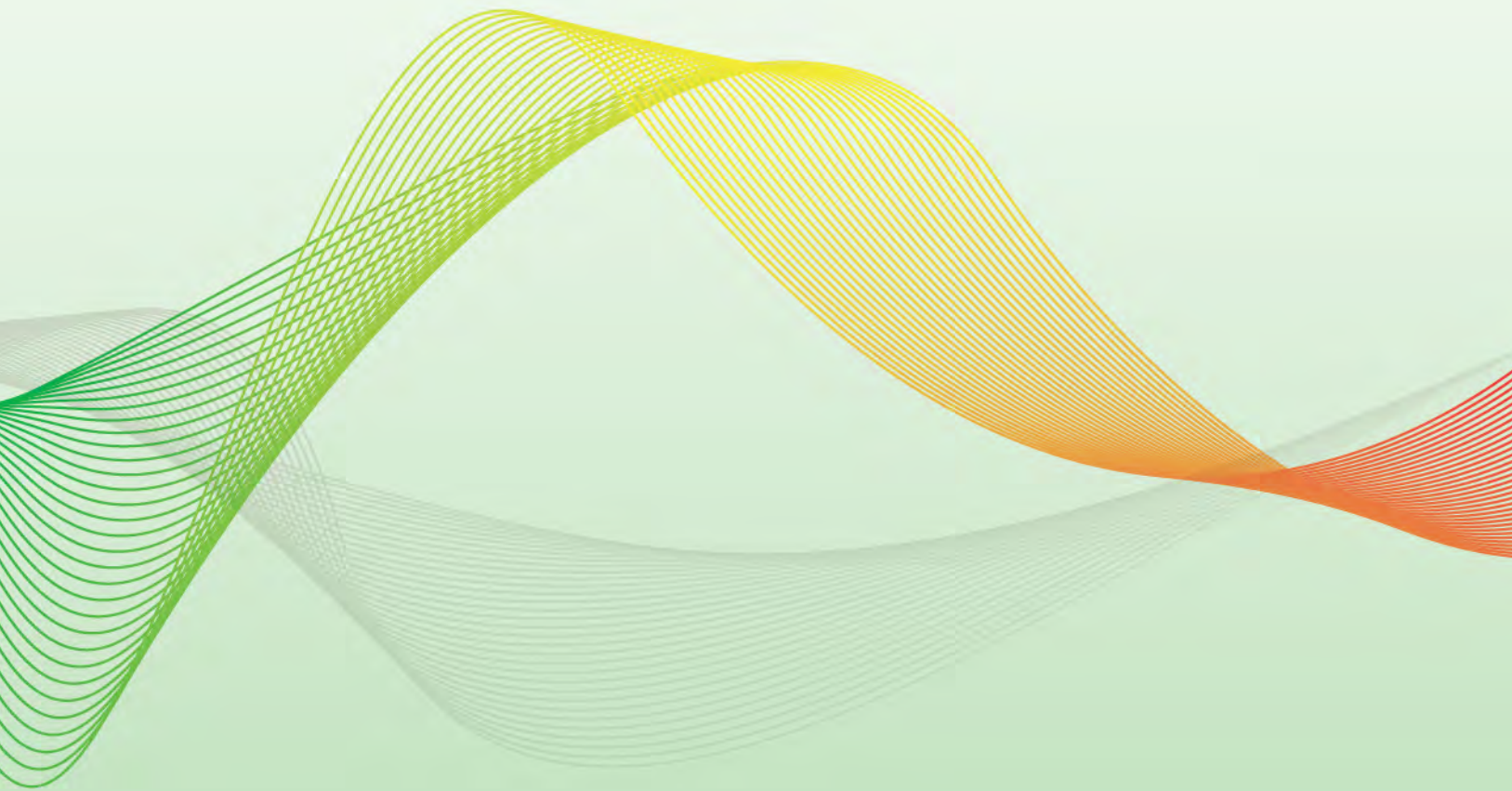




*Genetec*



**2024**  
ANNUAL REPORT

# Inside This Annual Report

## OUR BUSINESS

- 2** Corporate Information
- 4** Corporate Structure
- 5** Profile of Directors
- 8** Profile of Key Senior Management

## OUR STRATEGY & PERFORMANCE REVIEW

- 10** Five Years Group Financial Highlights
- 11** Management Discussion & Analysis

## SUSTAINABILITY STATEMENT

- 16** Sustainability Statement

## OUR CORPORATE GOVERNANCE STRUCTURE

- 47** Corporate Governance Overview Statement
- 63** Statement on Risk Management & Internal Control
- 66** Audit Committee Report

## FINANCIAL STATEMENTS

- 70** Financial Statements
- 157** Directors' Responsibility Statement
- 158** List of Properties Held by The Group
- 159** Additional Compliance Information
- 162** Analysis of Shareholdings
- 165** Notice of Annual General Meeting
- 171** Statement Accompanying Notice of Annual General Meeting

Form of Proxy

# CORPORATE INFORMATION

## Board of Directors

### ALLEN LIK-HOOK TING

*Chairman & Independent Non-Executive Director*

### ONG PHOE BE

*Independent Non-Executive Director*

### DATO' JEEVENTHIRAN A/L RAMANAIDU

*Independent Non-Executive Director*

### ONG SIEW MIN

*Independent Non-Executive Director*

### CHIN KEM WENG

*Managing Director*

### SOW EWE LEE

*Executive Director/Chief Operating Officer*

### COMPANY SECRETARY

Low Sook Kuan  
(MAICSA 7047833)  
(SSM PC No. 202008001384)

The respective Board Committees as stated in the last Annual Report 2023 have since been restructured with effect from 2 October 2023 and the new Board Committees and their compositions are as detailed below:

COMMITTEE	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
<b>CHAIRPERSON</b>	ONG PHOE BE	ONG PHOE BE	ONG PHOE BE
<b>MEMBER</b>	DATO' JEEVENTHIRAN A/L RAMANAIDU	DATO' JEEVENTHIRAN A/L RAMANAIDU	DATO' JEEVENTHIRAN A/L RAMANAIDU
<b>MEMBER</b>	ONG SIEW MIN	ONG SIEW MIN	ONG SIEW MIN

# CORPORATE INFORMATION

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lot 7, Jalan P10/11, Seksyen 10  
Kawasan Perusahaan Bangi  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan  
Malaysia  
Tel : +603 - 8926 6388  
Fax : +603 - 8926 9689  
Email : genetec@genetec.net  
Website : www.genetec.net

## REGISTRAR

### Tricor Investor & Issuing House Services Sdn Bhd

#### Office:

Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia  
Tel : +603 - 2783 9299  
Fax : +603 - 2783 9222  
Email : is.enquiry@vistra.com

#### Customer Service Centre:

Unit G-3, Ground Floor  
Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

## AUDITORS

### Baker Tilly Monteiro Heng PLT Chartered Accountants

Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia  
Tel : +603 - 2297 1000  
Fax : +603 - 2282 9980

## PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad  
CIMB Bank Berhad

## STOCK EXCHANGE LISTING

### Main Market of Bursa Malaysia Securities Berhad

Date of Transfer Listing : 27 October 2023  
Date of Listing : 7 November 2005  
Category -  
Sector : Technology  
Sub-Sector : Technology Equipment  
Stock Name : GENETEC  
Stock Code : 0104

# CORPORATE STRUCTURE

AS AT 30 SEPTEMBER 2024



## PROFILE OF DIRECTORS

### ALLEN LIK-HOOK TING

*Independent Non-Executive Director*

Age	68
Gender	Male
Nationality	American

#### Membership of Board Committee(s)

Nil

#### Other Present Directorship(s)

Listed Company - Nil

Public Company - Nil

Mr. Allen Ting was appointed as the Chairman of the Board of the Company on 31 May 2023. He holds a Bachelor and Master's degree in Science Electrical Engineering from the University of Auckland, New Zealand.

Mr. Allen Ting has over 40 years of experience in the engineering arena. He started his career in 1982 as a Development Engineer in Natsteel Pte Ltd, Singapore and after 2 years, he joined Advance Storage Technology, United States of America (USA) as a Design Engineer. In 1987, he joined Conner Peripherals Inc, USA as a Staff Test Engineer and was promoted to Engineering Manager in 1990 and Engineering Director in 1995. From 1996 to 2014, Mr. Allen Ting served as an Engineering Director and/or Business Consultant in the corporations in USA namely Seagate Technology LLC, Quantum Corp, Innotec LLC and Palladium Energy. Currently, he is the Engineering & Business Consultant of Innotec LLC.

### CHIN KEM WENG

*Managing Director/  
Executive Director*

Age	54
Gender	Male
Nationality	Malaysian

#### Membership of Board Committee(s)

Nil

#### Other Present Directorship(s)

Listed Company - Nil

Public Company - Nil

Mr. Chin Kem Weng was appointed as the Managing Director of the Company on 27 October 1997. He has a Diploma in Mechanical Engineering from the Institute Technology of Butterworth and specialises in the area of design.

Upon graduation in 1991, he joined Applied Magnetics Malaysia Sdn Bhd (Disc Drive Recording Heads Group) (Applied Magnetics) as a Technical Specialist. He was involved mainly in the design of mechanical tooling and maintenance of automation equipment. He then joined Quantum Peripheral Indonesia (QPI) in Indonesia, as an expatriate engineer and managed the automation project at the plant. Subsequently, he was seconded to the QPI office in the USA for a year where he undertook research and development work related to new technology. With his expertise and technical know-how, he left QPI and then co-founded the Company in 1997.

## PROFILE OF DIRECTORS

### SOW EWE LEE

*Executive Director/  
Chief Operating Officer*

Age	54
Gender	Male
Nationality	Malaysian

Mr. Sow Ewe Lee was appointed as the Chief Operating Officer of the Company since 1 October 2009 and as an Executive Director of the Company on 1 October 2018. He is responsible for overseeing the overall operations of the Company. He holds a Master of Science in Mechatronics from the University of De Montfort, Leicester, United Kingdom.

#### Membership of Board Committee(s)

Nil

#### Other Present Directorship(s)

Listed Company - Nil  
Public Company - Nil

Upon his graduation in 1996, he joined Hitachi Semiconductor (M) Sdn Bhd as a design engineer and was involved in designing circuit and developing software. After one (1) year, he left to join Quantum Peripheral Indonesia (QPI) as an automation engineer where he gained experience in the area of automation system design and set-up. His forte lies in the areas of Automation Control System and software programming. In 1998, he left QPI to join the Company as a senior software engineer

### ONG PHOE BE

*Independent Non-Executive Director*

Age	54
Gender	Female
Nationality	Malaysian

Ms. Ong Phoe Be was appointed to the Board of the Company on 18 August 2020. She completed the Malaysian Institute of Certified Public Accountants professional course in 1994.

#### Membership of Board Committee(s)

Audit Committee (Chairperson)  
Nomination Committee (Chairperson)  
Remuneration Committee (Chairperson)

#### Other Present Directorship(s)

Listed Company - Nil  
Public Company - Nil

She started her career with Messrs KPMG, an audit firm from December 1989 to September 1994 and joined Arab-Malaysian Merchant Bank Berhad ("AMB") in 1994. She left AMB in 1996 and moved on to Tanco Holdings Berhad ("Tanco"). She was the head of Corporate Planning Department for Tanco for about four years. She then joined KVC Industrial Supplies Sdn Bhd Group in June 2000 as its Head of Corporate Finance and subsequently was appointed as the Group Chief Financial Officer of ATIS Corporation Berhad (now known as KVC Corporation Sdn Bhd), a position that she occupied till 2005. She was appointed as an Executive Director of the Company from August 2005 until January 2011. Since then, Ms. Ong was involved in the management and operations of food and beverage franchising business in Malaysia.

## PROFILE OF DIRECTORS

### DATO' JEEVENTHIRAN A/L RAMANAIDU

*Independent Non-Executive Director*

Age	48
Gender	Male
Nationality	Malaysian

#### Membership of Board Committee(s)

Audit Committee (Member)  
Nomination Committee (Member)  
Remuneration Committee (Member)

#### Other Present Directorship(s)

Listed Company - Nil  
Public Company - Nil

Dato' Jeeventhiran was appointed to the Board of the Company on 1 March 2022. He has a Certificate in Industrial Electrical Systems from the Malaysian Vocational Training Institute.

Dato' Jeeventhiran has broad experience in the organisation across multiple industries in which he served in various capacities and held various responsibilities such as formulating strategic planning and overseeing & evaluating business operations. In addition, he has a strong understanding of the business philosophy and networking relationships. He has acted as a senior engineer of Beyonics Precision Machining Sdn Bhd from 1998 to 2005. Since 2008, Dato' Jeeventhiran has become an entrepreneur and also serves on the board of directors of various privately held companies in Malaysia and overseas.

### ONG SIEW MIN

*Independent Non-Executive Director*

Age	58
Gender	Female
Nationality	Malaysian

#### Membership of Board Committee(s)

Audit Committee (Member)  
Nomination Committee (Member)  
Remuneration Committee (Member)

#### Other Present Directorship(s)

Listed Company:

1. NetX Holdings Berhad (listed on the ACE Market of Bursa Malaysia Securities Berhad)
2. Fintec Global Berhad (listed on the ACE Market of Bursa Malaysia Securities Berhad)

Public Company - Nil

Ms. Ong Siew Min was appointed to the Board of the Company on 2 October 2023. She is a fellowship member of the Chartered Institute of Management Accountants, United Kingdom and a registered accountant with the Malaysian Institute of Accountants.

Ms. Ong has more than 25 years of extensive experience ranging from the professional field of auditing, tax and consulting services for large corporations; moving on to the entertainment world of movies and television production, also TV and theatrical commercials.

She has valuable experience in activities such as mergers & acquisitions, receivership and due diligence assessment of new business opportunities and corporate restructuring while serving her term in the professional field.

When she was the Chief Financial Officer of the Vision Entertainment Group, she contributed significantly to the group's overall performance in attaining its goals and objectives, especially in its continuous effort for expansion and listing efforts. She also worked collaboratively with all levels of the management team of the group to achieve common goals, while maintaining responsibilities and commitments to the shareholders and business affiliates/partners in Malaysia and across the Asia region. She is currently taking on the role as consultant on a freelance basis.

#### Notes:

1. None of the Directors has:
  - any family relationship with any director and/or major shareholder of the Company;
  - conflict of interest or potential conflict of interest with the Company or its subsidiaries except for the following: Dato' Jeeventhiran a/l Ramanaidu is a Director of KVC Corporation Sdn Bhd, a substantial shareholder of the Company. The interest is only to the extent of common directorship.
  - any conviction for offences (other than traffic offences) within the past five (5) years; and
  - any public sanction or penalty imposed by the relevant regulatory bodies for the financial period from 1 April 2023 to 30 June 2024.
2. The details of the attendance of each Director at Board meetings are set out in the Corporate Governance Overview Statement of this Annual Report.



## PROFILE OF KEY SENIOR MANAGEMENT

### CHIN KEM WENG

*Managing Director*

The profile of Mr. Chin Kem Weng is listed in the Profile of Directors.

Age	54
Gender	Male
Nationality	Malaysian

### SOW EWE LEE

*Chief Operating Officer*

The profile of Mr. Sow Ewe Lee is listed in the Profile of Directors.

Age	54
Gender	Male
Nationality	Malaysian

### TAN KON HOAN

*Chief Financial Officer*

Mr. Tan Kon Hoan joined the Company in September 2004 as Finance Manager. Subsequently, he was promoted to Financial Controller since October 2009 and redesignated as Chief Financial Officer of the Company in January 2021. He graduated with a Bachelor of Commerce majoring in Accounting in 1996 from New Zealand. He is a member of The Chartered Accountants of Australia and New Zealand (CAANZ). He is also a member of both The Association of International Accountants, United Kingdom (AIA) and The Chartered Tax Institute of Malaysia (CTIM).

Age	53
Gender	Male
Nationality	Malaysian

Prior to joining the Company, Mr. Tan has overall 11 years working experience in property management and manufacturing industry. Currently, he is in-charge of the Finance and Administration & Human Resource Departments.

### TAN CHONG KUAN

*Vice President*

*- Business Development*

Mr. Tan Chong Kuan graduated with a Bachelor's degree in Mechanical Engineering (Manufacturing) from Universiti Teknologi Malaysia. He brings over two decades of experience in engineering and business development. Since joining the Company in 2002 as a Mechanical Design Engineer, Mr. Tan has held several key positions, including Assistant Manager of Design & Development, Project Manager, and Sales and Application Manager.

Age	45
Gender	Male
Nationality	Malaysian

In April 2021, Mr. Tan was appointed as Vice President of Business Development. He has been instrumental in shaping the Company's business strategies and driving growth, with a strong focus on expanding market opportunities and building lasting client relationships.

