the Group's oil palm assets from the lapsed 2002 Agreements, filed a further Assessment of Damages to claim circa RM78 million of further damages from Malpac Capital Sdn Bhd, as part of their effort to frustrate Malpac Capital Sdn Bhd's application to withdraw the balance purchase price from Ipoh High Court. The Group's counsels and lawyers are of the view that such claim is preposterous and Shareholders are recommended to check our announcement regularly to get the latest update of the legal suit.

As highlighted in FYE 2022, the Group will be cautious and be mindful to plan and manage the development strategically and sustainably to ensure that any ventures to be undertaken by the Group would not overly expose the Group to unnecessary risks. At the same time, the Group will also continue to source for other suitable investment opportunities for the rebuilding of our core business. As the process of strategic planning, as well as possible acquisition of new business and development in Johor Bahru land require substantial resources and efforts, the Board of Directors is of the view that no dividend shall be paid for the FYE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Malpac Holdings Berhad (“the Company”) hereby discloses the corporate governance practices in accordance to the guidelines set out in the Malaysian Code on Corporate Governance (“MCCG”) and governance standards prescribed in the MMLR of Bursa Securities throughout the FYE 2023. This Corporate Governance Overview Statement shall be read in conjunction with the Corporate Governance Report (“CG Report”) which furnishes the detail application for each practice as set out in the MCCG. The report is available at <http://www.malpac.com.my/>.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Board's Leadership on Governance and Objectives

The Board is responsible for the overall governance of the Company and discharges its responsibility through compliance with relevant rules, laws, regulations, directives and guidelines in addition to adopting the best practices in the MCCG. The Directors collectively combine their diverse experiences and qualifications to discharge their duties and responsibilities.

Responsibilities of the Board

The principal function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's roles are as follows:-

- i. Accountability to the shareholders - Understand and consider the interests of shareholders and relevant stakeholders for the business directions and crucial decision making relating to the Group. The Board is also responsible to ensure that communications both to and from the shareholders and relevant stakeholders are effective;
- ii. Set strategy and goals - Determine and review the overall strategic goals, strategic directions and significant policies. The Board reviews and evaluates the present and future opportunities, threats and risk in the external environment, evaluate the strengths and weaknesses of the company structure and the principal risks relating to the Group;
- iii. Oversee the Risk Management & Internal Control function of the Group:-
 - a. Review the adequacy and the integrity of the Group's internal control systems to ensure that all levels within the Group comply with the applicable laws, regulations, guidelines and requirements;
 - b. Responsible for the Group's risk management and internal control systems;
 - c. Set strategic objectives;
 - d. Review the effectiveness of the Group risk management and internal control systems;
 - e. Oversee the nature and extent of risk exposure for the Group major risks;
 - f. Provide direction on the importance of risk management and risk management culture;
- iv. Ensure good corporate governance practice and incorporate it as the Group and Company's culture and oversees the business conduct and code of ethics of the Group and Company;
- v. Responsible for corporate sustainability; and
- vi. Oversees succession plans.

Board Meetings and Board Papers

The Board meeting papers are furnished to the Board members at least five (5) days prior to dates of meetings to ensure that the Directors have enough time and information to make an informed decision at each meeting. The Company however allows exceptional cases whereby the meeting materials are furnished to Board members of less than five (5) days on urgent and for extraordinary matter(s), whereby there is insufficient time in collating relevant information and details. Upon conclusion of the meeting, the minutes are reviewed by the Chairman in a timely manner before circulation to the Board. Senior Management is invited to attend Board or Committee Meetings to present the financial performances, reports or other proposals as at when and where necessary. The Directors have direct access to the advices and services of the Company Secretaries who are responsible for ensuring that Board procedures are followed, and the regulatory requirements are met.

Board Charter

The Company has formalized a Board Charter which clearly set out the composition, roles and responsibilities of the Board, Board Committees and Management. The Board Charter serves as a primary reference for Board members of their fiduciary duties as Directors and the functions of the Board Committees. The details of the Board Charter are available for reference on the Company's website at www.malpac.com.my. The Board Charter was last reviewed and approved by the Board on 24 August 2022.

A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Gender Diversity Policies

The Board has appointed a new independent female director to the Board and reduce the size of the Board to six members in financial year ended 2023. The Board does not for the moment intend to make it mandatory to achieve thirty percent (30%) female director in the Board as per the MCGG for large companies except as and when an opportunity arises. However, the Board in its gender diversity policy, supports the initiative to include female participations in achieving a more gender diversified Board. The Board agrees to give equal priority to female candidates who are competent, possess leadership qualities.

Code of Conduct and Ethics

The Company's Code of Conduct and Ethics has been updated periodically to guide the Group's Directors and employees towards ethical and responsible business dealings. The employees of the Group are required to adhere to the guidelines set-out in the code. The Code of Conduct and Ethics can be viewed on the Company's website at www.malpac.com.my.

Whistle-Blowing Policy

The Company has in place a whistle-blowing policy through which stakeholders of the Group may raise concerns, in confidence, on improper conduct or other matters to the Audit Committee, where applicable. The whistle-blowing policy can be viewed on the Company's website at www.malpac.com.my.

Qualified and Competent Company Secretaries

The Company Secretaries of the Company are qualified company secretaries under Section 235 of the Companies Act 2016. The Company Secretaries play an advisory role to the Board, particularly with regard to the Company's Constitution and Board policies and procedures as well as compliance with relevant rules and regulations. The Company Secretaries record, prepare and circulate the minutes of the meetings of the Board and Board Committees on timely basis and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required.

Board Composition

The Board currently has six (6) members, comprising:-

- i. Three (3) Non-Independent Executive Directors;
- ii. One (1) Non-Independent Non-Executive Director; and
- iii. Two (2) Independent Non-Executive Directors.

The Company does not comply with Practice 5.2 of MCGG, which called upon companies to have at least half of the Board composed of independent directors in order to foster greater objectivity in the boardroom. The Board and its Nomination Committee are aware of such departure and are mindful that the independence of every individual Director is critical to protect the shareholders' interest. As part of the alternative practice, the Board, assisted by the Nomination Committee, assesses the independence of the independent Directors via an individual declaration process by independent Directors, on an annual basis.

The Independent Non-Executive Directors are committed in upholding business integrity and bringing independent judgement and scrutiny to decisions taken by the Board and providing objective challenges to the Management. The Executive Directors are responsible for making and implementing operational and corporate decisions as well as day-to-day management of the business and operations of the Group.

Based on the outcome of the individual declarations carried out for the financial year, the Board was satisfied with the level of independence of the independent non-executive Directors and their ability to act in the best interest of the Company.

Appointment of New Director

Appointment of new Directors are undertaken by the Board after considering the recommendations by the Nomination Committee. Nonetheless, there is no restriction imposed on the Board to identify suitable qualified candidates from independent sources. Two (2) new independent directors were appointed during the FYE 2023, namely Puan Noraini Binti Yaacob and Mr. Loo Pak Soon, following the resignation of Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah on 30 May 2023. This is to comply with the amended definition of an Independent Director under Listing Requirements which will be effective from 1 June 2023 onwards, whereby an Independent Director who has served for more than twelve (12) years must resign or be re-designated as a Non-Independent Non-Executive Director. The Nomination Committee and the Board have assessed the quality, fitness and integrity of the candidates as well as conducted the essential background search prior to their appointment in accordance with the Fit and Proper Policy adopted by the Group in 2022. The Board found that the newly appointed directors are fit and proper for the Company and looking forward to the contributions of these new directors in near future.

Corporate Governance Overview Statement (Continued)

A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Re-Election of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years and the retiring Directors shall be eligible for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments.

The re-election of Directors at the forthcoming Annual General Meeting ("**AGM**") is subject to the prior assessment by the Nomination Committee in accordance with the Fit and Proper Policy adopted by the Group.

For the forthcoming AGM, Mr. Tan Chon Sing @ Tan Kim Tieng will be retiring by rotation pursuant to Clause 76(3) of the Company's Constitution, and being eligible, has offered himself for re-election.

In accordance with Clause 78 of the Company's Constitution, all Directors appointed by the Board shall hold office only until the next AGM following their appointment and shall then be eligible for re-election. Mr. Loo Pak Soon and Puan Noraini Binti Yaacob who were appointed on 30 May 2023 to the Board shall hold office only until the next AGM, and being eligible, both of them have offered themselves for re-election.

The profile of the above Directors and their respective attendance at Board Meetings are presented in this Annual Report. Meanwhile, the Board's recommendation statement for the re-election of the above Directors is included in the Notice of 33rd AGM dated 31 October 2023.

Board Committees

The Board delegates certain authorities to five (5) Board Committees that operate under clearly defined written terms of reference and operating procedures duly approved by the Board. The various Committees report the outcome of their meetings to the Board which are then incorporated in the Board's minutes. The five (5) Board Committees are (i) Audit Committee, (ii) Nomination Committee, (iii) Remuneration Committee, (iv) Risk Management Committee and (v) Investment Committee. The assessment of the performance of Board Committees are reviewed by the Nomination Committee on an annual basis.

Nomination Committee ("NC")

Nomination Committee Composition	Name of Director	Attendance
Chairman Independent Non-Executive Director	Mr. Loo Pak Soon (Appointed on 30 May 2023)	-
Chairman Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	2/2
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	2/2
Member Independent Non-Executive Director	Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	-
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	2/2

The NC has the responsibility of assessing the performance of Board, Board Committees, and individual directors on an annual basis. The NC is led by Independent Non-Executive Director, Mr. Loo Pak Soon and is guided by the written terms of reference which is made available online at www.malpac.com.my. In discharging its duty for the FYE 2023, the NC had assessed and recommended to the Board on their findings and opinions on the following:-

- Review of the re-election of retiring Directors to the Board pursuant to the Company's Constitution;
- Assessment of the composition, effectiveness, mix of skills and experience of respective Board Committees of the Company;
- Assessment of the independence of the Independent Director;
- Assessment of the contribution of respective Director;
- Revision of the NC terms of reference in accordance to MMLR Paragraph 15.01A;
- Review and recommend the adoption of the Fit and Proper Policy;
- Assessment of the annual performance of Chief Executive Officer ("**CEO**"); and
- Review and assess the appointment of the Independent Directors and Board Committees of the Company.

Corporate Governance Overview Statement (Continued)

A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Remuneration Committee ("RC")

Remuneration Committee Composition	Name of Director	Attendance
Chairperson Independent Non-Executive Director	Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	-
Chairman Independent Non-Executive Director	Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	1/1
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	1/1
Member Independent Non-Executive Director	Mr. Loo Pak Soon (Appointed on 30 May 2023)	-
Member Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	1/1

The RC consists of non-executive directors and majority of the members are Independent Directors. The RC is responsible for the review and recommendation of the remuneration policies, procedures and the remuneration packages to the Board. The policies, procedures and terms of reference of the RC are available online at www.malpac.com.my.

During the meeting held on 23 August 2023, the RC resolved to recommend to the Board that the remuneration package for all the Executive Directors in respect of the FYE 2024 will remain unchanged as the Group is without a core business currently.

The RC and Board also recommended a gratuity payment of RM100,000 each to be paid to Encik Muhayuddin Bin Musa and Encik Johari Low Bin Abdullah as token of appreciation, in recognition their contributions to the Company for more than 12 years at the forthcoming 33rd AGM, for the shareholders' approval.

Disclosure of Remuneration

Pursuant to Paragraph 9.25, Appendix 9C (Part A (11)) of the MMLR, the remuneration of Directors of the Company for the FYE 2023 on a named basis are detailed in the Company's Corporate Governance Report ("**CG Report**"). For FYE 2023, the Board recommends Directors' fee of RM36,000 for Executive Directors and RM12,000 for Non-Executive Directors payable subject to shareholders' approval at the forthcoming AGM.

Investment Committee

Investment Committee Composition	Name of Director	Attendance
Chairman Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
Member Non-Independent Executive Director	Mr. Tan Chon Sing @ Tan Kim Tieng	1/1
Member Non-Independent Executive Director	Mr. Kan Ah Chun	1/1
Member Chief Executive Officer	Mr. Ang Poo Guan	1/1

The purpose of the Investment Committee is to assist the Board in fulfilling its obligations by reviewing, approving and making recommendation to the Board on investment matters. The material issues and actions deliberated and decided by the Investment Committee will then be tabled to the Board for review and approval. The Investment Committee meets as and when required and adheres to the terms of references strictly. There was one (1) meeting held during the FYE 2023.

Corporate Governance Overview Statement (Continued)

A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Risk Management Committee ("RMC")

Risk Management Committee Composition	Name of Director	Attendance
Chairman Non-Independent Executive Director	Mr. Lim Hong Liang	1/1
Member Independent Non-Executive Director	Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	-
Member Independent Non-Executive Director	Mr. Loo Pak Soon (Appointed on 30 May 2023)	-
Member Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	1/1
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	1/1

According to Step up 10.3 of MCCG, the Board had established a RMC, which comprises a majority of Independent Directors, to oversee the company's risk management framework and policies. The responsibilities of the RMC are as follow:-

- To perform annual review and adopt risk management tools suitable for the Company;
- To review and ensure all transactions to be entered into by the Company are in compliance with applicable laws;
- To highlight environmental, economic, catastrophe, interest rate, inflation exposures that might be potentially faced by the Company to the Board and recommend the respective mitigation measures; and
- To obtain independent professional or other advice when necessary.

The RMC meets as and when required or at least once a year.

Separation of Positions of Executive Chairman and CEO

The Board recognizes the importance of the roles of Chairman and CEO to be held by separate persons and the roles be segregated. The Board has appointed Mr. Tan Chon Sing @ Tan Kim Tieng, as the Executive Chairman. The roles of the Executive Chairman include:-

- leading the Board to ensure its effectiveness of all aspects of its role and setting the meeting agenda;
- ensuring that Directors receive complete, accurate and timely information on matters relating to the Group;
- leading the Board meetings to ensure appropriate discussion takes place;
- ensuring effective communication with shareholders; and
- promoting high standards of corporate governance and compliance with the MMLR.

The CEO are responsible for day-to-day running of business and implementation of Board collective decisions and policies. The Executive and Non-Executive Directors jointly ensure that the strategies proposed by the Management are objectively evaluated and examined and the long-term interests of the shareholders.

Independence of Independent Director

There are two (2) newly appointed Independent Non-Executive Directors on the Board, whereby the Independent Directors provide the check and balance and play a pivotal role in introducing objectivity to the Board's deliberations and decision-making. The NC has assessed the independence of the Independent Directors in accordance with the Fit and Proper Policy prior to their appointments.

The Board was of the view that Puan Noraini Binti Yaacob and Mr. Loo Pak Soon are objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees and thus are independent.

Corporate Governance Overview Statement (Continued)

A. BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Meetings

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at the Board and Board Committee meetings for the FYE 2023, as set out in the table below:-

	Board of Directors Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Investment Committee Meeting	Risk Management Committee Meeting
Mr. Tan Chon Sing @ Tan Kim Tieng (Chairman)	4/4	N/A	N/A	N/A	1/1	N/A
Mr. Loo Pak Soon (Appointed on 30 May 2023)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Lim Hong Liang	4/4	N/A	N/A	N/A	1/1	1/1
Mr. Gan Teck Chong @ Gan Kwan Chong	4/4	4/4	2/2	1/1	N/A	N/A
Mr. Kan Ah Chun	4/4	N/A	N/A	N/A	1/1	N/A
Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	N/A	N/A	N/A	N/A	N/A	N/A
Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	4/4	4/4	2/2	1/1	NA	1/1
Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	4/4	4/4	2/2	1/1	NA	1/1

The Board meets at least once in every quarter and on other occasions, as and when necessary, to inter alia approve quarterly financial results, statutory financial statement, the annual report, business plans as well as to review the performance of the Company and its operating subsidiaries. Board papers are usually circulated to the Board members five (5) days prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to have a proper deliberation on issues raised during Board meetings. All Directors have complied with the minimum requirement of fifty percent (50%) attendance at Board meetings as stipulated in the MMLR.

To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, the Directors must not hold directorship at more than five (5) public listed companies (as prescribed in Paragraph 15.06 of the MMLR) and must be able to devote sufficient time to the Company matters. The Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

Directors' Training & Education

The Board has assessed the training requirements for each Directors and recommended the training opportunities suitable for each Directors to continuously develop and maintain their skills and knowledge.

The Directors are mindful of the need for continuous training to keep abreast of the relevant changes in laws, regulations and the business environment to effectively discharge their responsibilities and are encouraged to attend forums, trainings and seminars in accordance to their respective needs in discharging their duties as Directors. The Company Secretaries also provide updates to the Directors from time to time on relevant guidelines and regulatory requirements. The training programmes attended by the Directors for the FYE 2023 are as follows:-

	Name of Courses/Seminars/Workshop	Name of Director	Date Attended
1	PLC Director's Training Business Succession: Ownership, Management & Leadership	Mr. Tan Chon Sing @ Tan Kim Tieng Mr. Lim Hong Liang Mr. Kan Ah Chun Mr. Gan Teck Chong @ Gan Kwan Chong	1 Dec 2022
2	Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	Mr. Loo Pak Soon	9 & 16 Aug 2022 13 & 20 Sep 2022
3	Bursa Malaysia Mandatory Accreditation Programme	Puan Noraini Binti Yaacob	26 & 27 Sep 2023

Corporate Governance Overview Statement (Continued)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee (“AC”)

The Group’s financial reporting and internal control system are overseen by the AC, which comprises two (2) Independent Non- Executive Directors and one (1) Non-Independent Non-Executive Director. The AC meets once quarterly. Additional meetings are held as and when required. The AC’s meetings are always held before the Board’s meetings. This is to ensure that all critical issues highlighted can be brought to the Board on a timely basis. For the FYE 2023, the composition of the AC and meetings held are as follow:-

Audit Committee Composition	Name of Director	Attendance
Chairman Independent Non-Executive Director	Mr. Loo Pak Soon (Appointed on 30 May 2023)	-
Chairman Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	4/4
Member Independent Non-Executive Director	Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	-
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	4/4
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	4/4

The terms of reference and summary of work carried out by the AC during the year are reported under the AC Report on pages 21 to 22 on this Annual Report 2023.

Financial Reporting

The Board is responsible for ensuring that the financial statements prepared for each financial year presents a true and fair view of the state of affairs of the Company. The Board ensures that the Company’s financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards. AC assists the Board in reviewing the appropriateness of the Company’s accounting policies and ensures that the Group’s financial statements comply with the accounting standards and other regulatory requirements. The Statement of Director’s responsibilities is set out annually in the Annual Report.

The AC undertakes an annual assessment of the suitability and independence of the External Auditors, assisted by the assessment checklist on the External Auditors. The AC meets with the External Auditors at least once a year to discuss their audit plan, audit findings and the Group’s financial statements. Private sessions between the AC members and the External Auditors are held on 24 August 2023 without the presence of the Executive Director and Management of the Group. This encourages a greater exchange of independence and open dialogue between both parties.

The AC also annually reviews the suitability and effectiveness of the External Auditors by assessing its audit plan, proposed fees and the feedback from the financial personnel of their dealings with External Auditors during the financial year. Being satisfied with the performance of the External Auditors, the AC will recommend their re-appointment to the Board and shareholders’ approval will be sought at the forthcoming AGM.

Statement of Directors’ Responsibility

This statement is made pursuant to paragraph 15.26(a) of MMLR of Bursa Securities. The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company for the FYE 2023.

In preparing the financial statements, the Directors have:-

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

Risk Management and Internal Control Framework

The Board acknowledges risk management as an integral component in managing the Company. The Board sets policies and procedures for internal control and oversees that the implementation of internal control system have been properly carried out by the Senior Management.

The Internal Audit function is considered an essential part of the assurance framework and its mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The Internal Audit function reports directly to the AC on its activities, consistent with the Company's framework in monitoring its internal control system.

The Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out in pages 23 to 24 of this Annual Report 2023.

C. INTEGRITY IN CORPORATE REPORTING & RELATIONSHIP WITH STAKEHOLDERS

Corporate Disclosure Policy

The Board is committed in ensuring that communications to the investing public, regarding the business and the financial performance of the Company, are factual, accurate, transparent, timely, informative and consistent. The Company comply with all the disclosure requirements stipulated in the Corporate Disclosure Guide issued by Bursa Malaysia as well as in accordance with all provisions under the Securities Commissions.

Effective Communications with Shareholders

The Company engages in regular, effective and fair communication with shareholders through announcements released to Bursa Malaysia and its website at www.malpac.com.my, Annual Reports prepared and issued to all shareholders, advertisements of notice of shareholders' meetings published in the local newspapers.

Shareholders or potential investor can also send their feedback or inquiries to the Company via the website. The Group's website is continuously updated to provide timely and accurate information to the users.

The Board encourages shareholders participation in person at the 33rd AGM. Notice of the 33rd AGM has been sent to all shareholders at least twenty-eight (28) days prior to the date of the meeting. The AGM serves as the principal forum for dialogue and interaction with all shareholders whereby the shareholders are encouraged to participate in the question-and-answer session. The Chairman of the meeting or the CEO will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

COMPLIANCE STATEMENT

The Board has reviewed, deliberated and viewed that the Company has in FYE 2023 complied with the practices of the MCCG except where it was specifically stated otherwise.

OTHER INFORMATION

Material contracts

There were no material contracts entered by the Company and/or its subsidiaries which involve Directors', Chief Executive's and major shareholders' interests, either still subsisting at the FYE 2023 or which were entered into since the end of the previous financial year.

Audit and non-audit fees

The details of fees paid/payable to the External Auditors and its affiliated company by the Group and the Company for the FYE 2023 are as follow:-

	Group (RM)	Company (RM)
Statutory audit	62,000	35,000
Other services	5,000	5,000
Total	67,000	40,000

Utilisation of proceeds

There were no proceeds raised by the Company from any corporate proposal during the FYE 2023.

Recurrent related party transactions of a revenue or trading nature

The Company did not seek any mandate from its shareholders pertaining to recurrent related party transactions of revenue or trading nature during the FYE 2023.

Employee share scheme

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during the FYE 2023.

AUDIT COMMITTEE REPORT

INTRODUCTION

Pursuant to Paragraph 15.15 of the Bursa Securities's MMLR, the Board is pleased to present the AC Report for the FYE 2023.

COMPOSITION

The AC comprises the following members:-

Audit Committee Composition	Name of Director	Attendance
Chairman Independent Non-Executive Director	Mr. Loo Pak Soon (Appointed on 30 May 2023)	-
Chairman Senior Independent Non-Executive Director	Encik Johari Low Bin Abdullah (Resigned on 30 May 2023)	4/4
Member Independent Non-Executive Director	Puan Noraini Binti Yaacob (Appointed on 30 May 2023)	-
Member Non-Independent Non-Executive Director	Mr. Gan Teck Chong @ Gan Kwan Chong	4/4
Member Independent Non-Executive Director	Encik Muhayuddin Bin Musa (Resigned on 30 May 2023)	4/4

The AC comprises three (3) members with all members being Non-Executive Directors and a majority of them are Independent Directors. The Chairman of the AC, Mr. Loo Pak Soon, has a degree in finance and accountancy and possesses more than three years' post qualifications in finance but is currently not a member of Malaysian Institute of Accountants. Accordingly, pursuant to paragraph 7.1 of Practice Note 13, this complies with paragraph 15.09 of the MMLR.

AUTHORITY

The AC is authorized by the Board to independently investigate any matters within its Terms of Reference and shall have full and unrestricted access to information pertaining to the Group, from the Internal and External Auditors, Management and all employees in carrying out its duties. The Terms of Reference of the AC could be viewed on the Company's website at <http://www.malpac.com.my>.

MEETINGS

During the FYE 2023, the AC held four (4) meetings and all AC members attended all four (4) meetings held during FYE 2023.

Each AC meeting is scheduled in advance and has been conducted with proper meeting proceedings. Meeting notice, previous minutes of AC meeting and quarterly financial results are circulated to the AC members at least five (5) days prior to the meeting. At each quarterly meeting, the CEO, Mr. Ang Poo Guan was invited to present the quarterly financial results and related party transactions as well as conflict of interest situation that may arise within the Group and the Company, and at the same time to provide clarification on issues which may be raised by the AC members. The AC assessed the results and issues presented independently with the absence of the Executive Directors.

As and when required, the Internal Auditors were required to report the outcome of their internal audit to the AC and the External Auditors were invited to present their Audit Plan, Audit Review Memorandum and draft Audited Financial Statements. The AC Chairman presented to the Board the AC's report consisting of recommendations and other significant concerns for Board's discussion and approval. The Company Secretary shall be the Secretary to the AC and shall maintain minutes of the proceedings of the meeting.

Audit Committee Report (Continued)

SUMMARY OF WORK

The AC has discharged its functions during the FYE 2023 as follows:-

a) Financial Reporting

Reviewed the Group's quarterly unaudited results and audited financial statements which were then recommended for the Board's adoption prior to the announcement/submission to Bursa Securities focusing particularly on:-

- changes in or implementation of major accounting policy;
- significant and unusual events;
- compliance with accounting standards and other legal requirements;
- compliance with Bursa Securities' MMLR, Companies Act 2016 and other regulatory requirements; and
- review of the audited financial statements and recommendation for the adoption of the financial statements.

b) Internal Audit

Reviewed with the internal auditors and reported to the Board of the Directors on the following matters:-

- the internal audit scope of work and its material finding on half yearly basis;
- the adequacy of the internal control procedures and operational controls;
- the major findings of internal audit reports and the respective recommendations relating thereto; and
- assessment of the adequacy of the scope, functions, competency and resources of the Internal Audit.

c) External Audit

Reviewed with the External Auditors and reported to the Board on the following matters:-

- the audit plan, which outlines the scope of work and proposed fees for the statutory audit;
- the audit review reports and highlighted all significant issues;
- evaluate the External Auditors and make recommendations to the Board for their re- appointment;
- meeting with the External Auditors in the absence of the Executive Directors and Management; and
- evaluated the audit fees payable to the External Auditors.

d) Recurrent Related Party Transactions ("RRPT")

Reviewed the related party transactions and any conflicts of interest that may arise within the Company and the Group.

e) Others

- reviewed the progress and status of the on-going material litigation including engaging in discussions with the Company's solicitors;
- reviewed the risk appetite survey by the Risk Management Committee; and
- reviewed the AC Report and Statement on Risks Management and Internal Control ("SORMIC") prior to their inclusion in the Annual Report.