## PROFILE OF KEY SENIOR MANAGEMENT

### NG EE CHEE

*General Manager*

Age	45
Gender	Male
Nationality	Malaysian

Mr. Ng Ee Chee was appointed General Manager of the Company on April 1, 2023. He holds a Bachelor's degree in Mechanical Engineering (Manufacturing) from University Putra Malaysia. After graduating in 2004, he began his career with the Company as a Mechanical Design Engineer, focusing on the development of hard disk drive (HDD) production equipment. Over the years, Mr. Ng accumulated more than seven (7) years of expertise in automated measurement and laser adjustment applications. In addition to his experience in the HDD industry, he spent a decade leading the design of advanced manufacturing production lines for the automotive sector. He also gained two (2) years of experience in designing pharmaceutical equipment.

Before assuming his current role as General Manager, Mr. Ng progressed through key leadership positions in the Company, including Staff Engineer, Design Manager and Senior Manager.

### CHUA KEAN POH

*General Manager  
- Business Services*

Age	41
Gender	Male
Nationality	Malaysian

Mr. Chua Kean Poh joined the Company in November 2023 as General Manager, Business Services. He holds a Bachelor Degree in Electrical and Electronics Engineering from University of Tenaga Nasional ("UNITEN") and a Master of Business Administration ("MBA") from University of Malaya.

He has been working in the power generation industry since year 2006 where he started his career as a Control and Instrumentation Engineer in a 322MW combined cycle power plant in Melaka, Malaysia before joining General Electric International Inc. ("GE") as a Controls Technical Advisor where he built and commissioned GE gas turbines power plant projects around the world. After GE, he joins Edra Power Holdings Sdn. Bhd., an Independent Power Producer ("IPP") in Malaysia and was in charge of the development, construction and completion of a 2,242MW combined cycle power plant in Melaka, Malaysia from the year 2016 to 2022.

Currently, Mr. Chua is in-charge of the battery energy storage system business and the Company's Business Communication Department.

### TAN MOON TEIK

*Managing Director of  
CLT Engineering Sdn Bhd*

Age	53
Gender	Male
Nationality	Malaysian

Mr. Tan Moon Teik was appointed as the Managing Director of CLT Engineering Sdn Bhd on 14 July 2003. He completed his Diploma in Electronic Engineering from Linton Institute of Technology in 1993.

Upon graduation in 1993, he joined ABK Electronic Pte Ltd in Singapore as a process technician. He left to join Alantac Engineering Pte Ltd, Singapore two years later and was working as a Sales/Project Manager for 4 years. In 2000, he started the business in fabrication capabilities of machine parts and toolings for equipment and replications of systems and equipment until 2003 he founded CLT Engineering Sdn Bhd, a subsidiary of the Company. He has extensive experience in areas of fabrication and automation business covering electronic, hard disk drive and other high-technology industries.

#### Notes:

None of the key senior management:

- holds any directorship in public companies and listed corporations.
- has any family relationship with any director and/or major shareholder of the Company.
- has entered into any transaction, whether directly or indirectly, which has a conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- has conviction for any offences, other than traffic offences (if any), within the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies for the financial period from 1 April 2023 to 30 June 2024.

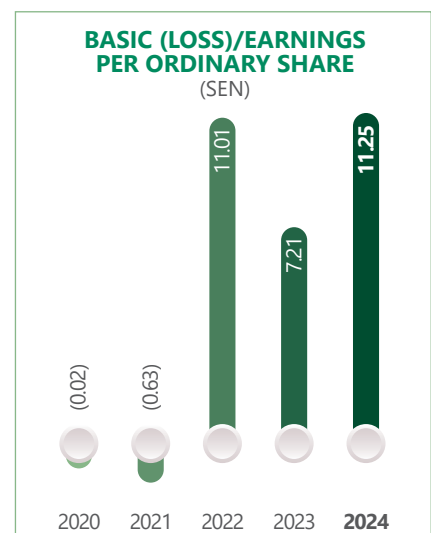
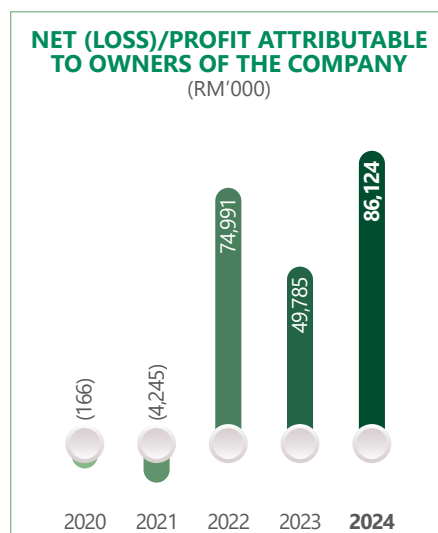
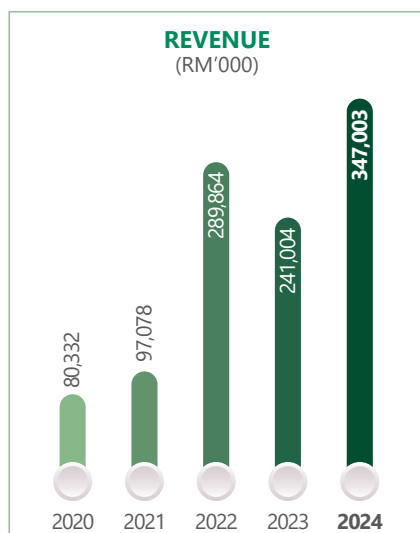
## FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2020 RM'000 (Restated)	2021 RM'000 (Restated)	2022 RM'000 (Restated) **	2023 RM'000 (Restated) **	2024 RM'000 *
<b>OPERATING RESULTS</b>					
Revenue	80,332	97,078	289,864	241,004	347,003
EBITDA	2,121	(1,213)	89,086	64,962	101,523
(Loss)/Profit Before Tax	(1,323)	(4,825)	83,872	57,819	90,391
(Loss)/Profit After Tax	(900)	(4,386)	77,715	51,727	84,550
Net (Loss)/Profit Attributable to Owners of the Company	(166)	(4,245)	74,991	49,785	86,124
<b>KEY BALANCE SHEET DATA</b>					
Total Assets	118,693	124,403	315,730	505,046	567,709
Share Capital	63,171	68,760	88,215	266,207	269,980
Capital and Reserves	81,655	84,257	180,374	409,716	496,728
<b>PROFITABILITY RATIOS</b>					
Return on Total Assets (%)	(1)	(4)	25	10	15
Return on Average Equity (%)	(1)	(5)	59	18	19
<b>GEARING RATIO</b>					
Net Debt to Capital and Reserves (Times)	-	-	0.37	0.06	-
<b>VALUATION</b>					
Basic (Loss)/Earnings per ordinary share (Sen)	(0.02)***	(0.63)***	11.01	7.21	11.25

\* Genetec had on 1 November 2023 changed its financial year end from 31 March to 30 June. The FPE 30 June 2024 was made up results for 15 months covering the period from 1 April 2023 to 30 June 2024.

\*\* Retrospective adjustments to the prior year financial statements as to reflect the adjustments on revenue recognition in accordance to MFRS15.

\*\*\* Has been adjusted pursuant to the bonus issue on the basis of twelve (12) new ordinary share for every one (1) existing ordinary share held on 10 January 2022



# MANAGEMENT DISCUSSION & ANALYSIS

## INTRODUCTION

Genetec Technology Berhad (“**Genetec**” or the “**Company**”) is a public listed company on the Main Market of Bursa Malaysia and a global leader in providing customised, turnkey smart factory automation solutions. With a strong international footprint, we serve a diverse range of industries including e-mobility & energy storage, automotive, hard disk drives (HDD), consumer electronics, appliances, and pharmaceuticals. Our cutting-edge solutions are trusted by clients worldwide, and our global presence enables us to meet the evolving demands of industries across Asia, Europe, and the Americas. Through continuous innovation and a commitment to quality, Genetec delivers high-performance, scalable industrial automation systems that empower businesses across the globe to achieve greater operational efficiency and competitiveness for our global clientele.

## VISION AND STRATEGIC DIRECTION

Our vision is to establish Genetec as the world’s most competitive leader in industrial automation. We aim to be a continuously learning organisation that attracts top-tier talent, empowering us to meet evolving technological challenges and market demands. We are committed to delivering competitive engineering solutions that enhance our clients’ profitability while driving robust operational growth through scalable machine replication.

## BUSINESS AND OPERATIONS OVERVIEW

In the financial period 2024, Genetec delivered its strongest financial performance to date, achieving record-high profit after tax, underpinned by a healthy cash position and low gearing ratio. This was accomplished despite a challenging global environment marked by high interest rates and moderate economic softness.

As a provider of capital-intensive solutions, Genetec’s business is closely linked to our clients’ capital expenditure plans, which are influenced by global geopolitical developments, interest rates, inflation, and consumer sentiment. To navigate these external factors, we have intensified our efforts to help clients enhance production efficiency and yields. By embedding our engineers within client facilities, we work side by side with them to innovate, automate and optimise manufacturing processes, ensuring greater operational efficiency.

Throughout project execution, our engineers collaborate closely with long-term clients, addressing engineering change requests and adapting specifications for upcoming projects in the pipeline. We are also actively working on initiatives with our clients that are currently in the testing and fine-tuning phase, which we expect will lead to significant opportunities as production ramps up. This partnership-driven approach not only strengthens our long-term relationships but also allows us to expand our product offerings and deepen our share of wallet within existing client operations.

Simultaneously, our business development team remains aggressive in identifying new growth opportunities across new markets and industries. To enhance our market reach, we participate in industry exhibitions, collaborate with finders, and develop innovative solutions alongside strategic partners, ensuring our offerings stay ahead of market trends and customer needs.

We continue to capitalise on our first-mover advantage in the domestic battery energy storage market. Domestically, we actively engage with government agencies, regulators, utilities, and project developers to explore and expand opportunities. Our BESS solutions, which are UL9540 certified (the highest international standard for battery energy storage), are the first in Malaysia to be listed under the MyHijau directory, allowing customers to potentially benefit from the Green Incentive Tax Allowance scheme. As we maintain our leadership position locally, we also remain committed to ongoing innovation, enhancing the safety, quality, reliability, and performance of our BESS products to stay competitive in both local and international markets.

# MANAGEMENT DISCUSSION & ANALYSIS

## Operational Efficiency and Cost Management

Maintaining competitive pricing without compromising quality is central to our operational strategy. Through rigorous cost management and supply chain optimisation, we have streamlined our operations and strengthened our relationships with long-term suppliers. Our ability to procure materials in bulk and negotiate favourable terms allows us to achieve economies of scale, securing high-quality materials at competitive prices.

With over two decades of industry experience, Genetec possesses the foresight to plan ahead with precision, enabling us to maintain efficient inventory levels and avoid potential supply chain disruptions. This meticulous approach ensures continuity in delivering high-quality products to our clients while safeguarding our margins.

## Talent Management and Employee Well-Being

We recognise that our people are the cornerstone of our success. To attract, retain, and nurture talent, Genetec continues to invest in training and development programs that equip our employees with the skills necessary to thrive in an ever-changing technological landscape. Our comprehensive employee welfare programs are designed to promote both physical and mental well-being, ensuring a healthy work-life balance.

By fostering a culture of continuous learning and employee empowerment, we are well-positioned to meet future challenges and maintain our leadership in the automation industry.

Genetec remains steadfast in our commitment to innovation, operational excellence, and strategic expansion. By maintaining close partnerships with our clients, optimising our supply chain, and investing in our people, we are confident in our ability to drive sustainable growth, enhance profitability, and further cement our position as a global leader in smart factory automation.

## Revenue

The financial year end of Genetec and its subsidiaries (the "Group") has been changed from 31 March to 30 June and the financial period ended 2024 are prepared for a period of 15 months from 1 April 2023 to 30 June 2024.

The Group's two core business segments comprise the e-mobility & energy storage and HDD segments. During the financial period under review, the Group delivered total revenue of RM347.0 million, an increase of 44.0% compared to RM241.0 million in the previous financial year.

The e-mobility & energy storage segments recorded RM320.7 million in revenue, a significant increase of 61.0% from RM199.2 million in the previous financial year. It is the largest contributor to the Group's total revenue for the financial period, accounting for 92.4% of the Group's total revenue (2023: 82.7%).

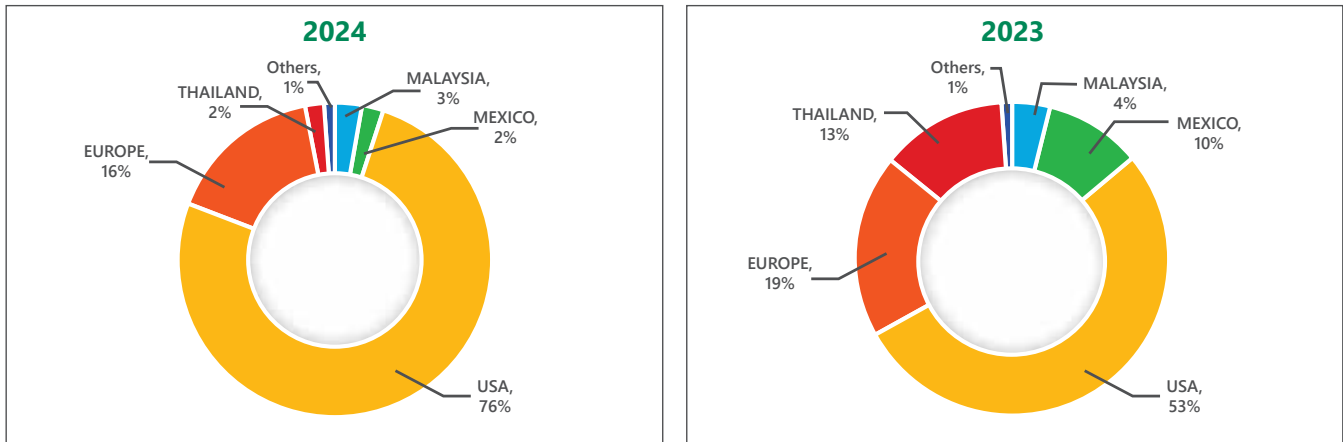
The HDD segment recorded RM7.2 million in revenue, decreased by 81.3% from RM38.6 million in the preceding year, which accounts for 2.1% of the Group's total revenue as compared to 16.0% in the preceding year.

The consumer goods & healthcare segment accounts for the remaining 5.5% of the Group's total revenue (2023: 1.3%), recording RM19.1 million revenue which is a rise of 496.9% from the previous financial year (2023: RM3.2 million).

For the financial period under review, 97% (2023: 96%) of the Group's products were exported to overseas markets. In terms of geographical market segments, the USA and Europe are the Group's major revenue contributors, followed by Malaysia, Mexico and Thailand respectively.

# MANAGEMENT DISCUSSION & ANALYSIS

## Revenue by Geographical Locations



## PROFIT BEFORE TAX

During the financial period, the Group recorded Profit Before Tax of RM90.4 million, a notable 56.4% rise from RM57.8 million in the previous financial year. This significant increase was attributed to the higher sales volume achieved by the Group. Our commitment to cost efficiency measures has also played a pivotal role in enhancing profitability and contributing to this positive financial outcome.

## ADMINISTRATIVE EXPENSES

During the financial period under review, the Group's administrative expenses increased by 21.5% to RM20.9 million compared to the previous financial year (2023: RM17.2 million). This is mainly due to an increase in staff costs and assets depreciation with increase in production capacity to meet the demand from our customers.

## FINANCE COST

Finance cost decreased RM0.3 million or 8.8% from RM3.4 million for the previous financial year to RM3.1 million in the current year as the Group has reduced its short-term borrowings.

## STATEMENT OF FINANCIAL POSITION

Property, plant, and equipment increased by 18.0% from RM114.2 million to RM134.8 million. This increase was primarily due to capital expenditure of RM28.6 million with a depreciation charge of RM8.0 million during the financial period.

The Group finances its operations and investments through internally generated resources and bank borrowings. Borrowings decreased by 59.2% to RM22.5 million in this financial period (2023: RM55.2 million). This reduction was primarily due to net repayment of short-term borrowings of RM34.3 million. To optimise capital structure, the Group obtained facility support from financial institutions. Term loans recorded a decrease of 18.6% to RM4.8 million as of 30 June 2024. The Group's cash & bank balances and short-term investment as of 30 June 2024 decreased for RM15.6 million from RM179.8 million to RM164.2 million.

# MANAGEMENT DISCUSSION & ANALYSIS

## CORPORATE EXERCISE

At an extraordinary general meeting held on 29 August 2024, the Company's shareholders approved the establishment of Long-term Incentive Plan ("LTIP") in the form of an employees' share grant scheme of up to 5% of the Company's total issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for the eligible executive Directors and employees of the Company and its subsidiary companies (excluding subsidiaries which are dormant) who fulfill the eligibility criteria.

The LTIP has not been implemented as at the date of this report.