WORK DONE ON THE INTERNAL AUDIT FUNCTION

The internal audit function of the Company was outsourced to an external service provider, namely, IA Essential Sdn. Bhd. During the FYE 2023, the AC, assisted by the Internal Audit Function Evaluation Checklist, has assessed the suitability and independence of IA Essential Sdn. Bhd based on the adequacy of the scope, functions, competency and resources of the IA Essential Sdn. Bhd. The AC concluded that IA Essential Sdn Bhd has the necessary authority to carry out the work. For the FYE 2023, the work done by the internal audit function are as follow:-

- (i) Conduct internal audit reviews in accordance with the internal audit scope of work; and
- (ii) Report the results of internal audit reviews and make recommendations to the AC on a periodic basis

Two (2) internal audit reports were issued this year on various units of the Group, covering bank balances, investments and capital expenditure. The internal auditors had reviewed the process and conducted testing on transactions, documents and records and noted no exceptions of or non-compliance with the Group's investment policies and procedures.

The cost incurred for the internal audit function in respect of the financial year was RM13,397.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Responsibility

The Board affirms its responsibilities for a sound system of internal control, quality risk management practices and for reviewing the adequacy and integrity in these systems. The principal function of the internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. Given that the Group is currently an affected listed issuer under paragraph 8.03A of MMLR without significant level of operations, the Board has considered that the current system of internal control is effective and sufficient to manage any significant risks faced by the Group business operations. The Board ensures that the effectiveness and integrity of the risk management and internal control system are reviewed on an ongoing basis and is of the view that the system in place is sound and sufficient to safeguard the Group's assets. The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Systems can only provide reasonable but not absolute assurance against financial losses or uncertainties. The Group's system of risk management and internal control mainly applies to its operating units and does not cover the dormant companies. The key elements of the Group's internal control system are:-

- Organisation structure with clearly defined lines of authority and the appropriate levels of delegation;
- Policies and procedures are clearly communicated to all staff members;
- Quarterly financial reports are provided to Directors and discussed at AC and Board meetings;
- The RMC would discuss the possible risk areas on the Group's operational and management issues as and when necessary and report to AC;
- Internal audit function outsourced to an independent advisory firm with its audit plan approved by the AC to assess the adequacy of internal control, the extent of compliance with policy and procedures as well as advising management on areas for improvement;
- The AC convenes meeting on a quarterly basis to deliberate on the findings and recommendation for improvements by the Internal Auditors and/or External Auditors. The AC reviews the action taken to rectify the findings in a timely manner and to evaluate the effectiveness and adequacy of the Group's internal control system;
- The CEO oversees the Group's operations and internal controls and reports to the Board on the key risks; and
- All major decisions are subject to detailed appraisal and review. The Board receives comprehensive information covering all decisions within the group on a quarterly basis.

Risk Management & Internal Control Framework

The Company's responsibility for risk management is shared among the Board and the Management of the Company. The Board has the overall responsibility of reviewing and maintaining effective risk management and internal control systems while the Management's role is to design and implement these systems, and report to the AC, RMC and the Board. The Company's risk management and internal control framework is as follows:-



Statement On Risk Management And Internal Control (Continued)

Risk Management & Internal Control Framework (continued)

As illustrated above, the Company has implemented a 3-tier defense model to adequately provide a simple but effective way to communicate the roles, responsibilities surrounding risk and internal control within the Company. All tiers are risk aware and the Company practices are designed to avoid, reduce and/or mitigate risk prior to such fraud and/or the least expected happening.

At the corporate level, the AC supports the Board in monitoring the Group's overall risk exposures, the design and operating effectiveness of the underlying risk management and the internal control systems. Acting on behalf of the Board, it oversees the following process on a regular basis:-

- (i) Reviewing the principal business risks and control measures in order to mitigate, reduce or transfer such risks, the overall risk management and internal control systems, and action plans to address the weaknesses or improve the assessment process;
- (ii) Reviewing the business process and operations reported by Internal Audit; and
- (iii) Reporting by the External Auditors of any control issues identified in the course of their work and discussion with the external External Auditors of the scope of their respective review and findings.

The AC will then report its findings to the Board, whereby the Board will consider the findings in evaluating the effectiveness of the Company's risk management and internal control systems. The Board conducted a full enterprise risk review on 23 August 2023 and were satisfied with the existing risk management and internal control framework based on the current scope of activities. The new area of risks has been identified and the Board will work closely with the management to mitigate the said risks.

Risk Management Committee

The Board regards risk management as an integral part of the Group's business operations and has established a RMC that comprises one Non-Independent Executive Director and two Independent Non-Executive Directors. The RMC identifies and communicates to the AC and the Board the present and potential critical risks the Group faces, their changes and the Management's action plans to manage these risks. The RMC has established a risk assessment process to identify, evaluate and manage the significant risks faced by the Group. Key risks identified are scored for the likelihood of the risks occurring and magnitude of its impact. Risk assessment, monitoring and review of the various risks faced by the Group are a continuous process within the key operating units with the RMC playing a pivotal oversight function. The RMC convenes on an annual basis to review the key risks profiles and report to the AC. Reviews are conducted annually or as and when necessary by RMC to determine the existence of a new risk and whether the risks previously identified remain relevant.

Internal Audit

The Company has engaged the services of an independent professional firm, namely, IA Essential Sdn. Bhd. to provide independent assurance on the adequacy and effectiveness of corporate governance and internal control processes. The outsourced internal auditors assist the Board and AC in providing an independent assessment of adequacy, efficiency and effectiveness of the Group's internal control system. They have on a semi-annual basis assessed the adequacy and effectiveness of the Group's system of internal control and compliance frameworks and have subsequently reported their findings to the AC. The AC reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control.

Since the Company is currently an investment holding with minimum level of operations and therefore is not exposed to any complicated and/or high operational risks, the current main operational exposure is the misuse of cash. Such risk is mitigated by all cash transactions being strictly audited by the Internal Auditor.

Adequacy & Effectiveness of the Risk Management & Internal Control System

For the FYE 2023 under review, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure. The Board has received assurance from the CEO that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. The Board is of the view that the risk management and internal control system are satisfactory, and no material internal control failures resulting in material losses or contingencies had occurred during the financial year under review.

Review of the Statement by External Auditors

The External Auditors, Messrs PKF PLT, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2023 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

SUSTAINABILITY STATEMENT

1. Sustainability Statement & Governance Structure

Established in 1976, Malpac is an investment holding with previous experiences in stock broking business, financial services and plantation holdings and is currently holding some investment properties. The Company has been listed on the Main Board of KLSE since 1990. The Board has specifically considered sustainability issues as part of our strategic formulation, and overseen the management of sustainability related risks, opportunities and practices. In terms of governance structure, the Board and CEO are closely monitoring all matters relating to sustainability of the Group, as well as to formulate sustainable investment strategies moving forward. As the Group is currently an affected listed issuer without significant level of operations, material sustainability matters relating to the business front is minimal.

2. Stakeholder Engagement

The Group recognizes that efficient collaboration with stakeholders could positively influence the Group's success. Therefore, the Group actively engage in regular and fair communication with the stakeholders and encourage greater stakeholders' participations. The Group's approaches towards stakeholder engagement are summarized as follow:

Key Stakeholders	Engagement Methods	Frequency	Key Concerns Raised
Shareholders/ Investors	Timely updates of financial results, announcements, business developments and other relevant disclosures via Bursa Link and website.	Throughout the year	<ul style="list-style-type: none"> Shareholders/investors asked If the Management team are acting in the best interest of the Shareholders/Investors Directors' remuneration and sound corporate governance practices Sustainable business strategy and/or dividends policy
	Annual Report	Annually	
	Annual General Meeting	Annually	
	Extraordinary General Meeting	Where it is necessary	
Employees	Career development performance appraisals	Throughout the year	<ul style="list-style-type: none"> Fair and competitive employment practices and policies Equitable remuneration Career development
	Health and wellness protection	Throughout the year	
Consultants & Operation Managers	Regular dialogue sessions with consultants and managers	Throughout the year	<ul style="list-style-type: none"> Equitable treatment of consultants and managers Regular and punctual payments upon completion of services
	Recreational and wellness activities	Throughout the year	
Government and Regulators	Email and dialogue sessions	Throughout the year	<ul style="list-style-type: none"> Compliance with, and keep abreast to, ever-changing laws and regulations

3. Sustainable Development

The Board is currently working on a proposed mixed development plan in Johor Bahru. The sustainability issues pertaining to the proposed development have been one of the key considerations, including but not limited to the environmental issues, global warming and also adopting the sustainable facilities, infrastructure and services. The Group will try its best to focus on development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

4. Responsible Investment

While the Group's existing operations do not have much impact on the Economy, Social and Governance ("ESG"), the Board and the Management incorporate ESG elements into considering all current and future transactions. The Group is fulfilling its fiduciary duty as a responsible corporate citizen and will not tolerate with any transactions that are in breach of any laws in Malaysia, the MMLR or the Securities Commissions guidelines. Our objective is clear that being responsible for all stakeholders, and it is the Group's duty of care to comply with the highest standards of governance. The Group will not involve in any investments solely based on profitability should the investments are harmful to the society, environment and/or supporting crime activities such as Ponzi-scheme, money laundering and/or any other unethical businesses.

5. Care for the Environment

The Board set the tone to be the advocate for the minimalist concept for all business transactions as one of the Group's key sustainability missions is to keep all transactions clean, efficient, and environmentally friendly. The Group encourages all our stakeholders to love our environment, and all shall contribute to minimize the production of effluents and waste as much as possible. As part of the Group's efforts in reducing carbon footprint, the Group believes one of the effective ways is to reduce the waste production at source by consuming less and subsequently recycling the recyclables. The Group also promotes "shared economy" to further reduce unnecessary effluents and waste productions. This is done via (i) sharing of newspapers and magazines among the Directors and the employees and (ii) sharing of building services and facilities by leasing unused capacity of empty office spaces instead of building additional spaces and services by our own.

6. Anti-Corruption

In order to eliminate undesirable behaviour among employees and stakeholders, we have zero tolerance towards any form of corruption. The Group's Anti Bribery And Corruption Policy and Whistleblowing Policy is highly committed in fostering a strong corporate governance culture and implementing policies that promote ethical behaviour. The Board strongly encourage anyone who is suspicious of any corruption incidents within Malpac with evidence to step forward and whistle blow so that our Group could report such incident to the relevant authorities. There were no incidents of corruption during the year by the employees reported. Moving forward, the Group targets to maintain zero confirmed incidents of corruption continuously.

The Group's Anti Bribery And Corruption Policy and the Whistle Blowing Policy can be viewed on the Company's website at www.malpac.com.my.

7. Enhancing Governance and Training across the Group

With diverse investments across Malaysia and in overseas markets, Malpac has to maintain good Corporate Governance to instil confidence among its stakeholders. The Board is ultimately responsible for the governance and compliance of the various policies and procedures of all our employees. The Board constantly promotes the following:-

- Life-long continuous learning for all Board members and employees to acquire new skills to be part of the cross-functional team of the Malpac Group;
- Self-enrichment by reading more educational magazines and/or materials that could improve the Board members and employees' knowledge on the ever-changing global business environment;
- Adhering to the Group's Code of conduct and ethics;
- To be guided by highest moral values when deal with fraud and any risk management events; and
- To comply with all bylaws and do not ever intend to collect or to pay bribe to any government officers, stakeholders or business partners in order to secure any business deals.

The Board's objectives were to train and to motivate the employees to be proactive and to develop their survival skills not limited within the Malpac group of companies but to be socially independent in the ever-changing environment.

8. Contribution to the Society

In view of the current financial position of the Group which has been reporting minimal revenue and losses over the last few years, no formal charitable programmes have been put in place. However, the Directors are fulfilling their social responsibility obligations on a personal basis.

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

Principal activity

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year	2,634,454	(257,080)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Dividends

No dividend has been paid or declared since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 30 June 2023.