### SHARE PERFORMANCE

HIGHEST SHARE PRICE WITHIN FYE2024	RM2.92	▲
LOWEST SHARE PRICE WITHIN FYE2024	RM1.83	▼
TOTAL VOLUME TRADED: 8 HUNDRED 13 MILLION 2 THOUSAND SHARES		
TOTAL MARKET CAPITALISATION: RM 1 BILLION 7 HUNDRED 40 MILLION		

## DIVIDEND

The Board adopted a dividend policy to recommend and distribute dividend up to 20.0% of the Group's annual audited profit after tax attributable to owners of the Company, depending on its financial performance, the availability of adequate distributable reserves and on condition that such distribution will not be detrimental to the Group's cash flows requirements.

The Company had on 29 August 2024 declared an interim single-tier dividend of 2.0 sen per ordinary share in respect of the financial period ended 30 June 2024, the entitlement date and payment date were on 13 September 2024 and 4 October 2024, respectively.

The total dividend payment is 18.2% of the Group's annual audited profit after tax attributable to owners of the Company for the financial period ended 30 June 2024.

## RISK FACTORS

### Fluctuation in Foreign Currency Exchange Rate

The Company faces exposure to foreign currency exchange rate fluctuations, as a significant portion of our revenue is denominated in US dollars. To minimise the impact of currency volatility, we employ forward exchange contracts to hedge our receivables in foreign currencies, providing a level of protection against unfavorable exchange rate movements.

### Competition in the Global Market

The global market is increasingly competitive. To remain competitive, we continue to innovate, seeking opportunities to automate our clients' manufacturing processes and deliver operational efficiencies. Internally, we have implemented various cost reduction measures to ensure both Genetec and our clients maintain competitiveness. Our deep industry experience enables us to continuously optimise production processes and explore new suppliers, securing better pricing on bulk orders to reduce material costs.

### Supply Chain Disruption and Material Cost Fluctuations

The Company is susceptible to supply chain disruptions due to natural disasters, geopolitical conflicts, and shifts in global supply and demand. Such events can lead to material shortages, higher shipping costs, and longer delivery timelines. To counter these risks, we have established a reliable network of long-standing suppliers, allowing us to procure materials at competitive prices without compromising quality. Additionally, our procurement team consistently seeks alternative supply sources to diversify risk and avoid over-reliance on specific suppliers. Our logistics team also collaborates with multiple shipping agents and freight forwarders to mitigate shipment delays and cost increases.

# MANAGEMENT DISCUSSION & ANALYSIS

## Technology Specialisation and Talent Acquisition Challenges

Our projects require highly specialised technical expertise, making talent acquisition and retention a challenge. To address this, the Company actively collaborates with local universities, participating in career fairs and sponsoring technology and innovation competitions to attract top talent in engineering and technology fields. To retain skilled employees, we have implemented comprehensive talent retention initiatives, including a long-term incentive plan, competitive salary packages, and structured career development programs. These programs provide employees with continuous training opportunities, fostering a positive work culture and ensuring our workforce remains engaged, skilled, and capable of contributing to the company's long-term success.

## FORWARD-LOOKING STATEMENT

The automotive industry stands at a pivotal juncture as major players evaluate the path forward between full electric vehicles (EVs) and hybrid models. Regardless of the approach, the shift towards sustainable mobility is unstoppable. EVs remain a promising growth sector, with the Economist Intelligence Unit (EIU) forecasting a 21% expansion in global EV sales as policymakers intensify efforts to reduce carbon emissions. Key to this growth will be advancements in charging infrastructure and battery technology, which are essential to alleviating consumer concerns over range anxiety. Genetec has long anticipated this trend and aligned its strategy accordingly. Today, we are well-positioned to capitalise on this global shift, serving clients in the production of both EVs and hybrid automotive components.

As our engineers continue to collaborate closely with clients around the world, we see significant opportunities to further automate our clients' manufacturing processes. With the anticipated ramp-up in production, these collaborations are expected to translate into substantial opportunities for the Company. The e-mobility & energy storage segments are poised to remain key growth drivers, and we will continue to strengthen our strategic partnerships with key clients.

Furthermore, from interactions with various partners and stakeholders globally, we see opportunities to expand into new industries by leveraging the experience and know-how we have gained from our work in the e-mobility & energy storage business. The demand for process automation is growing across various industries, and we are well-positioned to bring our proven expertise to these new markets.

In the broader context of the energy transition, as the world shifts from fossil fuels to renewable energy, battery energy storage systems is critical to ensuring a stable, reliable, and resilient grid. BESS addresses the intermittency issues of renewable energy sources such as solar and wind. Bloomberg projects that the global BESS market will grow from 100 GWh at the end of 2023 to 1,800 GWh by 2030, representing a compound annual growth rate (CAGR) of 27%. As an early mover in this space, the Company is well-positioned to capitalise on the vast opportunities presented by this global trend and remains optimistic that demand for BESS will increase in both domestic and international markets.

Looking ahead, we are confident in our ability to navigate the evolving landscape. Our focus will remain on innovation and operational efficiency to drive sustainable growth. We will continue to strengthen long-term relationships with key clients, deepen our share-of-wallet, broaden our product offerings and client base, and further solidify our position in the e-mobility & energy storage markets. At the same time, we will remain agile, staying at the forefront of emerging technologies and future industry needs.

These forward-looking statements are based on the management's forecast, assumptions and expectations considering various factors that may affect the business at the time of writing. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements involve known and unknown risks and uncertainties, which may cause actual performance and financial results to materially differ from the projections of future performance or result expressed or implied by such forward-looking statements. We undertake no obligation to provide updates to these forward-looking statements if circumstances or management's estimates or opinions should change in the future unless otherwise required by Bursa listing requirements, by applicable securities requirements or by law. The reader is cautioned against placing undue reliance on forward-looking statements.



# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

This is Genetec Technology Berhad's ('Genetec' or 'the Company') sustainability statement, which addresses the company's material economic, environmental, and social impacts, risks and opportunities for the 2024 financial period covering April 2023 to June 2024 (FP2024).<sup>1</sup>

This statement was prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, with reference to the Sustainability Reporting Guide (3rd Edition). It was also prepared with reference to the Global Reporting Initiative (GRI) standards, the Task Force on Climate-related Financial Disclosure (TCFD) requirements, and the United Nations Sustainable Development Goals (UN SDGs).

The scope of this statement covers 100% of our operations in Malaysia, as this is our main operational base with the most significant sustainability impacts, and excludes our satellite offices and service locations overseas. This scope remains unchanged from our previous statement published in 2023. Specifically, the scope covers:

Genetec Technology (Bandar Baru Bangi)	CLT Engineering (Subang Jaya)
Genetec Prime: office and assembly plant (lot 7) <sup>2</sup> Selaman: fabrication plant (no. 59) EPIC: office and assembly plant (lot 6)	CLT Engineering: fabrication and assembly plant (lot 11734)

Data for these operations encompasses human resources, electricity consumption, waste management, and raw materials for FP2024 where available, with historical data where relevant. Following the completion of our carbon baseline assessment in financial year 2023, this statement also includes our inaugural disclosure of greenhouse gas (GHG) emissions data. Some developments that took place after FP2024 have been included to showcase progress and/or improvements.

This statement has been reviewed by an internal auditor appointed by the Company's Audit Committee for compliance against Bursa Malaysia's sustainability reporting guidelines.

We recognise that seeking independent assurance is recommended to enhance confidence in the quality, reliability, and accuracy of data and disclosures. Although this statement was not subject to independent assurance, we will consider this option for future statements in line with improved data collection and reporting.

## OUR APPROACH TO SUSTAINABILITY

Genetec recognises the importance of environmental, social, and governance (ESG) considerations and our role in contributing to the global sustainability agenda. We go beyond financial priorities and are committed to understanding our ESG impacts while exploring opportunities to integrate these principles into our operations. We also support and collaborate with stakeholders in our value chain to foster business growth.

In early 2023, we engaged an external consultant to facilitate our first comprehensive materiality assessment and sustainability statement. To ensure that we holistically addressed all aspects of sustainability, we worked with them to develop a new road map and strategy as well as sustainability targets and key performance indicators (KPIs), which were finalised in June 2024 (see: Targets and progress).

Under this road map and strategy, we have categorised our material topics according to the three areas of ESG, with some topics spanning all three. Our targets and KPIs have been formalised with our teams and heads of departments (HODs) and integrated into our data and report tracking systems for progress monitoring and evaluation. We also refreshed our sustainability governance structure and developed the terms of reference (TOR) for our new Sustainability Committee (see: Responsible business and good governance).

This statement marks the first time we are disclosing greenhouse gas (GHG) emissions data as we begin to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This combines with our efforts for continuous improvement and compliance with Bursa Malaysia's mandatory TCFD reporting requirements by 2025.

<sup>1</sup> FP2024 encompasses 15 months of data due to the adjustment of our financial reporting year to end in June.

<sup>2</sup> Genetec Prime denotes our headquarters in Bandar Baru Bangi.  
FP2024: Financial Period 2024

# SUSTAINABILITY STATEMENT

## Materiality

The statement covers 17 sustainability-related topics identified as material to Genetec in our initial materiality assessment. These topics align with the common material sustainability matters, as stipulated in Annexure PN9-A of Bursa Malaysia's Main Market Listing Requirements.

We review and update our material topics annually to ensure they accurately reflect our evolving priorities and focus areas. In Q4 2023, we assessed and adjusted the prioritisation of our material topics through consultations with external stakeholders, and in Q1 2024, we revised the material topic 'reducing paper usage' to 'digitalisation'. Below is an overview of our materiality process and the changes made.

## Materiality process



As we have established our sustainability committee and terms of reference (TOR), we had formally table this TOR and our materiality assessment outcome to the Board of Directors for endorsement.

## Overview of material topic changes

<b>Revised topic names and scopes</b>	<b>Digitalisation</b> updates 'Reducing paper usage' and reflects our commitment to adopt digital solutions that transform business and production processes, enhance operational efficiency, and reduce paper usage	
<b>Changes in importance (to external stakeholders)</b>	<ul style="list-style-type: none"> <li>↑ GHG emissions</li> <li>↑ Supply chain management</li> <li>↑ Employee rights</li> <li>↑ Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>↑ Governance, ethics, and integrity</li> <li>↑ Waste management</li> <li>↑ Employee welfare</li> <li>↑ Talent development</li> </ul>

# SUSTAINABILITY STATEMENT

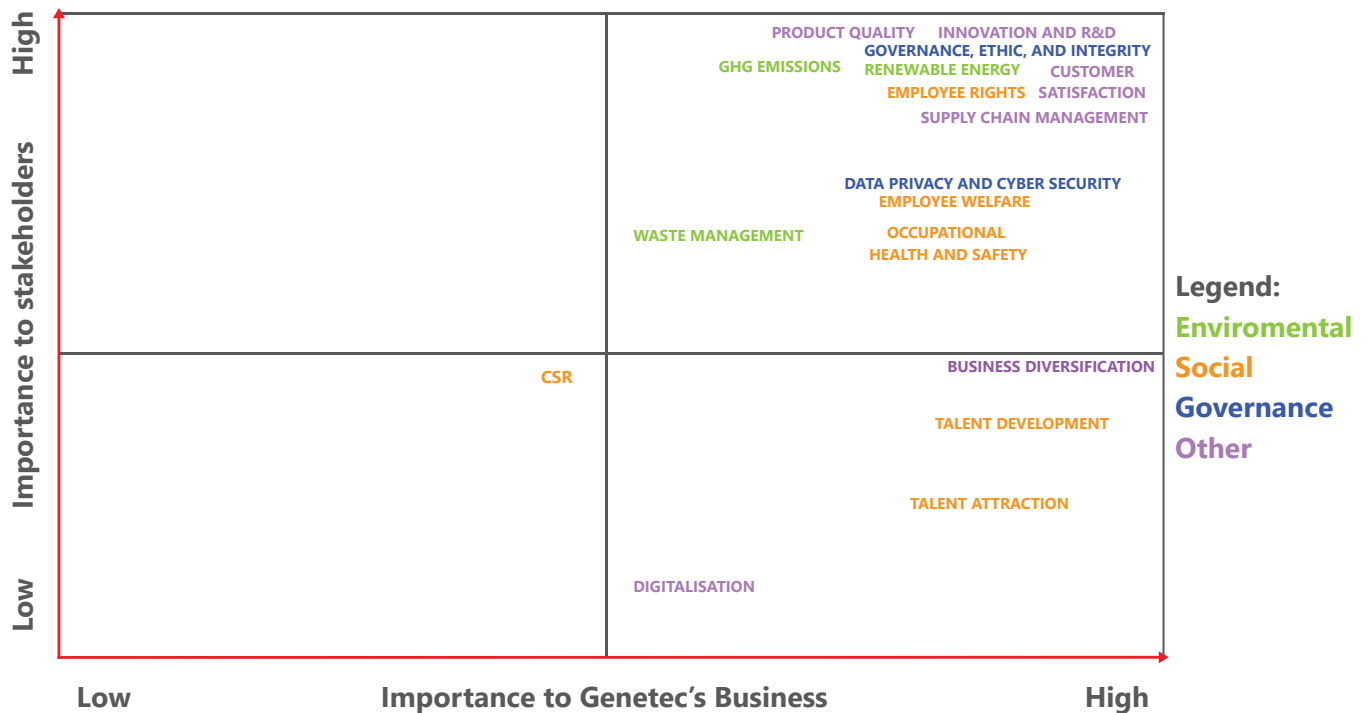
## Material topic definitions

Material topic	Definition
<b>Business diversification</b>	Exploring business diversification and expansion plans to meet new and growing market demands
<b>CSR</b>	Implementing corporate social responsibility (CSR) programmes and initiatives for communities
<b>Customer satisfaction</b>	Providing excellent product quality and service to ensure customer satisfaction
<b>Data privacy and cyber security</b>	Protecting sensitive and confidential data, including customer and employee information; using multi-tier security to prevent cyberattacks, security breaches, leakage, or misuse; meeting data protection regulatory requirements
<b>Digitalisation</b>	Adopting and integrating digital technologies to transform business and production processes, enhancing operational efficiency, and reducing paper usage
<b>Employee rights</b>	Upholding labour and human rights in line with statutory requirements for employees and contractors; advancing fair and equal opportunity for all employees
<b>Employee welfare</b>	Promoting employee welfare and well-being by providing a balanced and conducive work environment with attractive facilities and benefits
<b>GHG emissions</b>	Understanding our carbon footprint and exploring reduction measures
<b>Governance, ethics, and integrity</b>	Implementing good corporate governance and business conduct across operations; upholding high standards of anti-corruption, ethics, integrity, and accountability
<b>Innovation and R&amp;D</b>	Pioneering innovation and research and development (R&D) to bring new products to market; meeting customer demand for highly customisable products and designs
<b>Occupational health and safety</b>	Prioritising the health and safety of employees and contractors; minimising the risk of workplace accidents through safety measures and training
<b>Product quality</b>	Ensuring that product quality meets customer expectations through strict quality control measures while regularly reviewing customer feedback for continuous improvement
<b>Renewable energy</b>	Bringing renewable energy solutions to market; increasing renewable energy use at Genetec operations
<b>Supply chain management</b>	Securing a stable supply of raw materials from suppliers at optimum cost; understanding product origins to address supply chain sustainability risks
<b>Talent attraction</b>	Increasing human capital by sourcing and attracting qualified and skilled talent (including employees and contractors) to support company growth
<b>Talent development</b>	Nurturing a highly-skilled workforce by providing employees with opportunities for talent development e.g., training and upskilling, while retaining talent and minimising turnover
<b>Waste management</b>	Managing and responsibly disposing of production waste

# SUSTAINABILITY STATEMENT

## Materiality matrix

Our materiality matrix was updated after incorporating the changes. It presents the material topics based on their relative importance to internal and external stakeholders and helps guide the prioritisation and development of our sustainability strategies and reporting.



## Supporting the United Nations Sustainable Development Goals

Genetec remains attentive to global sustainability issues and recognises the vital role businesses have to play in advancing the United Nations Sustainable Development Goals (UN SDGs). We have aligned our material topics with five SDGs that are most relevant to our sustainability efforts. Moving forward, we will identify specific areas and initiatives that enable us to directly or indirectly contribute to these SDGs and their targets.

# SUSTAINABILITY STATEMENT

SDG Goal	Material topic
 7 AFFORDABLE AND CLEAN ENERGY	SDG 7: AFFORDABLE AND CLEAN ENERGY Renewable energy
 8 DECENT WORK AND ECONOMIC GROWTH	SDG 8: DECENT WORK AND ECONOMIC GROWTH Employee rights Employee welfare Occupational health and safety
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	SDG 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE Business diversification Innovation and R&D Product quality Customer satisfaction Data privacy and cyber security
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION Waste management Digitalisation Supply chain management
 13 CLIMATE ACTION	SDG 13: CLIMATE ACTION GHG emissions

## Targets and progress

This section outlines progress against our newly established sustainability targets, as detailed in the table on the next page. In line with our material topics, these targets are aligned to the three areas of ESG, with other targets intersecting all three areas and reflected accordingly. These sustainability related performance targets have not been linked to the remuneration of those in-charge within the company but may be considered in the future.