Directors

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

Tan Chon Sing @ Tan Kim Tieng
Gan Teck Chong @ Gan Kwan Chong
Lim Hong Liang
Kan Ah Chun
Loo Pak Soon - Appointed on 30 May 2023
Noraini Binti Yaacob - Appointed on 30 May 2023
Chew Loy Chee - Resigned on 24 February 2023
Muhayuddin Bin Musa - Resigned on 30 May 2023
Johari Low Bin Abdullah - Resigned on 30 May 2023

The names of the Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already listed above are:

Ang Poo Guan
Lee Chee Seong

Directors' Report (Continued)

Directors' interests in shares

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

	Balance as at at 1.7.2022	Number of ordinary shares		Balance as at 30.6.2023
		Bought	Sold	
Direct interest				
Tan Chon Sing @ Tan Kim Tieng	10,315,393	-	-	10,315,393
Gan Teck Chong @ Gan Kwan Chong	3,917,303	-	-	3,917,303
Lim Hong Liang	15,326,508	306,700	-	15,633,208
Kan Ah Chun	2,428,460	12,900	-	2,440,460
Deemed interest				
Tan Chon Sing @ Tan Kim Tieng*	2,209,300	-	-	2,209,300
Gan Teck Chong @ Gan Kwan Chong*	4,460,800	-	-	4,460,800
Lim Hong Liang**	3,691,900	-	-	3,691,900

* Deemed interested through spouse

** Deemed interested through a corporation in which the Director has substantial financial interest

By virtue of their shareholdings in the Company, Tan Chon Sing @ Tan Kim Tieng, Gan Teck Chong @ Gan Kwan Chong, Lim Hong Liang and Kan Ah Chun are deemed interested in the ordinary shares of the subsidiaries to the extent the Company has an interest pursuant to Section 8 of the Companies Act, 2016 in Malaysia.

The other Directors in office as at the end of the financial year had no interest in the ordinary shares of the Company and its related corporations during the financial year, according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

Directors' benefits

Since the end of the previous financial year, no Director of the Group and of the Company has received or become entitled to receive any benefit (other than benefits included in aggregate amount of emolument receive or due and receivable by the Directors as disclosed in the financial statement) by reason of a contract made by the Group and the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those disclosed in Note 26 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling the 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.

Directors' remuneration and fees

Directors' remuneration of the Group and of the Company amounted to RM855,071 and RM773,366 respectively as disclosed in Note 8 to financial statement.

Directors' fee of the Group and of the Company are amounted to RM60,000 as disclosed in Note 8 to financial statement.

Indemnity and insurance for Directors, officers and auditor

There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company.

Issue of shares and debentures

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

Directors' Report (Continued)

Options granted over unissued shares

No options were granted to any person during the financial year to take up unissued shares 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) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been 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) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (ii) which would render the value attributed to 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, which 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 and 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 and the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2023 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.

Significant events

Detail of significant events during the financial year is disclosed in Note 33 to the financial statements.

Directors' Report *(Continued)*

Auditors

The auditors, Messrs PKF PLT, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2023 amounted to RM62,000 and RM35,000 respectively.

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

TAN CHON SING @ TAN KIM TIENG

LIM HONG LIANG

Kuala Lumpur

25 October 2023

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the accompanying financial statements as set out on pages 36 to 77 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of financial position of the Group and of the Company as at 30 June 2023 and of their financial performances and their cash flows for the financial year ended on that date.

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

TAN CHON SING @ TAN KIM TIENG

LIM HONG LIANG

Kuala Lumpur

25 October 2023

STATUTORY DECLARATION

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

I, TAN CHON SING @ TAN KIM TIENG, being the Director primarily responsible for the financial management of MALPAC HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 36 to 77 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Kuala Lumpur in Wilayah)
Persekutuan on 25 October 2023)

TAN CHON SING @ TAN KIM TIENG

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MALPAC HOLDINGS BERHAD, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 79.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2023, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We 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.

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

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Recoverability of non-trade receivables and material litigation
(Refer to Notes 1(d)(iii), 2(k)(ii), 16, 32 and 34 to the financial statements)

On 31 March 2023, the Company formally received an Affidavit In Support (Assessment of Damages) from Mr Yong Toi Mee and Mr Cheang Kim Leong ("the Purchasers") vide Ipoh High Court Civil Suit No. 22-109-2007 ("Suite 109") dated 27 March 2023 seeking an assessment of damages against Malpac Capital Sdn. Bhd. with reference refund of the sums paid by the Purchasers to Malpac Capital Sdn. Bhd. for the management of the Mill ("Management Fees") in the sum of RM73,642,441.09 and legal cost incurred pertaining to the Composite Agreement legal suits in the sum of RM4,914,791.38 which currently still on going.

Meanwhile, the solicitors stated that there is a possibility that the dealing with the payment out of court for the balance consideration receivable for the disposal of the entire equity interest of Radiant Responses Sdn. Bhd. together with two (2) parcels of leasehold land will be resolved except for the unconfirmed amount of approximately RM413,739 which may need further clarity and confirmation with the Accountant General's office.

As a result of the disposal subsidiary the Company triggered of paragraph 8.03A of the Main Market Listing Requirements ("MMLR") on the basis that no revenue and the disposal of the subsidiaries where the Company required to submit regularisation plan.

We focused on this area because significant judgements are made by the Directors in respect of the current litigation of the Company in estimating the possibility of an outflow of resources embodying economic benefits and the formulation of the regularisation plan.

Our audit procedures included:

- obtained solicitors' confirmation letter from the Group's solicitors;
- direct communication with the Group's solicitors to obtain clarification and understanding on the legal opinion provided in the solicitors' confirmation letter;
- reviewed legal correspondence letters;
- reviewed and discussed with the management the reasonableness of the assumptions made; and
- reviewed the appropriate and adequate disclosure in the financial statements.

Independent Auditors' Report (Continued)

Key Audit Matters (continued)

(ii) **Provision for legal fees** (Refer to Notes 1(d)(vi), 2(q) and 22 to the financial statements)

Provision for legal fees is an area of focus in the audit as it involved significant management judgement and estimate. During the financial year, the Directors had made reversal of provision for legal fees of RM725,442 and thus, the total provision for legal fees for the Group had decrease from RM1,975,442 to RM1,250,000 as at 30 June 2023, representing 12% of total liabilities. Provision for legal fees is estimated and determined based on the management's judgement based on the ongoing material litigation and unbilled completed material litigation work done by the solicitors.

We focused on this area because significant judgements are made by the Directors of the Company in estimating the possibility of an outflow of resources embodying economic benefits and the amount required to settle the obligation.

Our audit procedures included:

- obtained solicitors' confirmation letter from the Group's solicitors;
- direct communication with the Group's solicitors to obtain clarification on the reasonableness of the provision of legal fees;
- reviewed and discussed with the management the reasonableness of the assumptions made; and
- tested the mathematical calculation of the computation of estimated legal fees.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group or express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

This report is made solely to the member 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 contents of this report.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

Kuala Lumpur

NG CHEW PEI
03373/06/2024 J
CHARTERED ACCOUNTANT

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	3	6,325,622	2,780,573	1,152,759	222,289
Other income	4	972,318	785,480	759,062	48
Fair value (loss)/gain on other investment		(957,551)	(2,290,961)	(429,726)	211,848
Administrative expenses		(3,261,339)	(2,811,731)	(1,630,668)	(1,367,240)
Other operating expenses		-	(543,792)	-	(12,270)
Impairment loss on amount due from subsidiaries		-	-	(9,658)	(9,780)
Profit/(Loss) from operations		3,079,050	(2,080,431)	(158,231)	(955,105)
Finance costs	5	(43,810)	(44,977)	-	-
Profit/(Loss) before tax	6	3,035,240	(2,125,408)	(158,231)	(955,105)
Tax expense	9	(400,786)	(190,334)	(4,827)	(4,827)
Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the financial year		2,634,454	(2,315,742)	(257,080)	(959,932)
Basic earning/(loss) per share (sen)	10	3.5	(3.1)		
Diluted earning/(loss) per share (sen)	10	3.5	(3.1)		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	101,555	31,901	1,251	2,278
Investment properties	12	59,905,044	61,019,094	-	-
Investment in subsidiaries	13	-	-	167,215,233	167,215,233
Goodwill on consolidation	14	8,931	8,931	-	-
Other investments	15	10,758,758	13,054,779	-	-
		70,774,288	74,114,705	167,216,484	167,217,511
Current assets					
Trade and non-trade receivables	16	15,718,872	15,719,371	11,460,247	11,460,247
Tax recoverable		17,868	12,371	-	-
Other investments	15	2,567,950	4,314,690	-	-
Short-term cash investment	17	2,071,759	57,048,471	1,010,783	22,113,625
Fixed deposits placed with licensed banks	18	90,206,474	27,586,038	20,413,462	-
Cash and bank balances		603,585	543,417	95,946	107,196
		111,186,508	105,224,358	32,980,438	33,681,068
Non-current asset held for sale	19	926,833	-	-	-
		112,113,341	105,224,358	32,980,438	33,681,068
TOTAL ASSETS		182,887,629	179,339,063	200,196,922	200,898,579
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	99,366,593	99,366,593	99,366,593	99,366,593
Retained earnings	21	73,253,443	70,618,989	95,801,741	96,058,821
Total equity		172,620,036	169,985,582	195,168,334	195,425,414
Non-current liability					
Provisions	22	221,794	200,072	77,177	70,032
Current liabilities					
Non-trade payables	23	2,181,257	515,279	3,316,644	3,144,231
Provisions	22	2,864,676	3,713,293	1,566,891	2,258,902
Borrowing	24	4,885,140	4,900,589	-	-
Tax payable		114,726	24,248	67,876	-
		10,045,799	9,153,409	4,951,411	5,403,133
Total liabilities		10,267,593	9,353,481	5,028,588	5,473,165
TOTAL EQUITY AND LIABILITIES		182,887,629	179,339,063	200,196,922	200,898,579

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share capital RM	Retained earnings RM	Total equity RM
Group				
At 1 July 2021		99,366,593	72,934,731	172,301,324
Loss and other comprehensive loss for the financial year		-	(2,315,742)	(2,315,742)
At 30 June 2022		99,366,593	70,618,989	169,985,582
Profit and other comprehensive income for the financial year		-	2,634,454	2,634,454
At 30 June 2023		99,366,593	73,253,443	172,620,036
Company				
At 1 July 2021		99,366,593	97,018,753	196,385,346
Loss and other comprehensive loss for the financial year		-	(959,932)	(959,932)
At 30 June 2022		99,366,593	96,058,821	195,425,414
Loss and other comprehensive loss for the financial year		-	(257,080)	(257,080)
At 30 June 2023		99,366,593	95,801,741	195,168,334

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Profit/(Loss) before tax		3,035,240	(2,125,408)	(158,231)	(955,105)
Adjustments for:					
Depreciation of investment properties		187,217	181,620	-	-
Depreciation of property, plant and equipment		50,436	26,586	1,027	1,195
Gain on disposal of property, plant and equipment		(38,000)	-	-	-
Impairment losses on amounts due from subsidiaries		-	-	9,658	9,780
Interest expense		43,810	44,977	-	-
Interest income		(534)	(561)	(534)	(48)
Net fair value loss/(gain) on financial assets at fair value through profit or loss:					
- Short-term cash investment		886,285	(517,810)	429,726	(211,848)
- Other investment		71,266	2,808,771	-	-
Provisions of retirement gratuity		90,547	91,612	73,520	75,949
Reversal for provisions of retirement gratuity		(192,000)	-	(192,000)	-
Reversal for provision of legal fees		(725,442)	-	(566,386)	-
Unrealised gain on foreign exchange		(15,449)	(743,500)	-	-
Profit/(loss) before working capital changes		3,393,376	(233,713)	(403,220)	(1,080,077)
Cash flows from operating activities					
Decrease in other investment		3,971,495	287,674	-	-
Decrease in short-term cash investment		54,090,427	1,211,017	20,673,116	1,114,808
Increase of fixed deposits place with licensed banks		(61,135,937)	(675,366)	(20,413,462)	-
Decrease/(Increase) in receivables		499	1,900	(9,658)	(9,780)
(Decrease)/Increase in payables		1,665,978	(123,434)	172,413	(14,916)
Cash from operations		1,985,838	468,029	19,189	10,035
Tax paid		(315,805)	(165,744)	(30,973)	(4,827)
Tax refunded		-	22,754	-	-
Net cash from/(used in) operating activities		1,670,033	325,039	(11,784)	5,208
Cash flows from investing activities					
Interest received		534	561	534	48
Proceeds from disposal of property, plant and equipment		38,000	-	-	-
Purchase of property, plant and equipment		(120,090)	-	-	-
Purchase of investment properties		-	(55,965)	-	-
Net cash (used in)/from investing activities		(81,556)	(55,404)	534	48

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

Statements of Cash Flows (Continued)

for the financial year ended 30 June 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Interest paid	(ii)	(43,810)	(44,977)	-	-
Net cash used in financing activities		(43,810)	(44,977)	-	-
Net increase/(decrease) in cash and cash equivalents		1,544,667	224,658	(11,250)	5,256
Cash and cash equivalents at 1 July 2022/2021		573,645	390,097	107,196	101,940
Effect of foreign exchange changes on the balance under bank held in foreign currency		-	(41,110)	-	-
Cash and cash equivalents at 30 June	(i)	2,118,312	573,645	95,946	107,196

Notes:

(i) Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	603,585	543,417	95,946	107,196
Fixed deposits placed with licensed banks (Note 18)	1,514,727	30,228	-	-
	2,118,312	573,645	95,946	107,196

(ii) Reconciliation of liability arising from financing activity:

	1 July 2022/2021 RM	Cash flows RM	Non-cash changes Unrealised loss on foreign exchange RM	30 June RM
Group				
2023				
Borrowing	4,900,589	-	(15,449)	4,885,140
2022				
Borrowing	5,692,868	-	(792,279)	4,900,589

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2023

1. Basis of preparation

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

These financial statements are presented in the Ringgit Malaysia ("RM").

(a) Standards issued and effective

On 1 July 2022, the Group and the Company has adopted the following new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2022:

Description

- Amendments to MFRS 3, *Business Combinations*: Reference to the Conceptual Framework
- Amendments to MFRS 116, *Property, Plant and Equipment*: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018 - 2020 cycle
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 16, *Leases*
 - Amendments to MFRS 141, *Agriculture*

The Directors expect that the adoption of the new and amended MFRS and interpretation above have no impact on the financial statements of the Group and of the Company.

(b) Standards issued but not yet effective

The Group and the Company has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Description	
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendment to MFRS 17 <i>Insurance Contracts</i> : Initial Application of MFRS 17 and MFRS 9 —Comparative Information	1 January 2023
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
• Amendments to MFRS 112, <i>Income Tax</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments</i> : Disclosures – Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associate and Joint Ventures</i> : Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statement of the Group and the Company.

1. Basis of preparation (continued)

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

(d) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(v) Pension and other post-retirement benefits

The cost and valuation of defined benefit pension plans is determined using actuarial valuations. This involves making assumptions about discount rates, expected rate of return of assets, future salary and pensions increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Notes to the Financial Statements (*Continued*)

as at 30 June 2023

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(vi) *Provision for legal fees*

The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 32 to the financial statements. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases. It is reasonably possible, that outcomes within the next financial year that are different from assumptions would require a material adjustment to the provision made.

(vii) *Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(viii) *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(ix) *Classification between Investment Properties and Owner Occupied Properties*

The Group determines whether a property qualifies as an investment property, and have developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

2. Summary of significant accounting policies

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

2. Summary of significant accounting policies (continued)**(a) Basis of consolidation (continued)***(i) Subsidiaries (continued)*

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

Notes to the Financial Statements (*Continued*)

as at 30 June 2023

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) *Transactions with non-controlling interests*

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(v) *Loss of control*

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

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

(i) *Functional and presentation currency*

The individual financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which are the Group's and the Company's functional currency.

(ii) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Notes to the Financial Statements (Continued)

as at 30 June 2023

2. Summary of significant accounting policies (continued)

(b) Foreign currencies (continued)

(ii) Foreign currency transactions (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rate used in the translation of each unit of foreign currency at reporting date is as follows:

	2023 RM	2022 RM
1 Japanese Yen	0.0323	0.0323

(c) Revenue and other income

(i) Rental income

Rental income from investment properties are recognised on a straight-line basis over the term of lease.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Dividend income and distribution income

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

(d) Employee benefits expense

(i) Short-term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences, such as paid annual leave, are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Retirement gratuity scheme

The Group and the Company established a retirement gratuity scheme in 2010 for employees of the Group and of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the services rendered up to date of retirement. The retirement gratuity is calculated based on the basic salary over the tenure of employment to date. The retirement gratuity payable is vested upon the employees and Directors reaching their retirement age.

2. Summary of significant accounting policies (continued)

(e) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

(f) Tax expense

(i) Current tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(g) Leases

(i) Initial recognition and measurement

(a) As a lessee

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. Summary of significant accounting policies (continued)

(g) Leases (continued)

(i) Initial recognition and measurement (continued)

(a) As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing. Thus, the Group and the Company uses their incremental borrowing rate as the discount rate.

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

The Group and the Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

(b) As a lessor

Leases for which the Group and the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group and the Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group and the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group and Company applies the exemption described above, then it classifies the sublease as an operating lease.

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straightline method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a changes in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

as at 30 June 2023

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

All property, plant and equipment are depreciated on the straight-line basis to write off the costs of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Motor vehicles	20%
Computer equipment	20%
Others	10% - 20%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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

(i) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both, but not use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment properties are measured initially at cost includes transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land has an indefinite useful life and therefore is not depreciated.

All other investment properties are depreciated on the straight-line basis to write off the costs of the investment properties over their estimated useful lives.

The principal annual rates used for this purpose are:

Buildings	47 years to 50 years
Air-conditioner	10%
Renovation	10%
Fixtures and fittings	10%

The carrying amount of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss in the year the asset is derecognised.

(j) Goodwill on consolidation

Goodwill on consolidation is recognised as of the acquisition date measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition-date fair value of the Group's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill with indefinite useful lives are not amortised but is tested for impairment annually.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

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

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. Summary of significant accounting policies (continued)**(k) Impairment (continued)***(i) Financial assets (continued)*

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

(ii) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(l) Financial assets

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

(i) Amortised costs

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

2. Summary of significant accounting policies (continued)

(l) Financial assets (continued)

(ii) Fair value through profit or loss (“FVTPL”)

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

(m) Non-current asset held for sale or distribution to owners

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRS. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any difference are included in profit or loss.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, fixed deposits placed with licensed banks with original maturity not more than 3 months and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(o) Equity instrument

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

(p) Financial liabilities

Amortised cost

Financial liabilities that are not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(q) Provisions

Provision are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (continued)

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

(u) Earnings per ordinary share ("EPS")

The Group presents basic and diluted earnings per share date for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Notes to the Financial Statements (Continued)

as at 30 June 2023

3. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Distribution income	39,792	1,082,348	19,083	222,289
Dividend income	249,437	507,354	-	-
Interest income				
- other investments	280	151,575	-	-
- fixed deposits placed with licensed banks	2,135,936	677,845	413,462	-
- others	8	19	-	-
Gain on disposal/redemption of:				
- short-term cash investments	1,575,737	-	720,214	-
- other investments	2,018,990	30,296	-	-
Rental income	305,442	331,136	-	-
	6,325,622	2,780,573	1,152,759	222,289

4. Other income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bad debt recoverable	-	40,619	-	-
Interest received	1,285	561	534	48
Reversal for provision of legal fees	725,442	-	566,386	-
Reversal for provision of retirement gratuity	192,000	-	192,000	-
Gain on disposal property, plant and equipment	38,000	-	-	-
Realised gain of foreign exchange	142	-	142	-
Unrealised gain on foreign exchange	15,449	743,500	-	-
Other income	-	800	-	-
	972,318	785,480	759,062	48

5. Finance costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- Borrowings	43,810	44,977	-	-

Notes to the Financial Statements (Continued)

as at 30 June 2023

6. Profit/(Loss) before tax

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax is arrived at after charging/ (crediting):				
Auditor remuneration:				
- current year	62,000	50,000	35,000	30,000
- underprovision in prior year	-	6,500	-	4,000
Depreciation of property, plant and equipment	50,436	26,586	1,027	1,195
Depreciation of investment properties	187,217	181,620	-	-
Short term rental	151,416	149,940	135,576	135,576
(Gain)/Loss on disposal/redemption of:				
- short-term cash investments	(1,575,737)	543,792	(720,214)	12,270
- other investment	(2,018,990)	(30,296)	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss:				
- Short-term cash investment	886,285	(517,810)	429,726	(211,848)
- Other investment	71,266	2,808,771	-	-
Unrealised loss on foreign exchange	(15,449)	(743,500)	-	-
Impairment of amount due from subsidiary	-	-	9,658	9,780

7. Employee benefits expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(i) Staff costs:				
- Salaries and other emoluments	615,952	479,040	286,400	244,200
- Contribution to defined contribution plan	84,567	76,644	45,776	39,072
- Social security contribution	4,986	4,846	1,783	1,516
- Provisions for retirement gratuity	59,306	61,612	46,520	45,949
- Other employee benefits expense	18,855	80,537	15,474	38,438
	783,666	702,679	395,953	369,175
(ii) Directors' remuneration and fee (excluding benefits-in-kind) (Note 8):				
- Salaries and other emoluments	659,166	434,000	623,166	434,000
- Contribution to defined contribution plan	66,807	57,880	61,047	57,880
- Social security contribution	2,540	1,778	2,153	1,778
- Provisions for retirement gratuity	31,241	30,000	27,000	30,000
- Directors' fees	60,000	60,000	60,000	60,000
Total directors' remuneration (excluding benefit-in-kind)	819,754	583,658	773,366	583,658
- Estimated monetary value of benefit-in-kind	35,317	33,150	-	-
Total directors' remuneration (including benefit-in-kind)	855,071	616,808	773,366	583,658
Total employee benefits expense	1,638,737	1,319,487	1,169,319	952,833

Notes to the Financial Statements (Continued)

as at 30 June 2023

8. Directors' remuneration

Details of Directors' remuneration received by the Group and the Company during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive directors:				
Salaries and other emoluments	368,666	316,000	332,666	316,000
Contribution to defined contribution plan	66,807	57,880	61,047	57,880
Social security contribution	2,540	1,778	2,153	1,778
Directors' fees	36,000	36,000	36,000	36,000
Retirement gratuity benefits	22,241	18,000	18,000	18,000
Total executive directors' remuneration (excluding benefit-in-kind)	496,254	429,658	449,866	429,658
Estimated monetary value of benefit-in-kind	21,992	19,825	-	-
Total executive directors' remuneration (including benefit-in-kind)	518,246	449,483	449,866	429,658
Non-executive directors:				
Allowances and other emoluments	290,500	118,000	290,500	118,000
Directors' fees	24,000	24,000	24,000	24,000
Retirement gratuity benefits	9,000	12,000	9,000	12,000
Total non-executive directors' remuneration (excluding benefit-in-kind)	323,500	154,000	323,500	154,000
Estimated monetary value of benefit-in-kind	13,325	13,325	-	-
Total non-executive directors' remuneration (including benefit-in-kind)	336,825	167,325	323,500	154,000
Total directors' remuneration	855,071	616,808	773,366	583,658

9. Tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- current financial year	404,072	131,198	98,849	4,827
- (over)/underprovision in prior financial year	(3,286)	59,136	-	-
	400,786	190,334	98,849	4,827

Notes to the Financial Statements (Continued)

as at 30 June 2023

9. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax	3,035,240	(2,125,408)	(158,231)	(955,105)
Tax calculated using statutory tax rate at 24%	728,458	(510,098)	(37,975)	(229,225)
Non-taxable income	(1,157,038)	(434,826)	(283,026)	(99,376)
Non-deductible expenses	832,652	1,085,126	419,850	333,428
Deferred tax assets not recognised during the financial year	-	(9,004)	-	-
	404,072	131,198	98,849	4,827
(Over)/Underprovision of tax expense in prior year	(3,286)	59,136	-	-
	400,786	190,334	98,849	4,827

The Group has unutilised tax losses and unabsorbed capital allowances of RM5,155,112 and RM277,410 respectively (2022: RM5,155,112 and RM277,410) available for offsetting against future taxable profits.

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits as follows:

	RM	Utilised up to
YA 2018 and before	4,331,299	YA 2028
YA 2019	335,584	YA 2029
YA 2020	488,229	YA 2030
	<u>5,155,112</u>	

10. Basic/Diluted earning/(loss) per share

(a) Basic

Basic earning/(loss) per share is calculated by dividing loss for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares issue during the financial year.

	Group	
	2023 RM	2022 RM
Profit/(Loss) for the financial year, attributable to owners of the parent	2,634,454	(2,315,742)
Number of ordinary shares in issue	75,000,000	75,000,000
Basic earning/(loss) per share (sen)	3.5	(3.1)

(b) Diluted

The Group has no potentially dilutive ordinary shares that may be issued in the future. As such, there is no dilution effect on the loss per ordinary shares of the Group for the financial year.

There have been no other transactions involving ordinary shares between end of reporting period and the date of authorisation of these financial statements.