# SUSTAINABILITY STATEMENT

Corresponding material topic	Target	Target year	FP2024 progress
-	Develop a sustainability road map and strategy	2023/2024	Achieved
<b>Governance</b>			
Governance, ethics, and integrity	Establish a sustainability committee	2024	Achieved
Governance, ethics, and integrity	Communicate our Code of Conduct, Code of Ethics, and Anti-Bribery and Corruption Policy to 100% of employees	YoY	Achieved
Governance, ethics, and integrity	Ensure a minimum of 30% of board members are women	YoY	Achieved
Data privacy and cyber security	Train 100% of employees on IT and cyber security	YoY	Achieved
<b>Environment</b>			
GHG emissions	Conduct and complete carbon baseline assessment	2023/2024	Achieved
GHG emissions	Develop Scope 3 inventory	2025	Ongoing
GHG emissions	Complete comprehensive TCFD assessment	2024/2025	Ongoing
Waste management	Develop and roll out a Company-wide waste management standard operating procedure (SOP) to streamline waste management efforts across all sites	2024	Achieved
Waste management	Recycle 100% of all non-hazardous waste generated (excluding domestic waste)	YoY	Achieved
<b>Social</b>			
CSR	Roll out annual CSR strategy to support targeted local communities	2025 onwards	Ongoing
Occupational health and safety	Achieve zero work-related fatalities	YoY	Achieved
Talent attraction	Maintain a low turnover rate of below 10%	YoY	Achieved
Talent development	Ensure 100% of employees receive sustainability training and are informed, per their job functions, on our sustainability road map and targets	YoY	Ongoing
<b>Other</b>			
Product quality/ Customer satisfaction	Measure and maintain customer satisfaction rates of above 80% each year	YoY	Achieved
Supply chain management	Integrate ESG requirements into supplier/vendor contracts and assess suppliers against ESG requirements	2025	Ongoing
Supply chain management	Maintain traceability of raw material to country of origin	2024	Achieved

YOY: Year-on-year

# SUSTAINABILITY STATEMENT

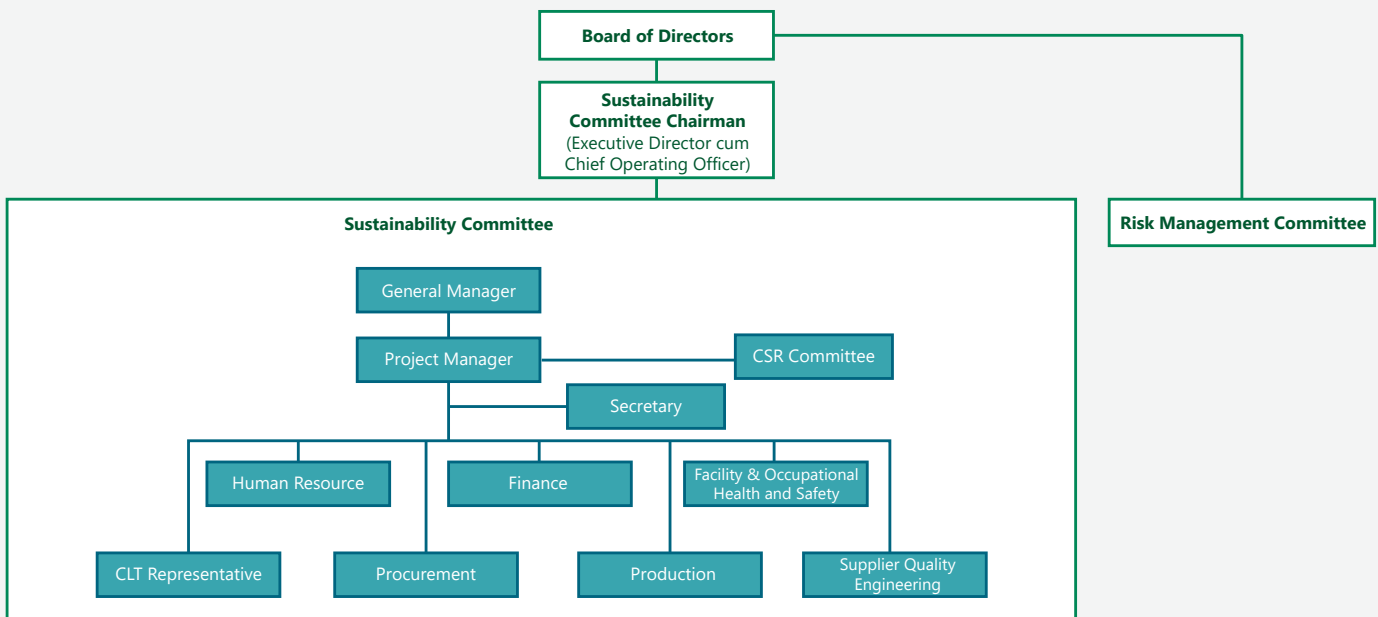
## RESPONSIBLE BUSINESS AND GOOD GOVERNANCE

Genetec places a strong emphasis on upholding high corporate governance standards throughout our operations to ensure that the company is managed in the best interests of all its stakeholders. Our Code of Conduct – which applies to directors and employees – promotes integrity, accountability, and honesty in all our business dealings.

Genetec is led by a Board of Directors, who collectively oversees the company's policies and decision-making, operational performance, and strategic direction, including sustainability initiatives. The Board is comprised of six members of which our Chairman is American and the remaining members are Malaysian. Of our Board members, 66.67% are independent directors, 16.67% is between the age of 30 to 50 and 83.33% are over the age of 50, and 33.33% are women. The Board has established several committees to oversee the various aspects of the company, including audit, nomination, remuneration, risk management, and our employees' share option scheme (ESOS). Further details are available in our 2024 Corporate Governance Overview Statement (see page 47 of our 2024 Annual Report), and relevant policies and charters can be accessed on our website.

### New sustainability governance structure

In 2024, we refreshed our sustainability governance structure. We also finalised our terms of reference (TOR), which outline the Board's responsibilities overseeing sustainability strategy, targets, and actions of the company. This ensures that sustainable practices are integrated throughout our operations and that these considerations remain embedded in our decision-making processes.<sup>3</sup>



The TOR also details the roles and responsibilities of our newly established Sustainability Committee, a cross-functional management team tasked with the day-to-day monitoring and implementing of sustainability initiatives and performance throughout the organisation. The committee reports to Executive Director cum Chief Operating Officer, Mr Sow Ewe Lee, who chairs the committee and is a member of the Board of Directors. The committee meets at least twice a year and comprises at least five members who are appointed by the Chairman for a two-year term. Additionally, a dedicated Corporate Social Responsibility (CSR) committee supervises Genetec's community engagement initiatives.

We will review our sustainability governance TOR each year to ensure its continued effectiveness.

<sup>3</sup> Genetec's sustainability leadership and oversight align with the 2021 revisions of the Malaysian Code on Corporate Governance. Since 2022, Board members have attended annual sustainability training sessions.

# SUSTAINABILITY STATEMENT

## Ethics and integrity

Genetec adheres to the highest standards of ethical and professional conduct, in compliance with all relevant regulatory requirements and certifications. All directors and employees must uphold our commitment to integrity and ensure a business free from bribery and corruption, in accordance with our Code of Conduct, Code of Ethics, and Anti-Bribery and Corruption Policy.

As part of their onboarding process, all employees are communicated on our Code of Conduct, Code of Ethics, and our Anti-Bribery and Corruption Policy. These are also readily accessible by our employees, stakeholders and the public through our website. Every year, we assess 100% of our operations for corruption-related risk through our existing risk management strategy. There were no reported incidences of corruption in FP2024.

Moving forward, we will develop a corruption risk assessment framework to evaluate and address any potential corruption risks within our business and supply chain. One of our directors has attended a training on MACC Act 2009 during the reporting period. We will also develop formal training modules to further enhance employee understanding and awareness as employees have not received training on anti-corruption.

Our Whistleblowing Policy is communicated to employees through induction programmes and our employee handbook. It is accessible to all stakeholders, including the general public and suppliers, and is published on our website. Employees are encouraged to report any policy violations or misconduct and can submit grievances or concerns by telephone, email, post, or directly to their line manager. If an employee is uncomfortable approaching their manager, they can also report cases to the Head of Human Resources or the Chairperson of the Audit Committee. All reports are thoroughly reviewed by the Audit Committee. We protect whistleblower anonymity and ensure confidentiality to the best of our ability. To date, no grievances or complaints have been reported.

## Stakeholder engagement

Genetec values the contributions of our stakeholders and aims to cultivate long-term partnerships through open and ongoing dialogue. We gather stakeholder feedback through several channels, including meetings, interviews, focus group discussions, surveys, and feedback programmes. This allows us to better understand and respond to our stakeholders' needs, expectations, and concerns, thereby fostering a collaborative and mutually beneficial relationship.

Stakeholder group	Key engagements	Engagement method	Frequency
<b>Communities</b>	CSR programmes and community initiatives	Community projects Donations and sponsorships	As and when required
<b>Customers</b>	Delivery of products and services, after-sales support, customer satisfaction, customer complaints, product quality and safety, codes of conduct, and NDAs	Surveys and feedback forms One-on-one meetings Online meetings Emails Media and website announcements	Annually As and when required
<b>Employees</b>	Policies, practices, employee rights, benefits, diversity and equal opportunities, career development	Appraisals and performance reviews Staff meetings Training sessions	Annually As and when required



# SUSTAINABILITY STATEMENT

Stakeholder group	Key engagements	Engagement method	Frequency
<b>Financial institutions and investors</b>	Corporate and financial information, per our Corporate Disclosure Policy	Direct engagement Corporate website Investor Relations page Investor briefings (financials and corporate exercises) Investor/analyst site visits Bursa News Company announcements Annual reports Annual general meetings	Annually Quarterly As and when required
<b>Government/regulators</b>	Corporate development, business activities, financial performance, annual reports, compliance with legislation	Media and website announcements Direct engagements and meetings Emails Annual reports	Annually Quarterly As and when required
<b>Media</b>	Major corporate exercises, financial performance, branding	Direct engagement Analyst briefings Press releases	As and when required
<b>Shareholders</b>	Corporate and financial information, per our Corporate Disclosure Policy	Media and website announcements Quarterly results Annual reports Annual general meetings	Annually Quarterly As and when required
<b>Suppliers and business partners</b>	Code of conduct and NDAs, product quality evaluation, meetings to discuss product requirements, meetings to discuss project execution matters	Quality audits and evaluation One-on-one meetings Direct engagements and meetings Online meetings Emails	Biennially As and when required

## Transparency and reporting

Genetec is committed to transparent communication with stakeholders, including shareholders and customers. We comply with Bursa Malaysia's listing requirements and publish comprehensive financial, corporate governance, and sustainability data and disclosures through our annual reports and statements, which are publicly accessible on our website. We also actively respond to investor enquiries and support customers in fulfilling their reporting requirements.

We strive to continuously improve our sustainability reporting and external communications by referencing international guidelines and best practices, such as the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-related Financial Disclosure (TCFD) requirements. We are also making significant changes to our website to better showcase our sustainability-related content and to facilitate streamlined access to investor relations materials.

# SUSTAINABILITY STATEMENT

## Data security

Ensuring the highest levels of data security and privacy remains of utmost importance to Genetec. We enter into non-disclosure agreements with customers and suppliers, if required, and implement measures to safeguard intellectual property and sensitive data, including highly customised product designs and drawings. Our data protection practices comply with the 2010 Personal Data Protection Act, and we have robust systems to prevent cyber security breaches, data misuse, and third-party leaks. All employees must adhere to our Information Security Policy, which outlines our commitment to maintaining comprehensive protection and ensuring clear accountability for Genetec's information assets and resources.

Our information technology (IT) department provides regular reminders and shares best practices with employees on topics such as avoiding phishing scams and maintaining password security. All our employees are required to update their passwords once every quarter. In FP2024, 100% of our employees received training on IT and cyber security, and there were no reported customer privacy breaches or customer data losses.

## ENVIRONMENTAL MANAGEMENT

Genetec is committed to upholding environmental responsibility throughout our operations. We adhere to all applicable laws and regulations as outlined by the Department of Environment and continue to actively explore ways to better manage and optimise our energy, water, and waste consumption efficiencies. Beyond minimising our operational environmental footprint, we contribute to the global green energy movement through our products and services. Since 2014, we have supplied production lines and automation solutions to the global electric vehicle (EV) and energy storage markets.

In February 2024, we proudly achieved ISO 14001:2015 certification for our Environmental Management System (EMS). This certification not only demonstrates our adherence to international standards but also underscores our ongoing efforts to continuously improve our environmental performance.

## Battery energy storage system (BESS)

In 2023, we developed our battery energy storage system (BESS), which is a highly scalable energy storage solution designed to address the challenges of renewable energy deployment, such as the intermittency of solar power. It enhances grid stability by providing essential stabilisation functions, thereby ensuring a resilient and reliable power system. Additionally, BESS enables commercial and industrial energy users to facilitate peak shaving and load shifting, and to store excess renewable energy for later use, leading to more efficient energy consumption and cost savings. We successfully piloted a one-megawatt hour (1MWh) BESS at our EPIC plant in Bandar Baru Bangi, Selangor in December 2022, integrating it with our rooftop solar system to support the plant's energy requirements.

In July 2024, our BESS has received the MyHijau certification, marking another milestone as the first BESS in the country to receive this certification. The MyHijau mark enables our clients to qualify for Green Technology Tax Incentives offered by the Malaysian government, including the Green Investment Tax Allowance (GITA).

Undoubtedly, BESS will play a crucial role in Malaysia's journey towards achieving its renewable energy goals, aligning with global commitments to achieve net-zero carbon emissions by 2050. We continue to seize opportunities within the renewable energy sector by expanding our product portfolio and offering high-quality products such as BESS.

# SUSTAINABILITY STATEMENT

## Preparing for TCFD

Our Risk Management Committee conducts annual internal assessments to understand the financial and operational impact of potential sustainability-related risks and opportunities. This exercise is not only part of our ongoing risk management strategy, but also prepares us for alignment with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. The following table summarises the sustainability-related risks identified in our 2023 assessment and our strategies to manage them:

Risk identified	Description	Risk management strategy
Supply chain disruption and material cost fluctuations	Natural disasters, geopolitical events, and global market supply and demand can lead to material shortages for our projects. Geopolitical conflicts may also affect shipping routes, resulting in higher shipment costs and extended delivery periods	<ul style="list-style-type: none"> <li>Genetec has been in business for over two and a half decades and has established a robust network of suppliers with whom we have long-standing relationships. We continue to nurture these partnerships while diversifying our sources of supply to provide alternative options.</li> </ul>
		<ul style="list-style-type: none"> <li>Many of our orders are recurring, allowing us to buy in bulk at competitive prices without compromising quality. We leverage our extensive experience to plan ahead and make accurate procurement decisions, maximising the cost benefits of bulk purchasing.</li> </ul>
		<ul style="list-style-type: none"> <li>Our dedicated procurement department continuously monitors the supply chain and strategically plans for early procurement with suppliers when necessary.</li> </ul>
		<ul style="list-style-type: none"> <li>Our logistics department closely monitors global shipping conditions and collaborates with multiple shipping agents and freight forwarders to minimize any impact on project shipments.</li> </ul>
		<ul style="list-style-type: none"> <li>We require our suppliers to comply with our Supplier Code of Conduct and conduct periodic compliance reviews and audits.</li> </ul>
Competition in the global market	The entry of lower-cost players into the global market has resulted in increased competition	<ul style="list-style-type: none"> <li>We have implemented various internal cost reduction initiatives to ensure that Genetec and our clients stay competitive. Our industry experience enables us to continuously optimise our manufacturing processes and operational efficiency.</li> </ul>
		<ul style="list-style-type: none"> <li>We continue to innovate and find opportunities to automate our clients' manufacturing processes to help them achieve operational efficiencies and remain competitive.</li> </ul>
		<ul style="list-style-type: none"> <li>We actively explore new suppliers and negotiate for better deals for bulk orders of materials.</li> </ul>
Technology niche and challenges in talent resource acquisition and retention	Genetec's projects require a very specialised technology skill set. This can make it challenging to recruit qualified candidates for business expansion and talent retention.	<ul style="list-style-type: none"> <li>We recruit local talent from local universities given our close proximity to those universities and have partnered with local universities to participate in career fairs and sponsor various initiatives such as tech and innovation competitions to enhance our visibility to students in the tech and engineering field and attract the best talent.</li> </ul>
		<ul style="list-style-type: none"> <li>We develop and implement talent retention programmes (such as long-term incentive plan) to attract and retain qualified employees.</li> </ul>
		<ul style="list-style-type: none"> <li>We offer career development programmes which includes, amongst others, the provision of various training programmes to our employees to expand their knowledge, skill and exposure, which in turn creates a positive work culture and is always in line with the latest development in climate change.</li> </ul>

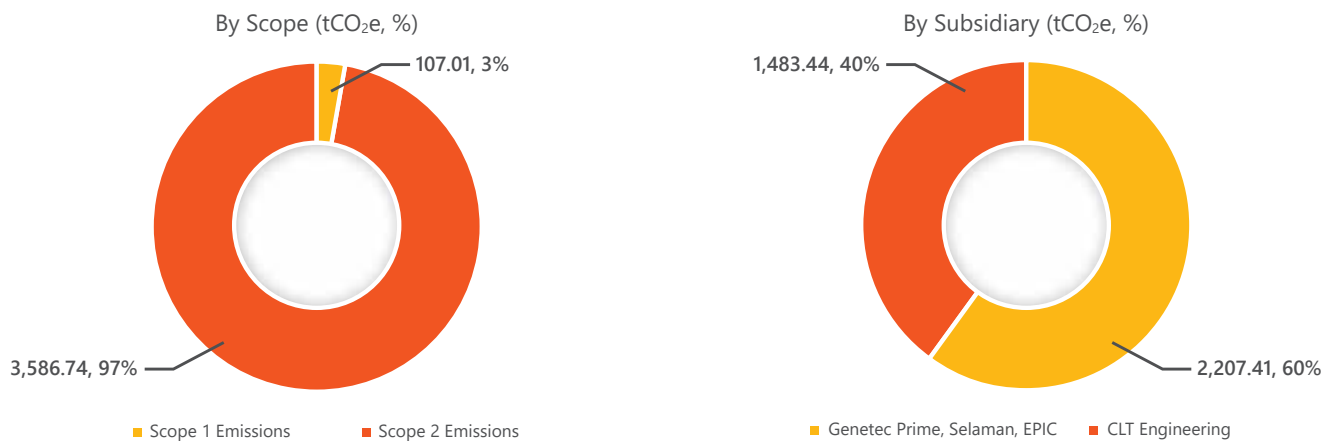
We will assess the potential climate-related risks and opportunities that could impact our business and conduct a comprehensive TCFD assessment in the next few years. This will strengthen our alignment with the TCFD recommendations while ensuring our ability to mitigate and adapt to climate-related impacts across our operations.