Notes to the Financial Statements (Continued)

as at 30 June 2023

11. Property, plant and equipment

	Motor vehicle RM	Computer equipment RM	Others *	Total RM
Group				
2023				
Cost				
At 1 July 2022	1,386,834	17,088	79,621	1,483,543
Additions	120,090	-	-	120,090
Disposal	(117,105)	-	-	(117,105)
At 30 June	1,389,819	17,088	79,621	1,486,528
Accumulated depreciation				
At 1 July 2022	1,357,211	17,084	77,347	1,451,642
Charge for the financial year	49,409	-	1,027	50,436
Disposal	(117,105)	-	-	(117,105)
At 30 June	1,289,515	17,084	78,374	1,384,973
Carrying amount				
At 30 June	100,304	4	1,247	101,555
2022				
Cost				
At 1 July 2021/30 June	1,386,834	17,088	79,621	1,483,543
Accumulated depreciation				
At 1 July 2021	1,331,820	17,084	76,152	1,425,056
Charge for the financial year	25,391	-	1,195	26,586
At 30 June	1,357,211	17,084	77,347	1,451,642
Carrying amount				
At 30 June	29,623	4	2,274	31,901

Notes to the Financial Statements (Continued)

as at 30 June 2023

11. Property, plant and equipment (continued)

	Motor vehicle RM	Computer equipment RM	Others * RM	Total RM
Company				
2023				
Cost				
At 1 July 2022/30 June	8,651	6,672	78,651	93,974
Accumulated depreciation				
At 1 July 2022	8,651	6,668	76,377	91,696
Charge for the financial year	-	-	1,027	1,027
At 30 June	8,651	6,668	77,404	92,723
Carrying amount				
At 30 June	-	4	1,247	1,251
2022				
Cost				
At 1 July 2021/30 June	8,651	6,672	78,651	93,974
Accumulated depreciation				
At 1 July 2021	8,651	6,668	75,182	90,501
Charge for the financial year	-	-	1,195	1,195
At 30 June	8,651	6,668	76,377	91,696
Carrying amount				
At 30 June	-	4	2,274	2,278

* Others comprise of renovation, electrical installation, office equipment and furniture and fittings.

Notes to the Financial Statements (Continued)

as at 30 June 2023

12. Investment properties

	Freehold land RM	Buildings RM	Total RM
Group			
2023			
Cost			
At 1 July 2022	53,423,197	8,679,810	62,103,007
Transfer to non-current asset held for sale (Note 19)	-	(1,045,301)	(1,045,301)
At 30 June	53,423,197	7,634,509	61,057,706
Accumulated depreciation			
At 1 July 2022	-	1,083,913	1,083,913
Charge for the financial year	5,597	181,620	187,217
Transfer to non-current asset held for sale (Note 19)	-	(118,468)	(118,468)
At 30 June	5,597	1,147,065	1,152,662
Carrying amount			
At 30 June	53,417,600	6,487,444	59,905,044
Fair value			296,403,113
	Freehold land RM	Buildings RM	Total RM
Group			
2022			
Cost			
At 1 July 2021	53,367,232	8,679,810	62,047,042
Addition	55,965	-	55,965
At 30 June	53,423,197	8,679,810	62,103,007
Accumulated depreciation			
At 1 July 2021	-	902,293	902,293
Charge for the financial year	-	181,620	181,620
At 30 June	-	1,083,913	1,083,913
Carrying amount			
At 30 June	53,423,197	7,595,897	61,019,094
Fair value			289,166,500

Notes to the Financial Statements (Continued)

as at 30 June 2023

12. Investment properties (continued)

	Group	
	2023 RM	2022 RM
Recognised in profit or loss:		
Rental income	305,441	331,136
Direct operating expenses arising from investment properties that generated rental income during the financial year	(121,321)	(131,173)
Direct operating expenses arising from investment properties that did not generated rental income during the financial year	(552,267)	(530,063)

13. Investment in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at costs:		
At 1 July 2022/2021/30 June	167,215,233	167,215,233

Details of the subsidiaries are as follows:

Name of company	Principal places of business/ Country of incorporation	Principal activities	Proportion of ownership interest/ voting right	
			2023	2022
Malpac Capital Sdn. Bhd	Malaysia	Investment holding	100%	100%
Malpac Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Assets Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Land Sdn. Bhd.	Malaysia	Dormant	100%	100%
Discovery Assets Sdn. Bhd.	Malaysia	Dormant	100%	100%
Precious Way International Limited ^	British Virgin Islands	Investment holding	100%	100%
Popular Sphere Sdn. Bhd. *	Malaysia	Dormant	100%	100%

^ Audited by Messrs PKF PLT for the purpose of consolidation in the financial statement of the Group.

* Interest held by Malpac Capital Sdn. Bhd.

Notes to the Financial Statements (Continued)

as at 30 June 2023

14. Goodwill on consolidation

	Group 2023 RM	2022 RM
At cost		
At 1 July 2022/2021/30 June	8,931	8,931

Impairment test for goodwill

Goodwill arising from the acquisition of subsidiaries had been allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The management assessment on goodwill were based on the net asset value of Popular Sphere Sdn. Bhd..

15. Other investments

	Group 2023 RM	2022 RM
Non-current		
Equity and debt instruments quoted in Malaysia	10,758,758	13,054,779
Current		
Equity and debt instruments quoted in Malaysia	2,567,950	4,314,690
	13,326,708	17,369,469

	Group					
	2023			2022		
	Cost RM	Carrying amount RM	Market value of quoted investments RM	Cost RM	Carrying amount RM	Market value of quoted investments RM
Non-current						
Equity and debt instruments quoted in Malaysia, at fair value	16,823,325	10,758,758	10,758,758	19,093,459	13,054,779	13,054,779
Current						
Equity and debt instruments quoted in Malaysia, at fair value	4,839,579	2,567,950	2,567,950	6,540,940	4,314,690	4,314,690

Notes to the Financial Statements (Continued)

as at 30 June 2023

16. Trade and non-trade receivables

		Group	Company		
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables					
Trade receivables		2,581,047	2,581,047	-	-
Less: Impairment					
At 1 July 2022/2021/30 June		(2,581,047)	(2,581,047)	-	-
Trade receivables, net		-	-	-	-
Non-trade receivables					
Non-trade receivables	(a)	15,611,918	15,611,918	-	-
Amount due from subsidiaries		-	-	11,549,822	11,540,164
Less: Impairment					
At 1 July 2022/2021		-	-	(131,187)	(121,407)
Addition		-	-	(9,658)	(9,780)
At 30 June		-	-	(140,845)	(131,187)
Amount due from subsidiaries, net	(b)	-	-	11,408,977	11,408,977
Deposits		106,954	107,453	51,270	51,270
Non-trade receivables, net		15,718,872	15,719,371	11,460,247	11,460,247
Total trade and non-trade receivables		15,718,872	15,719,371	11,460,247	11,460,247

(a) Included in the non-trade receivables of the Group is an amount of RM15,611,918 (2022: RM15,611,918) which represent the consideration receivable for the disposal of the entire equity interest of Radiant Responses Sdn. Bhd. together with two (2) parcels of leasehold land which is fully disclosed under Suit 109 ("Case 1") in Note 32 to the financial statements. The consideration had been deducted the provision for legal damages amounted to RM33,388,082 that had been withdrawn by the plaintiff.

(b) Amount due from subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand by cash.

Significant related party transactions have been disclosed in Note 26 of the financial statements.

17. Short-term cash investment

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At fair value:				
Cash management fund with investment management companies	2,071,759	57,048,471	1,010,783	22,113,625

Notes to the Financial Statements (Continued)

as at 30 June 2023

18. Fixed deposits placed with licensed banks

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Original maturities less than 3 months	1,514,727	30,228	-	-
Original maturities more than 3 months	88,691,747	27,555,810	20,413,462	-
	90,206,474	27,586,038	20,413,462	-

The fixed deposits placed with licensed banks of the Group bear effective interest at rates of 2.20% to 4.20% (2022: 1.70% to 2.53%) per annum with maturity period from 3 months to 12 months (2022: 3 months to 12 months). The fixed deposits placed with licensed banks of the Company bear effective interest at rates of 4.10% (2022: Nil) per annum with maturity period from 6 months (2022: Nil).

Included in fixed deposits placed with licensed banks of the Group is RM12,455,332 (2022: RM12,071,275) pledged for bank facilities granted to the Group as disclosed in Note 24 to the financial statements.

19. Non-current asset held for sale

	Group	
	2023 RM	2022 RM
Cost		
At 1 July 2022	-	-
Transfer from investment properties (Note 12)	1,045,301	-
At 30 June	1,045,301	-
Accumulated depreciation		
At 1 July 2022	-	-
Transfer from investment properties (Note 12)	118,468	-
At 30 June	118,468	-
Carrying amount		
At 30 June	926,833	-

During the financial year, there is an intention to dispose a property. The disposal of property is in the process of finalisation as at 25 October 2023.

20. Share capital

	Group and Company			
	2023 Number of shares	2022 Number of shares	2023 RM	2022 RM
Issued and fully paid				
At 1 July 2022/2021/30 June	75,000,000	75,000,000	99,366,593	99,366,593

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

Notes to the Financial Statements (Continued)

as at 30 June 2023

21. Retained earnings

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained earnings can be distributed to shareholders as tax-exempt dividends.

22. Provisions

	Retirement gratuity RM	Legal fee RM	Total RM
Group			
At 1 July 2022	1,937,923	1,975,442	3,913,365
Addition	90,547	-	90,547
Reversal	(192,000)	(725,442)	(917,442)
At 30 June 2023	1,836,470	1,250,000	3,086,470
At 1 July 2021	1,846,311	2,040,974	3,887,285
Addition	91,612	-	91,612
Utilisation	-	(65,532)	(65,532)
At 30 June 2022	1,937,923	1,975,442	3,913,365
Company			
At 1 July 2022	1,762,548	566,386	2,328,934
Addition	73,520	-	73,520
Reversal	(192,000)	(566,386)	(758,386)
At 30 June 2023	1,644,068	-	1,644,068
At 1 July 2021	1,686,599	621,386	2,307,985
Addition	75,949	-	75,949
Utilisation	-	(55,000)	(55,000)
At 30 June 2022	1,762,548	566,386	2,328,934

Provisions as at the end of the reporting period are shown as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current	221,794	200,072	77,177	70,032
Current	2,864,676	3,713,293	1,566,891	2,258,902
	3,086,470	3,913,365	1,644,068	2,328,934

Notes to the Financial Statements (Continued)

as at 30 June 2023

22. Provisions (continued)

(a) Retirement gratuity

Provision for retirement gratuity are for eligible employees and directors. The details of the retirement gratuity scheme are disclosed in Note 2(d)(iii) to the financial statements. The provision is discounted at rates from 4.30% (2022: 4.30 to 4.79%). The key assumption used by management to estimate the provision of retirement gratuity based on the basic salary over the tenure of employment to date.

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current service costs	78,518	83,019	70,283	73,022
Interest on obligation	9,579	8,593	3,237	2,927
	88,097	91,612	73,520	75,949

Discount rate sensitivity analysis

The impact on changes of the significant actuarial assumption as at the end of the reporting period is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Effect on profit after tax				
Increase of 10 basis points	1,396	1,473	1,249	1,340
Decrease of 10 basis points	(1,395)	(1,473)	(1,249)	(1,340)

(b) Legal fee

The provision is made for legal services in respect of the Company's litigation case 1 as mentioned in Note 32 to the financial statements. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases.

23. Non-trade payables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade payables	1,536,627	59,045	-	-
Deposit payables	10,000	10,000	-	-
Accruals	634,630	446,234	470,127	293,212
Amount due to a subsidiary	-	-	2,846,517	2,851,019
	2,181,257	515,279	3,316,644	3,144,231

Included in accruals of the Group and of the Company consists of Directors' remunerations amounting to RM335,000 and RM260,000 respectively (2022: RM175,000 and RM100,000).

Amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand by cash.

Significant related party transactions have been disclosed in Note 26 of the financial statements.

Notes to the Financial Statements (Continued)

as at 30 June 2023

24. Borrowing

	Group	
	2023 RM	2022 RM
Secured:		
Current		
Revolving credit	4,885,140	4,900,589

The revolving credit of the Group bears interest rate at 0.85% (2022: 0.85%) per annum.

The revolving credit of the Group is secured by the fixed deposits placed with a licensed bank of the Company as disclosed in Note 18 to the financial statements.

25. Deferred tax assets

The amount of temporary differences for which no deferred tax assets has been recognised in the statement of financial position are as follows (stated as gross):

	Group	
	2023 RM	2022 RM
Unutilised tax losses	1,317,435	1,317,435
Unabsorbed capital allowance	4,115,087	4,115,087
	5,432,522	5,432,522

26. Related party disclosures

(a) Identify of related parties

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

The Group and the Company have a related party relationship with its subsidiaries and key management personnel.

(b) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly, including any directors of the Group and of the Company.

The remuneration of the key management personnel are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries and other emoluments	953,511	713,490	911,364	713,490
Directors' fees	60,000	60,000	60,000	60,000
Retirement gratuity benefits	70,616	69,375	66,375	69,375
Benefit-in-kind	35,317	38,450	-	-
	1,119,444	881,315	1,037,739	842,865

Included in compensation of key management personnel of the Group and of the Company are Directors' remuneration and Directors' fees as disclosed in Note 8 to the financial statements.

Notes to the Financial Statements (Continued)

as at 30 June 2023

26. Related party disclosures (continued)

(c) Related party transactions

Significant transactions between the Company and its related parties during the financial year were as follows:

	2023 RM	2022 RM
With subsidiaries:		
Impairment loss on amount due from subsidiaries	9,658	9,780

d) Related party balances

Information regarding outstanding balances arising from related transactions as at the end of the reporting period are disclosed in Note 16 and 23 to the financial statements.