# SUSTAINABILITY STATEMENT

## Emissions

In August 2023, we completed a carbon baseline assessment according to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard to understand our Scope 1 and Scope 2 GHG emissions. Based on this assessment, we determined that most of our emissions are Scope 2 emissions, accounting for 97% of a total of 3,693.74 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) generated during the reporting year. The majority of emissions (60%) came from our operations in Bandar Baru Bangi, while a smaller proportion (40%) were from our Subang Jaya operations.

### Scope 1 and Scope 2 Emissions (Total: 3,693.74 tCO<sub>2</sub>e)



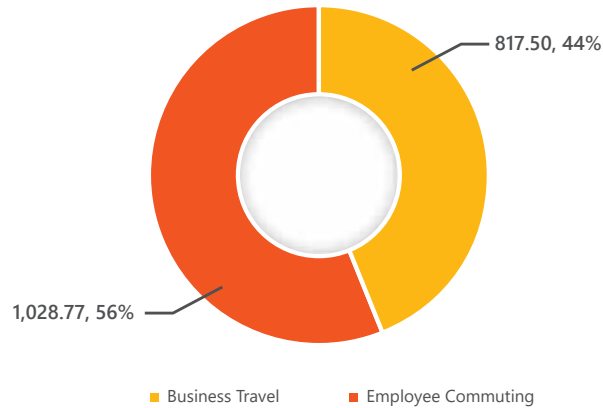
Notes:

1. Scope 1 emissions include emissions from vehicle fuel combustion. Scope 2 emissions include indirect emissions from purchased electricity.
2. As per the GHG Protocol's equity share approach, Genetec only accounts for 51% of the total emissions generated from CLT Engineering.

In FP2024, we began collecting Scope 3 emissions data according to Bursa Malaysia's requirements, for the categories of business travel and employee commuting. Our Scope 3 emissions in the reporting year was 1,846.27 tCO<sub>2</sub>e, with 56% from employee commuting and 44% from business travel.

# SUSTAINABILITY STATEMENT

**Group Scope 3 Emissions by Category Assessed FP2024**  
(tCO<sub>2</sub>e, %)



*Notes:*

1. *Employee commuting emissions are calculated based on the total commuting distance driven by employees using various vehicle types, applying emissions factors from Defra, the EPA, and the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.*
2. *Business travel emissions encompass both ground and air travel distances, utilising emissions factors from the 2024 Government Greenhouse Gas Conversion Factors for Company Reporting, published by the Department for Business, Energy & Industrial Strategy, UK Government.*

To help reduce emissions, we encourage employees to transition to EVs through various incentive programmes, including financial incentives for EV purchases and providing free EV charging facilities within our office vicinity for their use. While travelling is essential given the nature of Genetec's business, we minimise the need for it by carefully planning and optimising our business visits.

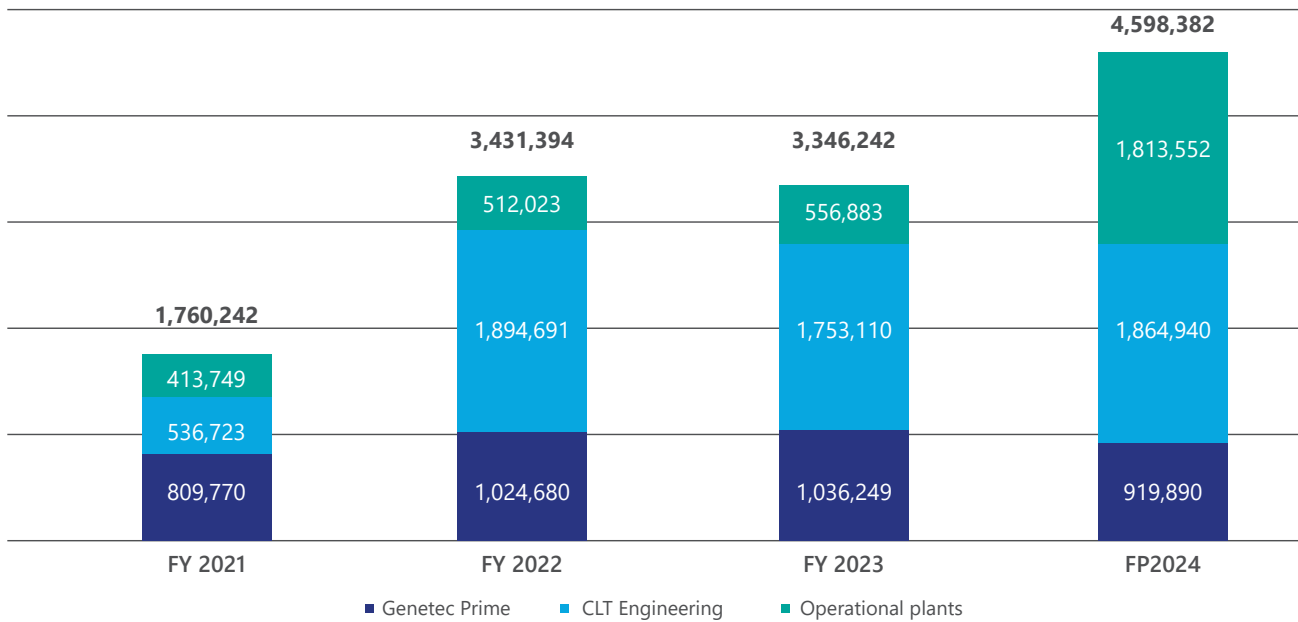
We will continue to refine our data collection processes as part of our efforts to develop a comprehensive Scope 3 emissions inventory and support customer requests regarding GHG data across our supply chain. We will provide more information in future reports.

## Energy management

Genetec's primary source of energy is grid electricity, with a small proportion from diesel and petrol for our on-site vehicles. In FP2024, our total electricity consumption was over 4.59 million kilowatt hours (kWh). This was double the amount of electricity used in the previous year, due to increased operational activity and our EPIC plant reaching full capacity.

# SUSTAINABILITY STATEMENT

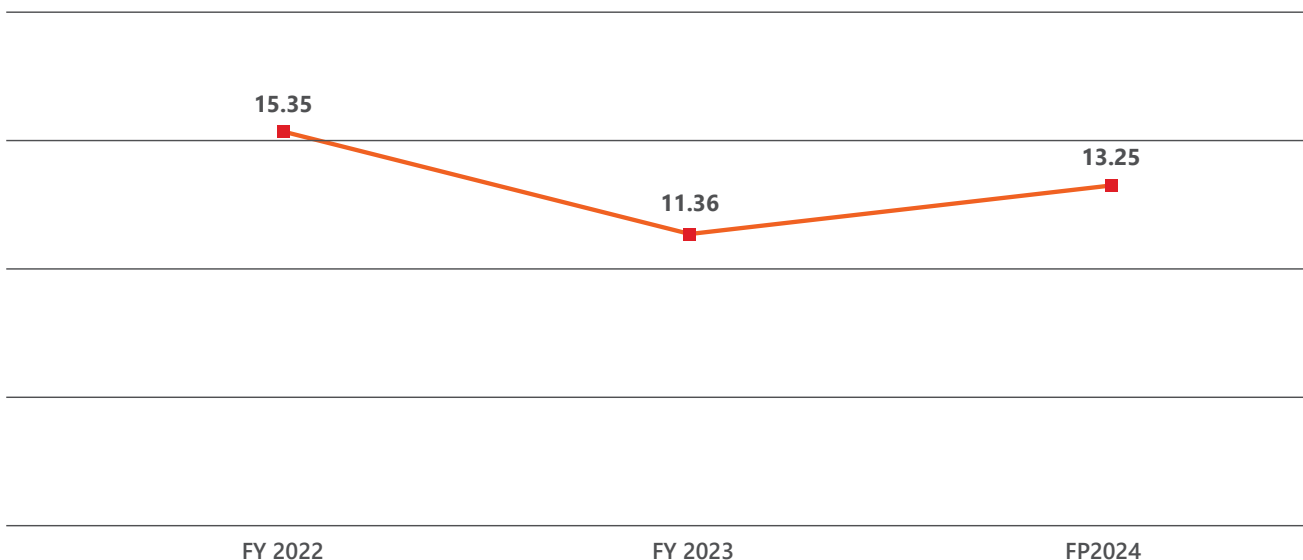
## Electricity Consumption FY2021- FP2024 (kWh)



Note: Operational plants include our Selaman plant and EPIC plant. Our EPIC plant became operational in FY 2023.

Our electricity intensity in FP2024 was 13.25 kWh/revenue in RM thousand. We continue to expand our efforts to reduce our dependence on grid electricity and fossil fuel-based energy sources, such as by increasing the use of solar energy and BESS.

## Electricity Consumption intensity FY2022-FP2024 (kWh/revenue in RM thousand)



Note: Our electricity intensity varies each year and reflects the varying energy needs of each project.

# SUSTAINABILITY STATEMENT

## Adopting solar energy

At our EPIC plant, we have installed a state-of-the-art solar energy system featuring solar photovoltaics with a 432.54-kilowatt peak (kWp) capacity. This will be integrated with our BESS and on-site EV chargers and equipped with an AI-powered energy management system. The system is projected to be able to generate up to 556,990 kWh of energy annually. This will not only reduce our emissions by an estimated 356 tCO<sub>2</sub>e per year but also save us over RM 187,000 in annual energy costs.

This initiative lessens our reliance on grid-supplied power and reduces our carbon footprint, showcasing our innovative technology solutions and our commitment to sustainable practices. We are currently testing and fine-tuning the system to ensure optimal performance before full-scale deployment and operation.



# SUSTAINABILITY STATEMENT

We implement energy efficiency measures to mitigate environmental impacts and achieve cost savings. These initiatives include managing indoor temperatures and using timers to regulate air conditioning in our offices and factories. We are also exploring other opportunities to further optimise our operational energy consumption and to expand our use of renewable energy.

## Waste management

Genetec produces two categories of waste at our manufacturing facilities: hazardous (scheduled waste) and non-hazardous (general waste). All waste is gathered, sorted, and stored temporarily at designated areas before being recycled or disposed of responsibly according to local regulations. We recycle 100% of non-hazardous waste generated, except for non-recyclable waste (i.e. domestic waste) which is handled by an appointed licensed waste collector. Hazardous waste is properly disposed of by a licensed service provider.

In FP2024, we generated a total of 101,406 kg of waste, as follows:

Non-hazardous waste		Disposed (kg)	Recycled (kg)
Recyclable	Others		2,038
	Scrap metals		57,684
	Scrap plastic		931
Non-recyclable	Domestic waste	12,750	
<b>Total</b>		<b>12,750</b>	<b>60,652</b>

Notes:

1. Scrap metals include aluminium, brass, copper, iron, and stainless steel.
2. 'Others' comprises cable machine and PVC wire cable scrap material, and electrical and electronic components such as battery scrap, circuit breakers, and printed circuit boards.

Hazardous waste	Disposed (kg)
Rags and gloves	1,966
Spent mineral oil	25,106
Spent hydraulic oil	932
<b>Total</b>	<b>28,004</b>

We are increasing the adoption of digital solutions to improve operational efficiency and reduce paper waste in our business and production processes. Moreover, we help our customers minimise waste through our after-sales technical services, particularly by offering equipment retooling and retrofitting options. We also collaborate with our battery suppliers to recycle spent batteries for our BESS products.

## Water management

Water usage in our manufacturing processes is minimal. Most of our water consumption occurs in our office spaces and toilet facilities. In FP2024, our total water consumption was 20,719 m<sup>3</sup>.



# SUSTAINABILITY STATEMENT

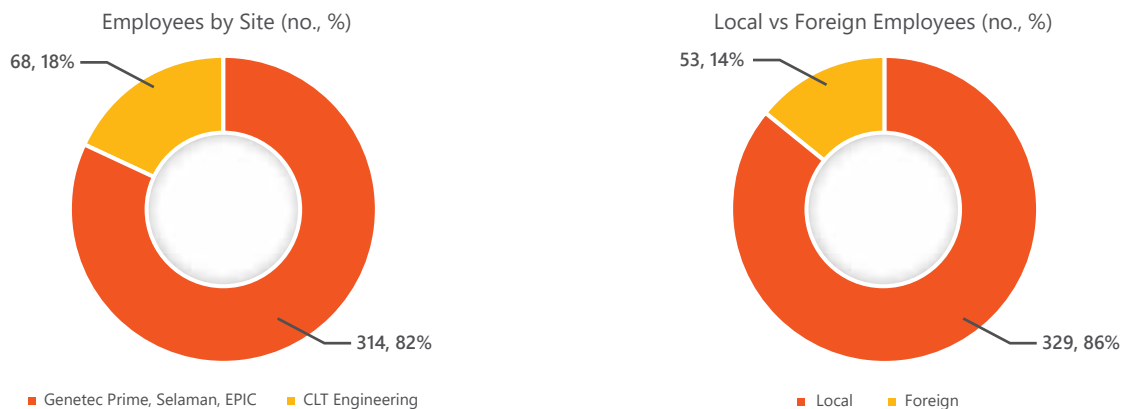
## OUR WORKFORCE

Our employees are the driving force of our competitive edge. We uphold employee rights and adhere to all statutory requirements regarding employment, labour relations, remuneration, and welfare. We implement dedicated initiatives to support employee welfare and development while maintaining rigorous health and safety standards.

### Employee overview

As of the end of FP2024, our workforce consists of 382 permanent, full-time employees, 314 of whom are based in Bandar Baru Bangi and 68 in Subang Jaya. Of our total workforce, 329 (86%) are Malaysian citizens, while the remaining 53 (14%) are foreign nationals from Myanmar and Nepal employed as security forces, kitchen cooks, and helpers at our factories. All foreign employees are hired for permanent positions but must undergo annual permit renewals as per local regulations. Genetec does not hire temporary employees.

### Employee overview FP2024



In addition to serving operations in Malaysia, our local employees are sometimes seconded to overseas offices for customers who require after-sales support. Subject to visa regulations and project requirements, these secondments are rotated and typically last one to six months.

### Wages, working conditions, and employee welfare

All employees are compensated in compliance with Malaysia's labour laws and regulations, with entry-level positions receiving at least the minimum wage. Additionally, every employee, regardless of their role or location, works a standard five-day week and is paid overtime for any additional hours worked. Conditions and benefits are equal for all Genetec employees.

Genetec offers generous employee benefits in line with the updated Employment Act 1955. These include contributions to the Employee Provident Fund (EPF) and Social Security Organization (SOCSO), medical insurance (covering dental care, hospitalisation, surgery, and personal accident), travel insurance and allowances, share option schemes, and several types of leave, including annual, medical, sick, compassionate, and parental. Genetec employees are eligible for a corporate discount on health screening packages at our panel hospital. This benefit is also extended to their immediate family members.

To further enhance employee well-being and satisfaction, we offer subsidised meals and beverages made from fresh ingredients and prepared by our in-house cafés. At our annual dinners, employees can participate in "lucky draws" to win the latest smart gadgets. In FP2024, we introduced several new initiatives to further support our employees. These include:

# SUSTAINABILITY STATEMENT

Encouraging EV adoption	Promoting employee fitness	Providing nursing facilities	Healthy meals at our in-house cafés
<p>To support the adoption of EVs and minimise our carbon footprint from employee transportation, we launched an incentive programme for employees and managers to purchase electric vehicles (EVs).<sup>4</sup> EV charging stations are now also available at our main office and EPIC plant.</p>	<p>To foster employee well-being and physical fitness, we have reintroduced weekly Zumba sessions led by certified instructors. We have also organised and sponsored weekly badminton sessions for our employees.</p> <p>In addition to these initiatives, we launched a new gym at our EPIC plant on September 23, 2024. This modern facility features the latest equipment and is accessible to our employees even outside of regular office hours.</p>	<p>We support our female employees, especially mothers returning from maternity leave. At our EPIC plant, we provide dedicated private nursing rooms.</p>	<p>To promote a healthier diet, we offer daily meals for all employees, prepared with freshly sourced organic chicken, eggs, and free slow juice.</p>



EV Charging Station in EPIC

<sup>4</sup> Employees are offered an incentive of MYR 2,000–3,000 to purchase EVs from a selected EV manufacturer.

# SUSTAINABILITY STATEMENT



*Gym room in EPIC*



*EPIC Cafe*

## SUSTAINABILITY STATEMENT



*In-house VOR café in EPIC*



*Healthy food for our employees*

We also facilitate compassionate donations and regularly conduct fundraising efforts to support our employees during difficult times, especially those who face personal hardships, such as bereavement or medical illness. In FP2024, we raised a total of RM 12,550 to contribute to the medical treatment of a former Genetec employee.

### Supporting foreign workers

Like our local employees, all foreign workers work a standard five-day week and are paid overtime for additional hours worked. Foreign workers directly employed by Genetec are provided with free accommodation and utilities. Those based in Bandar Baru Bangi are accommodated in double-storey houses located within cycling distance of our operations, while those in Subang Jaya are accommodated in apartments. All accommodation provided comply with the relevant regulatory requirements.

### Workers who are not employees

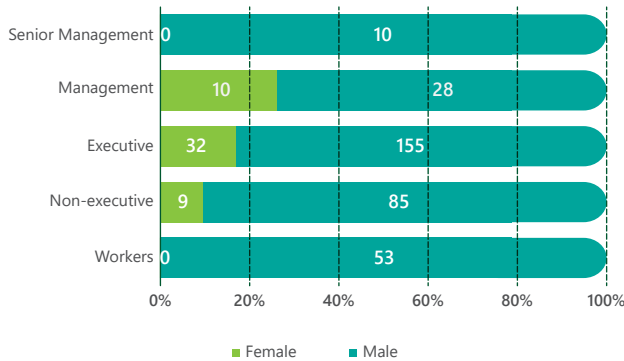
At CLT Engineering, we also periodically outsource contract workers to meet production demands. These workers are supplied by a third-party agency licensed by the Department of Labour (Jabatan Tenaga Kerja [JTK]). In FP2024, we outsource work to 28 foreign workers.

### Workforce diversity

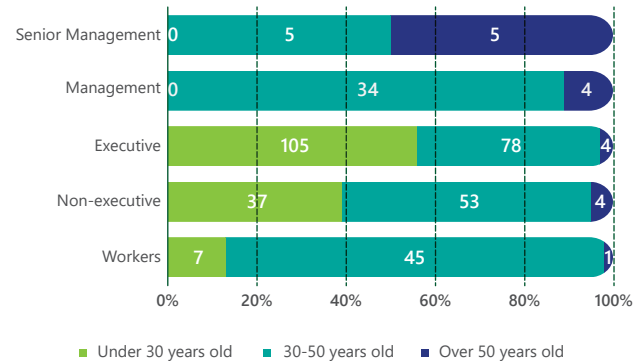
Genetec is committed to nurturing a diverse workforce and does not discriminate based on gender, race, religion, or disability. Of our total workforce, 53 employees (14%) are women. We recognise the traditionally low representation of women in Malaysia's engineering sector and will continue to actively explore strategies to enhance the diversity of our workforce.

# SUSTAINABILITY STATEMENT

### Workforce Category by Gender (no.)



### Workforce Category by Age (no.)



## Health and safety

Genetec is dedicated to safeguarding the health and safety of all individuals involved in the manufacture, distribution, and use of our products. We comply with all legal requirements and relevant codes and standards and take additional measures where necessary. In August 2024, we updated our Safety and Health Policy to reinforce our commitments, which include:

- Providing our employees with a safe working environment and robust communication mechanisms.
- Ensuring line managers are accountable for the safety and health of their team members within their respective working areas.
- Striving towards zero work-related fatalities in our workplaces.
- Ensuring the safe production, transportation, use, and disposal of our products; promptly providing information to relevant authorities when required.
- Encouraging all employees to take personal responsibility for their safety and actively cooperate in preventing harm to others.

Our Employee Safety and Health Committee, which includes both management and employee representatives, oversees and manages Occupational Safety and Health (OSH) matters. Regular safety training sessions and briefings are provided for all employees, which are customised based on their roles and responsibilities. Topics include equipment handling, chemical spillage control, basic occupational first aid and CPR AED<sup>5</sup>, fire safety protocols, and general safety awareness. In FP2024, a total of 10 training sessions were conducted, with 90 employees participating in these sessions.

In addition to OSH training, we conduct:

Annual **Hazard Identification, Risk Assessment, and Risk Control (HIRARC) exercises** to evaluate the likelihood and severity of potential health and safety risks across all operational activities, ensuring proactive risk mitigation strategies are in place.

Regular **fire drills** to ensure employee preparedness and efficient response times.

Regular **'Safety walkabouts'** around our factory and operational areas to identify safety hazards and establish timely mitigation measures.

Periodic **audiometric screenings** to safeguard employee hearing health.

<sup>5</sup> *Cardiopulmonary resuscitation and automated external defibrillator (CPR AED) training equips individuals to effectively respond to cardiac emergencies.*

# SUSTAINABILITY STATEMENT

We also maintain robust Emergency Response Procedures. Our dedicated emergency response team effectively implements these procedures, ensuring continued readiness to quickly address potential emergencies, such as a chemical spillage. Standard Operating Procedures (SOPs) are enforced for chemical handling, encompassing the proper use of Personal Protective Equipment (PPE) and chemical disposal procedures. A Chemical Health Risk Assessment (CHRA) conducted in January 2024 confirmed that all chemicals used at Genetec are moderate to low risk and are non-hazardous to human health.

Construction of a first-aid room at our EPIC plant is underway and is expected to be operational by 2025. The facility will provide a proper location for immediate medical treatment for employees requiring on-site medical assistance.

In FP2024, our lost-time injury rate was 0.47. There have been zero work-related fatalities at our operations since our inception.

## Employee attraction and development

Hiring and developing a highly skilled workforce, especially product design and service engineers, is crucial for the success of our business. We take proactive measures to attract talented fresh graduates from local universities, such as participating in career fairs and sponsoring university-level competitions. We also incentivise and retain employees by offering competitive performance-based remuneration and a share option scheme.

All employees receive internal and external training and development opportunities. These not only enhance their skills, knowledge, and performance but can also provide a pathway to managerial positions. We have also incentivised employees to join professional and technical associations by reimbursing the relevant membership fees. All employees receive annual performance reviews from their direct supervisors and higher management.

Many of our employees have been with Genetec for a significant period. In particular, 14% (46 individuals) have been with us for over five years, 15% (50 individuals) for over ten years, and 5% (17 individuals) for more than twenty years. We believe that this is a testament to our positive work environment and effective talent retention strategies.

In FP2024, our employees completed a total of 2,703 training hours (7.08 hours on average per employee). We will soon provide employee training on sustainability-related matters and communicate our sustainability road map and targets pertaining to their job functions.

Employee category	Hour
Manager	384
Executive	1,480
Non-executive	839
<b>Grand Total</b>	<b>2,703</b>

To align with Bursa Malaysia requirements, we revised how we calculate employee turnover rate. Our employee turnover rate in FP2024 was 8.38%, and our target is to maintain a turnover rate of below 10% each year.

Category	No
Manager	4 (out of which 2 are retirements)
Executive	14
Non-executive	14
<b>Grand Total</b>	<b>32</b>

To date, there is zero reported complains concerning human rights violations.

# SUSTAINABILITY STATEMENT

## Community support

Genetec acknowledges the importance of supporting local communities as part of our broader social responsibility. Our Corporate Social Responsibility (CSR) initiatives are managed by our dedicated CSR committee.

In FP2024, we contributed a total of MYR 25,233 to CSR initiatives, benefitting four organisations – Persatuan Veteran Bomba dan Penyelamat Malaysia (Malaysian Fire and Rescue Veterans Association), *Pusat Jagaan Warga Emas Al-Fattah* (Al-Fattah Old Folks Home), Tunku Abdul Rahman University of Management and Technology (TAR UMT), and the National Autism Society of Malaysia. Specifically, we:

Contributed food and catered lunches to *Pusat Jagaan Warga Emas Al-Fattah*

Funded the purchase of a prosthetic leg for a veteran firefighter through *Persatuan Veteran Bomba dan Penyelamat Malaysia*

Sponsored TAR UMT's Project Design Exhibition (ProDEX) event which featured capstone and final year projects presented by students from the Faculty of Engineering and Technology

Donated to the National Autism Society of Malaysia



*Contributed to Pusat Jagaan Warga Emas Al-Fattah*



*Prosthetic leg for veteran*

Genetec also hosted over 50 children from two orphanages for the May 2023 Hari Raya celebrations.

We are developing a new CSR strategy focusing on supporting communities in Bandar Baru Bangi and Cheras and will share more information in future reports.

# SUSTAINABILITY STATEMENT

## OUR MARKETPLACE

Genetec provides our clients with high-quality, innovative, cost-effective automated industrial systems and equipment solutions. Our broad range of services include design, production, installation, and after-sales support, which includes retrofitting, retooling, and relocating automated manufacturing processes to meet evolving customer needs.

We cater to a diverse array of industries, including automotive (internal combustion engines (ICE), hybrids and electric vehicles (EV)), renewable energy, hard disk drives (HDD), consumer goods, and healthcare. Our global reach extends across eight key markets: Brazil, China, Germany, Mexico, Poland, Thailand, the United Kingdom, and the United States.

### Delivering quality products

In line with our determination to become a world-class manufacturer, our objective is to provide our customers with innovative, customised products and services that increase the value of their finished product. To guarantee success, we are committed to developing cutting-edge automation systems.

Rigorous quality control measures enable us to deliver products that exceed our customers' expectations. We also regularly assess customer feedback as part of our commitment to excellence and continuous improvement.

Genetec strictly adheres to rigorous procedures and is certified to internationally recognised standards such as ISO 9001:2015 for quality management systems (QMS). This ensures our products and services consistently meet the needs of our customers and regulatory bodies.

### Customer satisfaction

Genetec seeks to ensure high levels of client satisfaction. Our engineers and technicians provide continuous client support and make regular site visits to address their specific needs. Genetec also conducts annual customer surveys to collect feedback on all our products and services, with a particular focus on employee competency, delivery processes, and product quality. Additionally, Genetec has participated in SMETA (Sedex Members Ethical Trade Audit) audits to help fulfil customer requirements.<sup>6</sup>

During our reporting period, there were no product recalls, returns, or significant customer product quality complaints. We also conduct annual customer satisfaction surveys to measure customer sentiment and identify any areas for improvement, including staff competency (such as technical support), product quality, and delivery timelines. Our most recent survey revealed that we achieved excellent levels of customer satisfaction, with average ratings exceeding 80%. We are committed to maintaining this high level of customer satisfaction every year.

### Innovation and R&D

To maintain a competitive edge, we aim to continually enhance our technological capabilities. We work closely with our customers to develop bespoke solutions that cater to their evolving needs. We also collaborate with industry peers to foster strategic partnerships that drive innovation and progress. For example, our development in BESS solutions reinforces our presence and industry expertise in the renewable energy sector.

<sup>6</sup> SMETA audits are part of a broader initiative by Sedex (Supplier Ethical Data Exchange), a global platform that helps companies manage and improve their ethical and sustainable practices. The audit aims to provide transparency and build trust across supply chains by offering a standardised approach to ethical trade assessments.



# SUSTAINABILITY STATEMENT

## Working with suppliers

Genetec sources raw materials (such as aluminium, mild steel, and plastics) and standard manufacturing components (such as batteries and robotic parts) from local and international suppliers. We prioritise sourcing raw materials from local suppliers whenever possible. However, for standard manufacturing components, sourcing is determined by product availability, price competitiveness, and specifications. In FP2024, our procurement spend on local suppliers was 18.9% of our total procurement spend.

As much as possible, Genetec maintain traceability of raw materials purchased to their countries of origin. This is to avoid sourcing from countries with known human rights risks and ensure compliance with any potential restrictions or trade sanctions.

All suppliers must adhere to our Supplier Code of Conduct and submit evaluation forms and declarations. We conduct supplier evaluations every six months and assess criteria such as product quality, timely delivery, and responsiveness. Suppliers who fail to meet our standards are removed from our list of sources. Starting in 2025, we plan to integrate ESG requirements into supplier/vendor contracts and assess suppliers against ESG requirements. We will provide updates in future reports.

Genetec maintains robust long-term partnerships with our suppliers and strategically mitigates supply chain risks to ensure uninterrupted customer service. This includes increasing buffer times for delayed deliveries and improving stock capacity for high-demand items. Despite challenges such as the pandemic and the more recent Red Sea shipping crisis, we have demonstrated agility and achieved sustainable business growth.

**Our 2024 sustainability statement showcases Genetec's efforts and achievements in promoting responsible business practices. We remain dedicated to improvement as we continue to make positive contributions to our business, society, and the environment.**



# SUSTAINABILITY STATEMENT

## Performance data table

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	0.00
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive	Percentage	0.00
Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	107.01
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	3,586.74
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,846.27
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	5,139.59
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	101,405.87
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	60,652.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	40,753.67
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	20.719000
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	50.00
Senior Management Above 50	Percentage	50.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	89.47
Management Above 50	Percentage	10.53
Executive Under 30	Percentage	56.15
Executive Between 30-50	Percentage	41.71
Executive Above 50	Percentage	2.14
Non-executive Under 30	Percentage	39.36
Non-executive Between 30-50	Percentage	56.38
Non-executive Above 50	Percentage	4.26
Workers Under 30	Percentage	13.20
Workers Between 30-50	Percentage	84.91
Workers Above 50	Percentage	1.89

# SUSTAINABILITY STATEMENT

Gender Group by Employee Category		
Senior Management Male	Percentage	100.00
Senior Management Female	Percentage	0.00
Management Male	Percentage	73.68
Management Female	Percentage	26.32
Executive Male	Percentage	82.89
Executive Female	Percentage	17.11
Non-executive Male	Percentage	90.43
Non-executive Female	Percentage	9.57
Workers Male	Percentage	100.00
Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
<b>Indicator</b>	<b>Measurement Unit</b>	<b>2024</b>
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.47
Bursa C5(c) Number of employees trained on health and safety standards	Number	90
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	0
Management	Hours	384
Executive	Hours	1,480
Non-executive	Hours	839
Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.83
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	4
Executive	Number	14
Non-executive	Number	14
Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	25,233.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	18.85

Internal assurance External assurance No assurance

(\*)Restated

# SUSTAINABILITY STATEMENT

## GRI content index

The Global Reporting Initiative (GRI) is a widely adopted multi-stakeholder standard for sustainability reporting, guiding and determining report content and indicators. It has been designed to enhance the global comparability and quality of information on environmental and social impacts, thereby enabling greater transparency and accountability of organizations. Our 2024 Sustainability Statement has been prepared with reference to the 2021 GRI Standards. Our GRI Content Index references our 2024 Sustainability Statement.