27. Commitments

(a) Operating lease commitments – as lessee

The Group and the Company have entered into non-cancellable operating lease arrangements for the use of buildings. These leases have an average tenure of between 1 and 2 years with option of renewal included in the contract. There are no restrictions placed upon the Group and the Company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases (excluding prepaid lease payments) at the end of the reporting period are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Not later than 1 year	30,876	30,156	22,596	22,596

(b) Operating lease commitments – as lessor

The future minimum lease payments receivables under non-cancellable operating leases are as follows:

	2023 RM	2022 RM
- Not later than one year	242,249	118,316
- Between one to three years	121,125	-
	363,374	118,316

28. Segment information

(a) Business segments

The Group and the Company is principally engaged in the investment holding. There is no other business component that is an operating segment with a distinct allocation of resources. As such, there are no separate reportable segments and segmental reporting.

(b) Geographical segments

The Group operate in two main geographical areas, namely Malaysia (the Company's home country), and Japan.

	Group	
	2023 RM	2022 RM
Malaysia	5,636,116	2,153,659
Japan	689,506	626,914
	6,325,622	2,780,573

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments

Categories of financial instruments

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

- (a) Financial assets at fair value through profit or loss ("FVTPL"); or
- (b) Financial assets measured at amortised cost ("AC"); and
- (c) Financial liabilities measured at amortised cost ("AC").

	Carrying amount RM	AC RM	FVTPL RM
Group			
2023			
Financial assets			
Other investments	13,326,708	-	13,326,708
Trade and non-trade receivables	15,718,872	15,718,872	-
Short-term cash investments	2,071,759	-	2,071,759
Fixed deposit placed with licensed bank	90,206,474	90,206,474	-
Cash and bank balances	603,585	603,585	-
	121,927,398	106,528,931	15,398,467
Financial liabilities			
Non-trade payables	2,181,257	2,181,257	-
Borrowing	4,885,140	4,885,140	-
	7,066,397	7,066,397	-
Company			
2023			
Financial assets			
Non-trade receivables	11,460,247	11,460,247	-
Short-term cash investments	1,010,783	-	1,010,783
Fixed deposits placed with licensed banks	20,413,462	20,413,462	-
Cash and bank balances	95,946	95,946	-
	32,980,438	31,969,655	1,010,783
Financial liability			
Non-trade payables	3,316,644	3,316,644	-
Group			
2022			
Financial assets			
Other investments	17,369,469	-	17,369,469
Trade and non-trade receivables	15,719,371	15,719,371	-
Short-term cash investment	57,048,471	-	57,048,471
Fixed deposits placed with licensed banks	27,586,038	27,586,038	-
Cash and bank balances	543,417	543,417	-
	118,266,766	43,848,826	74,417,940
Financial liabilities			
Non-trade payables	515,279	515,279	-
Borrowing	4,900,589	4,900,589	-
	5,415,868	5,415,868	-

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments (continued)

Company

2022

Financial assets

Non-trade receivables	11,460,247	11,460,247	-
Short-term cash investment	22,113,625	-	22,113,625
Cash and bank balances	107,196	107,196	-
	<u>33,681,068</u>	<u>11,567,443</u>	<u>22,113,625</u>

Financial liabilities

Non-trade payables	<u>3,144,231</u>	<u>3,144,231</u>	-
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Net gains and losses arising from financial instruments

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Net gains/(losses) arising on:				
Financial assets measured at amortised cost				
Impairment losses on amount due from subsidiaries	-	-	(9,658)	(9,780)
Interest income				
- fixed deposits placed with licensed banks	2,135,936	677,845	413,462	-
- other	1,293	580	534	48
	<u>2,137,229</u>	<u>678,425</u>	<u>404,338</u>	<u>(9,732)</u>

Financial assets at FVTPL

Net fair value (loss)/gain on financial assets at FVTPL	(957,551)	(2,290,961)	(429,726)	211,848
Dividend income	249,437	507,354	-	-
Distribution income from unit trusts	39,792	1,082,348	19,083	222,289
Interest income from:				
- other investments	280	151,575	-	-
Gain/(Loss) on disposal/redemption of:				
- other investment	2,018,990	30,296	-	-
- short-term cash investments	1,575,737	(543,792)	720,214	(12,270)
	<u>2,926,685</u>	<u>(1,063,180)</u>	<u>309,571</u>	<u>421,867</u>

Financial liabilities measured at amortised cost

Interest expense	(43,810)	(44,977)	-	-
Unrealised gain on foreign exchange	15,449	743,500	-	-
	<u>(28,361)</u>	<u>698,523</u>	<u>-</u>	<u>-</u>

Financial risk management objectives and policies

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

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, foreign currency risk, interest rate risk, liquidity risk and market price risk.

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

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and non-trade receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk concentration profile

The Group and the Company have no major concentration of credit risk and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

	Gross amount RM	Loss allowances RM	Carrying amount RM
Group			
2023			
Past due:			
- more than 3 months	2,581,047	(2,581,047)	-
2022			
Past due:			
- more than 3 months	2,581,047	(2,581,047)	-

Foreign currency risk

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

The Group has transactional foreign currency exposure arising from cash in hand, borrowings and deposits that are denominated in a currency other than its functional currency of the Group, Ringgit Malaysia ("RM"). The foreign currency in which these transactions are denominated in Japanese Yen ("JPY").

The Group's principal foreign currency exposure relates mainly to JPY.

The Group's exposure to foreign currency is as follows:

	JPY RM	JPY RM
Group		
Financial asset	2023	2022
Fixed deposits placed with licensed banks	12,455,332	12,071,275
Financial liability		
Borrowing	(4,885,140)	(4,900,589)
	7,570,192	7,170,686

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Sensitivity analysis of foreign currency risk

The following table details the sensitivity of Group's profit net of tax to a reasonably possible change in JPY exchange rates against the functional currency of the Group, with all other variables held constant.

		2023 Increase/ (Decrease) RM	2022 Increase/ (Decrease) RM
Effect on profit after tax			
JPY/RM	- Strengthened by 15%	(863,002)	(817,458)
	- Weakened by 15%	863,002	817,458

Interest rate risk

Interest rate risk is the risk is that the fair value or future value cash flows of the Group's financial instruments will fluctuate because of changes in the market interest rates.

The Group's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following tables indicates its effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Effective interest rate per annum %	Within 1 year RM
Group		
2023		
Financial asset		
Fixed deposit placed with licensed bank	2.20 to 4.20	90,206,474
Financial liability		
Borrowing	0.85	(4,885,140)
		<u>85,321,334</u>
Company		
2023		
Financial asset		
Fixed deposit placed with licensed bank	4.10	<u>20,413,462</u>
Group		
2022		
Financial asset		
Fixed deposit placed with licensed bank	1.70 – 2.53	27,586,038
Financial liability		
Borrowing	0.85	(4,900,589)
		<u>22,685,449</u>

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Effect on profit after tax				
Increase of 10 basis points	64,844	17,241	15,514	-
Decrease of 10 basis points	(64,844)	(17,241)	(15,514)	-
Effect on equity				
Increase of 10 basis points	64,844	17,241	15,514	-
Decrease of 10 basis points	(64,844)	(17,241)	(15,514)	-

Liquidity risk

Liquidity risk is the risk the Group and the Company will encounter difficulty in the meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain continuity of funding so as to ensure that all repayment and funding needs are met. As part of its liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements.

The Group's and the Company's financial liabilities at the end of the reporting period either mature within one year or are repayable on demand.

Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company are exposed to market price risk arising from their investment as follows:

Market price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market price as at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2023	2022	2023	2022
	Increase/ (Decrease) RM	Increase/ (Decrease) RM	Increase/ (Decrease) RM	Increase/ (Decrease) RM
Effect on profit after tax				
Higher of 5%	585,142	2,827,882	38,410	840,318
Lower of 5%	(585,142)	(2,827,882)	(38,410)	(840,318)
Effect on equity				
Higher of 5%	585,142	2,827,882	38,410	840,318
Lower of 5%	(585,142)	(2,827,882)	(38,410)	(840,318)

Notes to the Financial Statements (Continued)

as at 30 June 2023

29. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Fair value

The following summarise the methods used to determine the fair values of the financial instruments:

- (i) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair values of the financial assets at FVTPL are determined by reference to the quoted closing bid price or redemption price at the end of the reporting period.

30. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities:

	Total RM	Fair value measurement using		
		Level 1 RM	Level 2 RM	Level 3 RM
Group				
2023				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Other investment	13,326,708	13,326,708	-	-
- Short-term cash investment	2,071,759	2,071,759	-	-
2022				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Other investment	17,369,469	17,369,469	-	-
- Short-term cash investment	57,048,471	57,048,471	-	-
Company				
2023				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Short-term cash investment	1,010,783	1,010,783	-	-
2022				
Assets measured at fair value				
Financial assets measured at FVTPL				
- Short-term cash investment	22,113,625	22,113,625	-	-
Group				
Assets for which fair value is disclosed				
2023				
Investment properties (Note 12)	296,403,113	-	296,403,113	-
2022				
Investment properties (Note 12)	289,166,500	-	289,166,500	-

Notes to the Financial Statements (Continued)

as at 30 June 2023

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions.

No changes were made in the objectives, policies or processes during the financial years ended 30 June 2023 and 30 June 2022.

Under the requirements of Bursa Malaysia Practice Note 17, the Group is required to maintain a consolidated shareholders' equity to or not less than 25% of the issued and paid up capital (excluding treasury shares). The Group has complied with this requirement.

The debt-to-equity ratio is calculated as net debt divided by total equity, and where net debt is calculated as borrowings less cash and cash equivalents. The debt-to-equity ratio of the Group as at the end of the reporting period were as follows:

	Group	
	2023 RM	2022 RM
Borrowings	4,885,140	4,900,589
Less: Cash and cash equivalents	(2,118,312)	(573,645)
Net debt	2,766,828	4,326,944
Total equity	172,620,036	169,985,582
Gearing ratio (times)	0.02	0.03

32. Material litigation

Suit 109 ("Case 1") Suit No. 08(i)-467-10/2015(A) & 08(i)-469-10/2015(A)

On 5 April 2002, a wholly-owned subsidiary of the Company, Malpac Capital Sdn. Bhd. ("MCSB") entered into a Conditional Sale and Purchase Agreement ("the Agreement") to dispose of its subsidiary, Radiant Responses Sdn. Bhd. ("RRSB") together with 2 parcels of leasehold land to Yong Toi Mee and Cheang Kim Leong ("the Purchasers") for a consideration of RM2 and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000 ("Original Proposed Disposal of RRSB"), as part of a composite transaction and encompassing the palm oil mill situated on part of the plantation and owned by a third-party lessee for total consideration of RM53,000,002.

On 20 June 2002, Malpac Holdings Berhad obtained its shareholder's approval for the Original Proposed Disposal of RRSB.

On 15 November 2002, a Subsequent Letter Agreement was executed by both parties recognising the Agreement had lapsed as not all approvals from the relevant authorities had been obtained and also negotiations to acquire the palm oil mill sited on the subject plantation had not been successful.

On 5 August 2003, the two (2) parcels of plantation land in Teluk Intan, Perak were transferred to RRSB (acting as nominee for MCSB) at a transfer price of RM47.40 million (after a revaluation was done at the request of the Securities Commission).

On 28 April 2004, an palm oil mill was bought and injected into RRSB (as a nominee of MCSB).

On 4 February 2005, the paid-up capital of RRSB was raised to RM100,000 through the issuance of 99,998 new shares of RM1.00 each.

On 21 April 2007, the Purchasers ("the Plaintiffs") had filed a writ of summons and statements of the claim against MCSB and RRSB (together as "the Defendants") seeking for specific performance of the Agreement.

On 5 May 2011, the Ipoh High Court ("High Court") delivered an oral judgement in favour of the Purchasers and ordered specific performance of the Agreement whereby MCSB and RRSB were required to complete the sale within three (3) months from the date of receipt of the balance purchase price. Costs were ordered against the Defendants.

32. Material litigation (continued)**Suit 109 ("Case 1") Suit No. 08(i)-467-10/2015(A) & 08(i)-469-10/2015(A) (continued)**

Effective 1 July 2011, MCSB had suspended the recognition of the income from oil palm plantation and palm oil mill since no income had been received from the oil palm plantation following the High Court's decision given in favour of the Purchasers in the Civil Suit.

The Court of Appeal had on 17 January 2012 made a unanimous decision in MCSB's and RRSB's favour. The Court of Appeal concurrently ordered that MCSB's counter claim be remitted back to the High Court for a decision.

On 4 September 2013, the Federal Court allowed the Purchasers' appeal, set aside the decision of the Court of Appeal and affirmed the decision of the High Court.

On 4 March 2014, the Federal Court dismissed MCSB's application for a judicial review.