Statement of use	Genetec is reporting the period from period 1 April 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location or Reason for Omission
GRI 2: General Disclosures 2021	<b>2-1</b> Organisational details	About this statement, p.16 AR2024 Corporate Governance Overview Statement, p.47
	<b>2-2</b> Entities included in the organization's sustainability reporting	About this statement, p.16
	<b>2-3</b> Reporting period, frequency and contact point	About this statement, p.16
	<b>2-4</b> Restatements of information	Available throughout, where relevant
	<b>2-5</b> External assurance	Information unavailable
	<b>2-6</b> Activities, value chain and other business relationships	AR2024, p.71
	<b>2-7</b> Employees	Our workforce, p.32
	<b>2-8</b> Workers who are not employees	Performance data table, p.41
	<b>2-9</b> Governance structure and composition	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-10</b> Nomination and selection of the highest governance body	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-11</b> Chair of the highest governance body	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-12</b> Role of the highest governance body in overseeing the management of impacts	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-13</b> Delegation of responsibility for managing impacts	Responsible business and good governance, p.22
	<b>2-14</b> Role of the highest governance body in sustainability reporting	Responsible business and good governance, p.22
	<b>2-15</b> Conflicts of interest	Information unavailable
	<b>2-16</b> Communication of critical concerns	Information unavailable
	<b>2-17</b> Collective knowledge of the highest governance body	Information unavailable
	<b>2-18</b> Evaluation of the performance of the highest governance body	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-19 Remuneration policies</b>	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-20</b> Process to determine remuneration	AR2024 Corporate Governance Overview Statement, p.47
	<b>2-21</b> Annual total compensation ratio	Confidentiality constrains

# SUSTAINABILITY STATEMENT

GRI Standard	Disclosure	Location or Reason for Omission
GRI 2: General Disclosures 2021	<b>2-22</b> Statement on sustainable development strategy	Information unavailable
	<b>2-23</b> Policy commitments	Information unavailable
	<b>2-24</b> Embedding policy commitments	Information unavailable
	<b>2-25</b> Processes to remediate negative impacts	Information unavailable
	<b>2-26</b> Mechanisms for seeking advice and raising concerns	Ethics and Integrity, p.23
	<b>2-27</b> Compliance with laws and regulations	Information unavailable
	<b>2-28</b> Membership associations	Information unavailable
	<b>2-29</b> Approach to stakeholder engagement	Stakeholder engagement, p.23
GRI 3: Material Topics 2021	<b>3-1</b> Process to determine material topics	Materiality, p.17
	<b>3-2</b> List of material topics	Materiality, p.17
	<b>3-3</b> Management of material topics	Responsible business and good governance, p.22 Our workforce, p.32 Our marketplace, p.39
GRI 202: Market Presence 2016	<b>202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage	Wages, working conditions, and employee welfare, p.32
	<b>202-2</b> Proportion of senior management hired from the local community	Information unavailable
GRI 203: Indirect Economic Impacts 2016	<b>203-1</b> Infrastructure investments and services supported	Community support, p.38
	<b>203-2</b> Significant indirect economic impacts	Information unavailable
GRI 204: Procurement Practices 2016	<b>204-1</b> Proportion of spending on local suppliers	Working with suppliers, p.40
GRI 205: Anti-corruption 2016	<b>205-1</b> Operations assessed for risks related to corruption	Ethics and integrity, p.23
	<b>205-2</b> Communication and training about anti-corruption policies and procedures	Ethics and integrity, p.23 Supporting foreign workers, p.35
	<b>205-3</b> Confirmed incidents of corruption and actions taken	Ethics and integrity, p.23
GRI 302: Energy 2016	<b>302-1</b> Energy consumption within the organization	Energy management, p.28
	<b>302-2</b> Energy consumption outside of the organization	Information unavailable
	<b>302-3</b> Energy intensity	Energy management, p.28
	<b>302-4</b> Reduction of energy consumption	Energy management, p.28
	<b>302-5</b> Reductions in energy requirements of products and services	Information unavailable

# SUSTAINABILITY STATEMENT

GRI Standard	Disclosure	Location or Reason for Omission
GRI 305: Emissions 2016	<b>305-1</b> Direct (Scope 1) GHG emissions	Emissions, p.27
	<b>305-2</b> Energy indirect (Scope 2) GHG emissions	Emissions, p.27
	<b>305-3</b> Other indirect (Scope 3) GHG emissions	Emissions, p.27
	<b>305-4</b> GHG emissions intensity	Emissions, p.27
	<b>305-5</b> Reduction of GHG emissions	Emissions, p.27
	<b>305-6</b> Emissions of ozone-depleting substances (ODS)	Information unavailable
	<b>305-7</b> Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information unavailable
GRI 306: Waste 2020	<b>306-1</b> Waste generation and significant waste-related impacts	Waste management, p.31
	<b>306-2</b> Management of significant waste-related impacts	Waste management, p.31
	<b>306-3</b> Waste generated	Waste management, p.31
	<b>306-4</b> Waste diverted from disposal	Waste management, p.31
	<b>306-5</b> Waste directed to disposal	Waste management, p.31
GRI 401: Employment 2016	<b>401-1</b> New employee hires and employee turnover	Information unavailable
	<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or parttime employees	Wages, working conditions and employee welfare, p.32
	<b>401-3</b> Parental leave	Information unavailable
GRI 403: Occupational Health and Safety 2018	<b>403-1</b> Occupational health and safety management system	Health and safety, p.36
	<b>403-2</b> Hazard identification, risk assessment, and incident investigation	Health and safety, p.36
	<b>403-3</b> Occupational health services	Health and safety, p.36
	<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	Health and safety, p.36
	<b>403-5</b> Worker training on occupational health and safety	Health and safety, p.36
	<b>403-6</b> Promotion of worker health	Health and safety, p.36
	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety, p.36
	<b>403-8</b> Workers covered by an occupational health and safety management system	Health and safety, p.36
	<b>403-9</b> Work-related injuries	Health and safety, p.36
	<b>403-10</b> Work-related ill health	Information unavailable

# SUSTAINABILITY STATEMENT

GRI Standard	Disclosure	Location or Reason for Omission
GRI 404: Training and Education 2016	<b>404-1</b> Average hours of training per year per employee	Employee attraction and development, p.37
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	Employee attraction and development, p.37
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	Employee attraction and development, p.37
GRI 405: Diversity and Equal Opportunity 2016	<b>405-1</b> Diversity of governance bodies and employees	Workforce diversity, p.35
	<b>405-2</b> Ratio of basic salary and remuneration of women to men	Information unavailable
GRI 418: Customer Privacy 2016	<b>418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data security, p.25

AR2024: Annual Report 2024

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Genetec Technology Berhad (“Genetec” or “the Company”) acknowledges the importance of upholding exemplary standards of corporate governance. The Board is dedicated to embedding and sustaining robust corporate governance practices across the Company and its subsidiaries (“the Group”). This commitment is integral to managing the Group’s business effectively, aligning with the best interests of the Company and its stakeholders.

The Board is pleased to present this Corporate Governance Overview Statement for the financial period from 1 April 2023 to 30 June 2024 (“FP2024”), which provides an overview of the practices and measures adopted by the Company to align with the principles outlined in the Malaysian Code on Corporate Governance (“MCCG”) in achieving the intended outcomes premised on its three principles, namely Board Leadership and Effectiveness, Effective Audit and Risk Management, Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Corporate Governance Overview Statement is prepared in compliance with Paragraph 15.25 of Main Market Listing Requirements (“MMLR”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read together with the Corporate Governance Report 2024 of the Company, which is available on the corporate website at [www.genetec.net](http://www.genetec.net) as well as via an announcement on the website of Bursa Securities.

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### Strategic Aims, Values and Standards

The Board is collectively responsible for leading and managing the Company in an effective and accountable manner for the shareholders and stakeholders to create long-term sustainability within the Group. The overall business and affairs of the Group are managed under the direction and oversight of the Board. The Board has the responsibility to set the core values, adopt proper standards; and periodically review and approve the overall business strategies and organisation policies of the Group to ensure that the Group operates with integrity and complies with the relevant rules and regulations.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company. The Board assumes the following, amongst others, roles and responsibilities, in enhancing the Board’s effectiveness in the pursuit of corporate objectives:

- Reviewing and adopting strategic plans for the Company which will enhance the future growth of the Company;
- Overseeing and evaluating the conduct of the Company’s business to ensure the business is properly managed;
- Ensuring the Group has an appropriate risk management process/framework and adequate internal control systems to identify, analyse, evaluate, manage and control significant financial and non-financial risks;
- Establishing policies for strengthening the financial and operational performance of the Group and ensuring proper and effective execution of the policies;
- Formalising the Company’s strategies for promoting sustainability, focusing on environmental, social and governance aspects;
- Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems which include appropriately sound framework/systems of reporting for compliance with applicable law, regulations, rules, directives and guidelines;
- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management.

In discharging its stewardship responsibilities, the Board has established the Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and other committees including the Sustainability Committee, Risk Management Committee and Employees’ Share Option Scheme (ESOS) Committee (collectively referred to as the “Committees”) to ensure effective oversight and management of specific aspects of the Company’s affairs. These Committees operate under their respective approved terms of reference to support the Board in making well-informed decisions through the reports of findings and recommendations on matters within their respective areas of responsibility. Notwithstanding the delegation of specific powers to the Committees, the Board remains fully responsible for the direction and control of the Group to safeguard the interests of the stakeholders and to enhance shareholders’ value.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### I. Board Responsibilities (continued)

#### Board Leadership

Mr. Allen Lik-Hook Ting was appointed as the Independent Non-Executive Chairman of the Company. Together with other Directors, he leads the Board in driving the focus on strategy, governance and compliance in running and leading the discussion. During Board meetings and discussions, the Chairman encourages active participation and allows dissenting views to be freely expressed among the Board.

In line with the recommendation of MCCG, the Board has also adopted the practice that the Chairman of the Board should not be a member of any Board Committees.

#### Separation of Position of the Chairman and Managing Director

The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. The positions of Chairman of the Board and Managing Director are held by different individuals, namely Mr. Allen Lik-Hook Ting and Mr. Chin Kem Weng to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. There are clear and distinct duties/responsibilities between the Chairman and the Managing Director formally documented in the Board Charter.

The Chairman is responsible for leading and ensuring the adequacy and effectiveness of the Board's performance and governance process, and effective and smooth interaction of the overall Board and individual Directors, both within and outside the Boardroom as well as driving the discussion towards consensus and to achieve closure in every discussion. The Managing Director with the assistance and support of the Executive Director and senior management implements the Group's decisions and policies as adopted by the Board, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies.

#### Company Secretary

The Board is supported by an in-house company secretary who has the requisite credentials and is qualified to act as company secretary under Section 235 of the Companies Act 2016 in fulfilling the fiduciary duties.

The company secretary provides advisory services in supporting the Board and Board Committees pursuant to the Company's Constitution, policies and procedures; assisting the Board in applying corporate governance best practices and compliance with requirements, laws and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities; and keeping the Board abreast of the changes in MMLR of Bursa Securities and MCCG.

The company secretary attends Board meetings, Board Committees meetings and general meetings, ensures proper recording of proceedings as well as follow-up on matters arising from the aforesaid meetings and facilitates the annual assessment for the Board and Board Committees. The company secretary ensures proper upkeep of statutory registers and secretarial records.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### I. Board Responsibilities (continued)

#### Access to Information and Advice

The Directors are provided with the meeting agenda and appropriate information covering reports on financial, operational, corporate, business development and audit matters on a timely basis prior to the Board and Board Committee meetings. The management is to provide comprehensive explanations and supporting facts and documents on pertinent issues for the discussion and to deal with matters arising from such meetings.

The Board acknowledges the importance of adopting and reviewing a strategic plan and overseeing the conduct of the business, the Board is updated on the Company's activities and its operations on a regular basis to ensure that the businesses are being properly managed. Presently, the performance of the Group is reviewed by the Board in consideration of the quarterly financial results.

Besides having full and unrestricted access to management, the company secretary, internal auditors and external auditors to seek explanations or additional information as needed, the Board also has the option for separate and independent consultations with external advisers to assist in fulfilling their roles and responsibilities, ensuring that they can make well-informed decisions.

#### Board Charter, Code of Conduct & Ethics and Policies

The Board approved and adopted the Board Charter on 22 May 2013 and the last review was performed, revised and approved on 28 November 2023. The Board Charter serves as a source of reference for Board members as well as primary induction literature providing Board members and the management insight into the function of the Board. The Board Charter contains specific guidance to the Board members in respect of their duties and responsibilities, and the various legislation and regulations governing their conduct with the application of principles and practices of good corporate governance.

The Company has adopted two distinct sets of Code of Conduct and Code of Ethics for its Directors and employees as a guide in discharging their duties and responsibilities by demonstrating good judgment and honesty as well as loyalty and ethics in the conduct of its business that is aligned with best practices and applicable laws, rules and regulations.

The Group has in place a Whistleblowing Policy as set out in the Board Charter designated to create a positive environment in which Directors, employees and stakeholders can report or disclose in good faith genuine concerns about unethical behaviour, malpractice, illegal acts or failure to comply with regulatory requirements without fear of recrimination and to enable prompt corrective actions and measures to be taken where appropriate and necessary.

With the enforcement of the provision of the Malaysian Government on Section 17A of the Malaysia Anti-Corruption Commission Act 2009 on 1 June 2020, the Board has approved and adopted the Anti-Bribery and Corruption Policy on 22 May 2020 to demonstrate the Company's commitment to conducting its business with integrity and in compliance with all applicable laws and regulations in relation to the prevention of corruption and bribery. The mechanism set out under the Group's Whistleblowing Policy forms part of the said policy which governs the prevention of corruption and unethical practices within the Group.

The Board approved and adopted the Conflict of Interest Policy on 28 November 2023. Members of the Board are required to make a declaration to that effect in the event that they have personal interests in proposals or matters under consideration at the Board meeting, including where such interests arise through family members, in line with various statutory requirements on disclosure. Any Director with an interest in a proposed subject shall recuse themselves from participating in discussions and decision-making related to that matter.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### I. Board Responsibilities (continued)

#### Board Charter, Code of Conduct & Ethics and Policies (continued)

Apart from establishing the Board Charter, Code of Conduct & Ethics, Whistleblowing Policy, Anti-Bribery and Corruption Policy and Conflict of Interest Policy, the following policies have been adopted by the Board to ensure proper governance is practised by the Company and across the Group wherever applicable:-

- Shareholders' Communication Policy (part of Board Charter)
- Corporate Disclosure Policy
- Remuneration Policy for Directors and Senior Management
- Directors' Fit and Proper Policy

The Board Charter, Code of Conduct and Ethics and above policies will be reviewed from time to time.

#### Sustainability Governance

The Board, together with the senior management, acknowledges their responsibility for driving sustainability efforts across the environmental, social and governance ("ESG") dimensions within the Group, while creating shareholders value. The commitment to sustainability starts with the Board and senior management and is then reinforced at all levels within the organisation.

The Board oversees the overall sustainability strategy, targets and actions across the Group to ensure the integration of sustainable practices within the Group's operations and that sustainability considerations are embedded into the Group's decision-making process. For effective execution and monitoring of sustainability initiatives, the Company has established a Sustainability Committee, which is chaired by the Executive Director/Chief Operating Officer and consist of representatives from various departments to ensure diverse perspectives. The chairperson of the Sustainability Committee reports matter pertaining to sustainability to the Board including key risks and key performance indicators and presents recommendations from the committee to the Board.

As addressing material sustainability risks and opportunities is the responsibility of the Board, the Board's performance evaluation will include considerations of ESG issues and sustainability to ensure these factors are integrated into their oversight and decision-making processes.

The Board is attentive to the development of the Enhanced Sustainability Reporting Framework announced by Bursa Securities in September 2022, which requires companies listed on the Main Market of Bursa Securities to disclose common sustainability matters for the financial year ending on or after 31 December 2023. The Board endorses the Sustainability Statement before its publication to ensure it accurately reflects the Company's sustainability governance. This Sustainability Statement is detailed in the Annual Report, providing stakeholders with comprehensive information on sustainability practices and governance.

### II. Board Composition

#### Board Composition And Balance

The Board is dedicated to maintaining a composition that not only reflects the diversity to align with the recommendations of the MCGG but also has the right mix of skills and balance to contribute to the achievement and effectively support the Group's goals.

As of the date of this Statement, the Board consists of six (6) members, comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors (including the Chairman). During the FP2024, the following changes were made to the Board composition in compliance with the provisions of the MMLR of Bursa Securities, which stipulate that one-third of the Board should be independent and aligns with Practice 5.2 of the MCGG, which recommends that the Board should comprise a majority Independent Directors:

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Board Composition And Balance (continued)

No.	Name	Designation
1.	Allen Lik Hook-Ting <i>(Appointed on 31 May 2023)</i>	Independent Non-Executive Director
2.	Teh Kim Seng <i>(Resigned on 31 May 2023)</i>	Independent Non-Executive Director
3.	Hew Voon Foo <i>(Redesignated as Non-Independent Non-Executive Director on 31 May 2023 and resigned on 02 October 2023)</i>	Non-Independent Non-Executive Director
4.	Tan Moon Teik <i>(Resigned on 02 October 2023)</i>	Executive Director
5.	Ong Siew Min <i>(Appointed on 02 October 2023)</i>	Independent Non-Executive Director

The Board currently includes two women Independent Non-Executive Directors, which constitutes 33.33% of its total composition and aligns with Practice 5.9 of the MCCG recommendation of having a minimum of 30% women directors. While the Board supports and adheres to this gender diversity recommendation, it remains committed to a merit-based approach in the selection of potential directors and employees. This approach prioritises qualifications, skills, and experience over cultural background or gender, ensuring that all candidates are evaluated fairly and equitably. By maintaining this focus on merit and fairness, the Board aims to uphold high standards of governance and effectiveness in its composition and decision-making processes.

In furtherance, the Board is mindful of the provision of MCCG on the tenure limit for Independent Directors. Upon reaching the nine (9) year limit, the Independent Director may be re-designated as a Non-Independent Director. If the Board intends to retain them as Independent Directors, they must justify this decision and seek shareholders' approval through a two-tier voting process at the Annual General Meeting ("AGM"). Furthermore, any Independent Director who has exceeded the 12 years must either resign as an Independent Director or be re-designated as a Non-Independent Director in compliance with MMLR of Bursa Securities. Currently, no Independent Directors of the Company have served on the Board for more than nine (9) years.