On 31 July 2014, the Board of Directors convened an Extraordinary General Meeting to seek shareholders' approval for the disposal of the additional 99,998 shares in RRSB issued in February 2005 and the plantation and palm oil mill. The proposal was rejected by the shareholders. The Group was served a copy of an Application for Supplementary Orders on 3 July 2014 by the Purchasers for the completion of the sale of the plantation and palm oil mill. On 17 February 2015, the High Court allowed the Purchasers' Application for Supplementary Orders and declined and dismissed the MCSB's cross application to determine certain threshold and/or related questions (including the payment by the Purchasers of the Plantation profits of RM36.7 million as at June 2014 as well as the implication of the Section 132C of the Companies Act, 2016 in Malaysia).

On 15 September 2015, the Court of Appeal dismissed MCSB's and RRSB's appeals against the decision of the High Court.

Subsequently, the Group's solicitors had filed application to the Federal Court for leave to appeal against the Court of Appeal's decision.

On 13 February 2017, the Federal Court dismissed the Group's applications for leave to appeal against the Court of Appeal's decision.

As all legal avenues have been exhausted, Suit 109 came to an end and the Board of Directors with regret accepts the Court's decision on this matter.

On 18 May 2021, Malpac Capital Sdn. Bhd. received a Notice of Direction (assessment of damages) from Mr Yong Toi Mee and Mr Cheang Kim Leong and the matter has been forwarded to the solicitors.

On 31 March 2023 formally received an Affidavit In Support (Assessment of Damages) from Mr Yong Toi Mee and Mr Cheang Kim Leong ("the Purchasers") vide Ipoh High Court Civil Suit No. 22-109-2007 ("Suite 109") dated 27 March 2023 seeking an assessment of damages against MCSB with reference to the following:-

- (a) Refund of the sums paid by the Purchasers to MCSB for the management of the Mill ("Management Fees") in the sum of RM73,642,441.09; and
- (b) Legal Cost incurred pertaining to the Composite Agreement legal suits in the sum of RM4,914,791.38.

Ipoh High Court had fixed the oral clarification/hearing in person date for all the applications pertaining to the point of law application (enclosure 91) and the Plaintiff's assessment of damages application (enclosure 88) on 15 September 2023.

As at 30 June 2022, the progress of the suit had been status quo and still awaiting for court to release the settlement of RM15,611,972.

On 31 March 2023, the Company formally received an Affidavit In Support (Assessment of Damages) from Mr Yong Toi Mee and Mr Cheang Kim Leong ("the Purchasers") vide Ipoh High Court Civil Suit No. 22-109-2007 ("Suite 109") dated 27 March 2023 seeking an assessment of damages against MCSB with reference to the following:-

- (a) Refund of the sums paid by the Purchasers to MCSB for the management of the Mill ("Management Fees") in the sum of RM73,642,441.09; and
- (b) Legal Cost incurred pertaining to the Composite Agreement legal suits in the sum of RM4,914,791.38.

Ipoh High Court has adjourned the oral clarification/hearing in person date for all the applications pertaining to the point of law application (enclosure 91) and the Plaintiff's assessment of damages application (enclosure 88) from 15 September 2023 to 16 November 2023.

33. Significant events

On 17 February 2020, the Company announced Bursa Malaysia Securities Berhad ("Bursa Securities") has written to the Company requiring the Company to make an announcement on the triggering of paragraph 8.03A of the Main Market Listing Requirements ("MMLR") on the basis that, among others:

- (i) The Company has been recording zero revenue since financial year ended 31 December 2012 until the date of announcement.
- (ii) The Company has recorded the disposal of its investments, property plant and equipment and the prepaid land lease payment in its annual report for the financial year ended 30 June 2017 and recognised a gain on disposal of RM25,646,787.

Accordingly, the Company is now classified as an affected listed issuer. There is no major development and the Board of Directors continue in its efforts to source for suitable investment opportunities.

The Company has to submit its regularisation plan on or before 16 February 2024 to the regulatory authorities for approval.

34. Contingent liabilities

As at the date of approval of the financial statements, the solicitors stated that there is a possibility that the dealing with the payment out of court for the balance consideration receivable for the disposal of the entire equity interest of Radiant Responses Sdn. Bhd. together with two (2) parcels of leasehold land will be resolved. However, the Company has seek clarification on the additional claim against the amount receivables from the said disposal of RM413,739 with the Accountant General's office as the basis of the claim is unclear.

35. General information

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at 2nd Floor, 23 Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus, Malaysia.

The financial statements were approved and authorised for issue by the Board of Directors on 25 October 2023.

FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JULY 2022 TO 30 JUNE 2023

FINANCIAL RESULTS

First Quarter ended 30 September 2022	Announced On	23 November 2022
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Second Quarter ended 31 December 2022	Announced On	22 February 2023
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Third Quarter ended 31 March 2023	Announced On	18 May 2023
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Fourth Quarter ended 30 June 2023	Announced On	23 August 2023
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Notice of Annual General Meeting		31 October 2023
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33 rd Annual General Meeting		29 November 2023
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ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

Share Capital

Issued and paid-up capital	:	RM75,000,000.00
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share
No. of shareholders	:	1,476

Director's and Chief Executive Officer's Shareholdings

Name	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	15,633,208	20.84	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	4,460,800**	5.95
Kan Ah Chun	2,440,460	3.25	-	-
Noraini Binti Yaacob	-	-	-	-
Loo Pak Soon	-	-	-	-
Ang Poo Guan***	-	-	168,500**	0.22

Notes:

* Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.

** Indirect interest through family members.

*** Chief Executive Officer.

Size of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	15	1.02	694	0.00
100 - 1,000	528	35.77	494,854	0.66
1,001 - 10,000	781	52.91	2,969,000	3.96
10,001 - 100,000	117	7.93	3,622,800	4.83
100,001 - 3,749,999*	30	2.03	25,773,448	34.36
3,750,000 and above**	5	0.34	42,139,204	56.19
	1,476	100	75,000,000	100

* Less than 5% of issued shares.

** 5% and above of issued shares.

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	15,633,208	20.84	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Advance Synergy Capital Sdn Bhd (ASCSB)	8,037,500	10.72	-	-
Advance Synergy Berhad (ASB)	-	-	8,037,500^	10.72
Dato' Ahmad Sebi Bakar	-	-	8,037,500+	10.72
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	4,460,800**	5.95

Notes:

* Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.

** Indirect interest through family members.

^ Deemed interested by virtue of its interest in ASCSB, a wholly-owned subsidiary, pursuant to Section 8 of the Companies Act 2016.

+ Deemed interested by virtue of his substantial shareholdings in ASB, pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (Continued)

as at 2 October 2023

30 Largest Shareholders

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	Lim Hong Liang	15,408,208	20.54
2.	Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75
3.	Advance Synergy Capital Sdn Bhd	8,037,500	10.72
4.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mary Tan @ Tan Hui Ngoh (STF)	4,460,800	5.95
5.	Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22
6.	Wawasan Lembaran Sdn Bhd	3,691,900	4.92
7.	Chew Loy Chee	3,152,188	4.20
8.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock	3,044,000	4.06
9.	Teo Siew Lai	3,000,000	4.00
10.	Kan Ah Chun	2,440,460	3.25
11.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Garth Kevin Albuquerque	2,001,000	2.67
12.	Loh Siew Hooi	1,970,000	2.63
13.	Ng Faai @ Ng Yoke Pei	1,909,300	2.55
14.	Kenanga Nominees (Tempatan) Sdn Bhd Chin Kiam Hsung	380,000	0.51
15.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Chee Wen	365,000	0.49
16.	Yap Ah Ngah @ Yap Neo Nya	360,000	0.48
17.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	344,000	0.46
18.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Faai @ Ng Yoke Pei (SRB/PMS)	300,000	0.40
19.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management For Lim Hong Liang (PW-MOOO56) (861262)	225,000	0.30
20.	Tong Seow Mei	218,000	0.29
21.	Law Chee Pei	210,000	0.28
22.	Tan Kim Tee	205,700	0.27
23.	Tan Akuan	192,000	0.26
24.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	189,000	0.25
25.	Lim Yee Lin	175,000	0.23
26.	Teh Boon Sing	175,000	0.23
27.	Yeap Lean Khim	168,500	0.22
28.	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Bank Berhad For Omega Securities Sdn Bhd (Unpaid Shares)	158,000	0.21
29.	Chin Kiam Hsung	150,000	0.20
30.	Siew Tong Chee	150,000	0.20
Total		67,313,252	89.75

LIST OF PROPERTIES HELD

AS AT 30 JUNE 2023

Location	Description (Building Age)/ Existing Use	Tenure	Land Area/ Built-up Area	Net Book Value (RM'000)	Date of Acquisition
Lot P.T.65571 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Vacant commercial land	Freehold	6.74 hectares	37,364	9.9.2003
PTD 58152-58177 HS(D) 216990-217015 PTD 58179-58211 HS(D) 217016-217048 PTD 58213-58331 HS(D) 217049-217167 Mukim of Tebrau Daerah of Johor Bahru Johor Darul Takzim	178 vacant bungalow lots	Freehold	113,369.85 sq. metres	15,168	9.9.2003
Lot 491 Mukim & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	6.481 acres	679	5.10.2004
Lot 5142 Bandar & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	34.50 poles	206	5.10.2004
B-6-10, B-9-10, B-12-3A West Wing 10 Semantan No. 10 Jalan Semantan 50490 Kuala Lumpur	3 units of 2-bedroom condominium (14 years)	Leasehold (expiring 3.6.2108)	980 sq. feet per unit	949	27.6.2008
Unit 906 Unit 907 Unit 1607 Unit 1707 Of Branz Tower Wellith Shinsaibashi South, 1-45-1, 1-45-6 Higashi- Shinsaibashi, Chuo-ku, Osaka, Japan	Residential condominium (newly completed in December 2017)	Freehold	430.77 685.12 685.12 685.12 sq. feet	974 1,482 1,537 1,543	22.12.2017
20-L, Sinaran TTDI, Jalan Mohd Fuad 4, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	A 4-bedroom service condominium (12 years)	Freehold	2,217 sq. feet	926	12.10.2017

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PROXY FORM



MALPAC HOLDINGS BERHAD

199001005856 (197424-V)
(Incorporated in Malaysia)

No. of Shares held

CDS Account No.

I/We, _____ Tel.: _____
(Full name in block and as per NRIC/Passport/Company Registration No.)

of _____
(Address)

being a members of **Malpac Holdings Berhad**, hereby appoint:-

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or^ (^delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting as ^my/our proxy to vote for ^me/us and on ^my/our behalf, at the 33rd Annual General Meeting ("33rd AGM") of the Company to be held at Dewan Tan Sri Hamzah, Royal Selangor Club Kiara Sports Annexe, Bukit Kiara Sports Annexe, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, W. P. Kuala Lumpur on Wednesday, 29 November 2023 at 2.00 p.m. or any adjournment thereof, and to vote as indicated below:-

AGENDA	RESOLUTION	FOR	AGAINST
ORDINARY BUSINESS			
To approve the payment of Directors' fees of RM60,000.00 for the financial year ended 30 June 2023.	Ordinary 1		
To approve the payment of Directors' benefits of up to RM400,000.00 for the period immediately after the 33 rd AGM until the next AGM of the Company to be held in 2024.	Ordinary 2		
To re-elect Mr. Tan Chon Sing @ Tan Kim Tieng, who retires pursuant to Clause 76(3) of the Company's Constitution, as Director.	Ordinary 3		
To re-elect Mr. Loo Pak Soon, who retires pursuant to Clause 78 of the Company's Constitution, as Director.	Ordinary 4		
To re-elect Puan Noraini Binti Yaacob, who retires pursuant to Clause 78 of the Company's Constitution, as Director.	Ordinary 5		
To re-appoint Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary 6		
SPECIAL BUSINESS			
To waive pre-emptive rights.	Special		
To grant authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary 7		
To approve the proposed renewal of authority for the Company to purchase its own shares.	Ordinary 8		
To approve the proposed gratuity payment to Encik Muhayuddin Bin Musa who had resigned from the Company on 30 May 2023.	Ordinary 9		
To approve the proposed gratuity payment to Encik Johari Low Bin Abdullah who had resigned from the Company on 30 May 2023.	Ordinary 10		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2023.

Signature*
Member

*Manner of execution:-

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this 33rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 22 November 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 33rd AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this 33rd AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Listing Requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- The appointment of a proxy may be made in a hard copy form and must be deposited with the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:-
 - In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
 - By electronic means via facsimile
In the case of an appointment made via facsimile transmission, this proxy form must be received at 03-2276 6131.
- For options (i), the Company may request any member to deposit original executed proxy form to its Share Registrar before or on the day of meeting for verification purpose.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- Last date and time for lodging this proxy form is **Monday, 27 November 2023 at 2.00 p.m.**
- Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- For a corporate member who has appointed a representative instead of a proxy to attend this 33rd AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.

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STAMP

THE SHARE REGISTRAR
MALPAC HOLDINGS BERHAD

199001005856 (197424-V)

Lot 9-7, Menara Sentral Vista,
No. 150, Jalan Sultan Abdul Samad,
Brickfields
50470 Kuala Lumpur

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Malpac Holdings Berhad
199001005856 (197424-V)