The Board of Directors comprises individuals with a wealth of diverse experiences and backgrounds. The Executive Directors who are professionals with the calibre and commercial experience equipped with industry-specific knowledge are complemented by the experience and independent views of the Independent Non-Executive Directors who are professionals in the field of strategic management, corporate finance and accounting as well as technical experiences. This spectrum of skills and experience of the Board members provide the strength that is essential to effectively direct and supervise the Company's business activities and ensure that the interests of all stakeholders are adequately protected.

The Board is of the view that the current Board size is appropriate for addressing the needs and demands of the Company and the Group's operations. The mix of perspectives and expertise among the Directors ensures a well-rounded approach to governance and decision-making.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Re-election of Directors

The Constitution requires that one-third of the Directors retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three years. Any Director newly appointed, shall hold office only until the next AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

These requirements would be adhered to by the Board in every AGM. In this respect, three (3) Directors will be retiring at the forthcoming AGM of the Company, namely Ms. Ong Phoe Be, Dato' Jeeventhiran a/l Ramanaidu and Ms. Ong Siew Min. They shall retire accordingly, and being eligible, offer themselves for re-election at the Company's forthcoming AGM. To facilitate the informed decision by the shareholders on the re-election of retiring directors during the forthcoming AGM, the Board provided a statement to support the re-election of the retiring directors in the explanatory notes to the agendas of the AGM.

#### Diverse Board and Senior Management

The Company has in place a Diversity Policy as set out in the Board Charter which provides a structured framework for advancing diversity and ensuring that diverse talent is considered and incorporated into the Board and senior management appointments. Diversity includes but is not limited to gender, age, ethnicity and cultural background.

While the Board prioritises diversity, appointments to the Board and senior management are made based on merits and objective criteria. This includes evaluating candidates based on their skills, experience, and qualifications, alongside considerations of diversity factors such as gender, age, ethnicity and cultural background.

The Company practices a division of responsibility between the Executive and Non-Executive Directors. The Executive Directors are responsible for the overall management of the Group, oversee operations and coordinate the development and implementation of business and corporate strategies. The appointment of the senior management was also made with due regard for diversity in skills, experience, age, cultural background and gender.

#### Board and Board Committees Meetings

Directors are required to devote sufficient time to the Company to discharge their responsibilities effectively and to use their best endeavours to attend meetings. Attendance of the Directors at the Board and Board Committees meetings for FP2024 is as follows:

Type of Meetings Name of Directors	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
	Attendance during tenure in office			
<b>Present Directors</b>				
Chin Kem Weng	7/7	N/A	N/A	N/A
Sow Ewe Lee	7/7	N/A	N/A	N/A
Ong Phoe Be	7/7	6/6	2/2	2/2
Dato' Jeeventhiran a/l Ramanaidu	7/7	5/5 *	1/2 *	1/2 *
Allen Lik-Hook Ting	5/5 *	N/A	N/A	N/A
Ong Siew Min	2/3 *	2/3 *	-	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Board and Board Committees Meetings (continued)

Type of Meetings	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
Name of Directors	Attendance during tenure in office			
<b>Past Directors</b>				
Teh Kim Seng	1/2 *	1/1 *	1/1 *	1/1 *
Hew Voon Foo	4/4*	3/3*	2/2*	2/2*
Tan Moon Teik	4/4*	N/A	N/A	N/A

Note \* - reflect the number of meetings attended from the date of appointment or up to the date of resignation/cessation.

Based on the above, all current Directors have complied with the minimum 50% attendance requirement for Board meetings as stipulated by the MMLR of Bursa Securities. The Directors have demonstrated a strong commitment to their roles and responsibilities, ensuring they devote adequate time to fulfill their responsibilities effectively.

The Board ordinarily schedules to meet on a quarterly basis with additional meetings to be convened when urgent and important decisions need to be made between scheduled meetings. All Board and Board Committees meetings are scheduled in advance to facilitate the Directors' planning for attendance and participation. Where appropriate, decisions may be taken by way of circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

The Board has a formal schedule of matters specifically reserved for decision making such as the establishment of new business, annual strategic plan, approval of major capital expenditure, acquisition and disposal of business or appraisal of business proposal and any other strategic issues that affect or may affect the Company's business to ensure that the direction and control of the Group are firmly in its hand. The Directors are aware of and observe the requirement that they do not participate in the deliberations on matters in which they have a material personal interest, and abstain from voting in such matters.

The Directors upon appointment, and from time to time during their tenure, shall notify the Chairman and company secretary of the Company before accepting any new directorships and the expected time to be spent on the new appointment. In compliance with the MMLR of Bursa Securities, all of the Directors do not hold more than five (5) directorships of listed corporations at any one time to ensure that the Directors devote sufficient time and effort in discharging their responsibilities.

#### Directors' Training

The Board recognised that continuing education programmes would be the way forward to enhance their knowledge and skills and keep abreast of new developments in regulatory requirements and the changing environment in which the business operates that will aid them in the discharge of their duties.

All Directors have completed the Mandatory Accreditation Programme (MAP) Part 1 prescribed by Bursa Securities and two Directors namely Mr. Allen Lik-Hook Ting and Dato' Jeeventhiran a/l Ramanaidu have attended MAP Part 2 - Leading for Impact (LIP).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Directors' Training (continued)

All Directors have also complied with the training requirement as prescribed by the Nomination Committee in each financial year to ensure that all Directors remain informed and equipped to fulfill their roles effectively. During the FP2024, the Directors have attended at least one of the following training/ programmes:-

- Genetec Sustainability Materiality Workshop
- Energy Asia 2023
- Asia Clean Energy Summit 2023
- Board's Oversight of Artificial Intelligence
- What Amounts To A Conflict Of Interest By Directors?
- 5G Introduction for Management
- MACC Act 2009 & ESG

The Board is kept informed of any new amendments and updates issued by various regulatory authorities from time to time through the company secretary via emails, briefings and hard copy, whichever is deemed appropriate and applicable.

#### Nomination Committee

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

Name	Designation
Ong Phoe Be <i>(Redesignated to Chairperson on 31 May 2023)</i>	Chairperson Independent Non-Executive Director
Dato' Jeeventhiran a/l Ramanaidu <i>(Appointed on 31 May 2023)</i>	Member Independent Non-Executive Director
Ong Siew Min <i>(Appointed on 2 October 2023)</i>	Member Independent Non-Executive Director
Teh Kim Seng <i>(Ceased on 31 May 2023)</i>	Member Independent Non-Executive Director
Hew Voon Foo <i>(Redesignated to member on 31 May 2023 &amp; Ceased on 2 October 2023)</i>	Member Non-Independent Non-Executive Director

The Nomination Committee is entrusted by the Board with the responsibility of ensuring a formal and transparent procedure for appointing new Directors to the Board and new members to the Board Committees and assessing the performance of the Directors on an ongoing basis. Key functions of the Nomination Committee include continuously evaluating the adequacy and appropriateness of the Board composition, identifying and recommending suitable candidates for Board membership, proposing nominees to fill seats on the Board Committees, conducting annual assessments of the performance of the Directors, Board and Board Committees, reviewing and recommending succession plans for Directors and key positions; evaluating Board diversity, training programs for Directors, and other essential qualities of the Board. This comprehensive process ensures that Board membership aligns with the long-term strategic direction and needs of the Company while establishing a skill matrix that supports its strategic objectives.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Nomination Committee (continued)

During the FP2024, two (2) meetings were held and a summary of activities undertaken by the Nomination Committee in discharging its duties are as follows:-

- Reviewed and assessed the composition and balance of the Board;
- Reviewed and assessed the independence of Independent Directors;
- Facilitated the self and peers' assessment of each individual Director;
- Reviewed the required mix of skills, experience and other qualities of the Board;
- Reviewed and assessed the effectiveness of the Board as a whole and the Board Committees;
- Reviewed the succession planning for Directors and senior management;
- Reviewed and assessed the term of office and performance of the Audit Committee and each of its members;
- Assessed the suitability of the candidates for the proposed appointments of new Directors; and
- Reviewed and assessed the Directors who were due for re-election at the Company's AGM to determine whether or not to recommend for their re-election.

#### Board Appointment

The current process for appointing new Directors to the Board relies on recommendations from the Nomination Committee based on the Directors and senior management networks and referrals from business associates. Although the Nomination Committee and the Board did not utilise independent sources with regard to the new appointment of Directors, the Board decisions were still made objectively in the best interests of the Company taking into account the diverse skill, expertise, experience and perspectives of the current Board members.

The Board through the Nomination Committee regularly review the optimum size, and required mix of skills, experience, independence and diversity (including diversity in gender, ethnicity and age) collectively for the Board to effectively fulfil its role. All new appointments to the Board are reviewed and recommended by the Nomination Committee. Prior to the appointment by the Board, the Nomination Committee evaluates candidate(s) based on several criteria, including their skills, expertise, relevant work experience, integrity, time commitment, and ability to fulfill their expected duties and responsibilities. This evaluation also includes necessary declarations as outlined in the "Directors' Fit and Proper Policy," ensuring that all new Directors align with the Company's governance standards and strategic objectives.

The Board has the ultimate responsibility to decide on the appointment to the Board. Upon appointment to the Board, the new director will undergo an induction programme to fully understand the operation of the Group and also the expectations.

The Board after taking into consideration of the Nomination Committee's recommendation approved the appointment of Mr. Allen Lik-Hook Ting and Ms. Ong Siew Min as Independent Non-Executive Directors of the Company on 31 May 2023 and 2 October 2023 respectively.

#### Annual Assessment of Effectiveness of the Directors, Board and Board Committees

The Nomination Committee is tasked to review and evaluate the performance of individual Directors as well as assess the independence of the Independent Directors. Additionally, the Nomination Committee evaluates the overall effectiveness of the Board and Board Committees on an annual basis, aiming to enhance their strengths and identify areas for improvement.

To facilitate this process, the Board, through the Nomination Committee, conducts an annual assessment using an evaluation survey questionnaire without the involvement of external facilitators. The company secretary circulates the relevant questionnaires and evaluation forms to each Director after the end of the financial year end, allowing ample time for completion by all Directors to enable the company secretary to collate the assessments/evaluations results before the Nomination Committee and the Board meetings. The assessment results are then presented to the Nomination Committee for deliberation. Following this, the chairperson of the Nomination Committee shares the findings and inputs with the Board, promoting necessary improvements.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition (continued)

#### Annual Assessment of Effectiveness of the Directors, Board and Board Committees (continued)

Through these evaluation and review processes, the Board, via the Nomination Committee, assesses the necessary mix of skills, competencies, experience, and other qualities, including the core competencies of individual Directors and the Board as a whole. This comprehensive review ensures that the Board is well-equipped to meet the challenges of the Company's strategic objectives and maintain effective governance. The ongoing evaluation facilitates the identification of any gaps and informs future appointments, fostering a diverse and capable Board.

Based on the assessment conducted by the Nomination Committee during FP2024, the Committee evaluated the balanced composition of the Board and Board Committees, considering merits, Directors' contributions, and overall effectiveness. The Board is satisfied that both the Board and Board Committees have effectively discharged their duties. Each Board member possesses the requisite competence and capacity to serve, demonstrating sufficient commitment to the Company through their time and participation. Additionally, the Non-Executive Directors have maintained their independence in rendering opinions and decisions. All assessments and evaluations carried out by the Nomination Committee have been properly documented, ensuring transparency and accountability in the evaluation process.

### III. Remuneration

#### Remuneration Committee

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

Name	Designation
Ong Phoe Be <i>(Redesignated to Chairperson on 31 May 2023)</i>	Chairperson Independent Non-Executive Director
Dato' Jeeventhiran a/l Ramanaidu <i>(Appointed on 31 May 2023)</i>	Member Independent Non-Executive Director
Ong Siew Min <i>(Appointed on 2 October 2023)</i>	Member Independent Non-Executive Director
Teh Kim Seng <i>(Ceased on 31 May 2023)</i>	Member Independent Non-Executive Director
Hew Voon Foo <i>(Redesignated to member on 31 May 2023 &amp; Ceased on 2 October 2023)</i>	Member Non-Independent Non-Executive Director

The Remuneration Committee is entrusted to assist in determining, developing and recommending an appropriate remuneration package to the Board so as to attract, retain and motivate both the Directors and senior management. The Board has authorised the Nomination Committee to review annually the performance of the Directors and the Remuneration Committee makes recommendations to the Board on specific adjustments to the fees and/or remuneration packages for the Directors that reflect their respective contributions and responsibilities throughout the year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### III. Remuneration (continued)

#### Remuneration Policy

The Company has established a Remuneration Framework for the Board, designed to provide a fair and competitive remuneration package that aligns with the prevalent market practices and ensures that the compensation remains appropriate and competitive within the industry.

The Remuneration Policy for Directors and Senior Management is formulated to support the Company's key strategies and foster a strong performance-oriented environment. The policy aims to attract, motivate, and retain talented Directors and senior management, thereby contributing to the overall success and sustainability of the Company.

The remuneration package for the Executive Directors and senior management comprises salaries, allowances and performance-based incentives including bonuses and other customary benefits as appropriate. The salary level for Executive Directors and senior management takes into account the scope of duty and responsibilities, corporate and individual performance as well as prevailing market practices within the industry. The remuneration of senior management is the prerogative of the Managing Director as he is responsible for the recruitment, management and performance evaluation of the senior management.

The Non-Executive Directors are paid fixed annual directors' fees as members of the Board which are to be approved by the shareholders at the AGM. Additional fees will be established for the lead roles such as the chairperson of the Board or Board Committees. The determination of the directors' fees for Non-Executive Directors is a matter for the Board as a whole.

In matters concerning remuneration, the Director concerned is required to abstain from deliberating and voting on decisions regarding their own remuneration, either at the Remuneration Committee or Board level as the case may be. This practice ensures transparency and fairness in the remuneration process, upholding the principles of good governance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### III. Remuneration (continued)

#### Directors' Remuneration

Pursuant to the MMLR of Bursa Securities and in line with the MCCG, the remuneration received by Directors of the Company, on a named basis, from the Company and Group for the FP2024 is disclosed as follows:

	Fees		Salaries RM	Bonus RM	Benefits- in-kind RM	Total	
	Group	Company				Group	Company
	RM	RM				RM	RM
<b>Executive Directors</b>							
Chin Kem Weng	-	-	1,044,738	133,000	25,626	1,203,364	1,203,364
Sow Ewe Lee	-	-	670,256	282,990	29,940	983,186	983,186
Tan Moon Teik <i>(Resigned on 2 October 2023)</i>	-	-	239,979	-	30,000	269,979	-
<b>Non-Executive Directors</b>							
Allen Lik-Hook Ting <i>(Appointed on 31 May 2023)</i>	156,000	156,000	-	-	-	156,000	156,000
Ong Phoe Be	142,000	142,000	-	-	-	142,000	142,000
Dato' Jeeventhiran a/l Ramanaidu	90,000	90,000	-	-	-	90,000	90,000
Ong Siew Min <i>(Appointed on 2 October 2023)</i>	54,000	54,000	-	-	-	54,000	54,000
Hew Voon Foo <i>(Resigned on 2 October 2023)</i>	40,000	40,000	-	-	-	40,000	40,000
Teh Kim Seng <i>(Resigned on 31 May 2023)</i>	12,000	12,000	-	-	-	12,000	12,000
<b>Total</b>	<b>494,000</b>	<b>494,000</b>	<b>1,954,973</b>	<b>415,990</b>	<b>85,556</b>	<b>2,950,529</b>	<b>2,680,550</b>

#### Remuneration of Top Five Senior Management

The remuneration of the Senior Management for the FP2024 is set out as follows:

Remuneration Range	Number of Senior Management
RM350,001-RM400,000	1
RM400,001-RM450,000	1
RM450,001-RM500,000	1
RM650,001-RM700,000	1
RM700,001-RM750,000	1

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### III. Remuneration (continued)

#### Remuneration of Top Five Senior Management (continued)

The Remuneration Committee and the Board are of the view that it is not to the Company's advantage or best interest to disclose the senior management personnel names and the various remuneration components in detail considering the highly competitive market for senior management personnel with the requisite knowledge, technical expertise and working experience in the industry the Company operates. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

As an alternative, the Remuneration Committee and the Board believe that the transparency and accountability aspects of corporate governance as applicable to the Senior Management's remuneration are appropriately served by disclosure in RM50,000 bands.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors. The chairperson of the Audit Committee is not the Chairman of the Board and the Chairman of the Board is not a member of the Audit Committee to ensure the objectivity of the Board's view of the Audit Committee's findings and recommendations is not impaired.

Presently, none of the members of the Audit Committee is a former key audit partner. In line with MCGG, the Auditors' Policy has been updated that requires a person who is a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee to enhance transparency and governance.

The Board ensures that the Audit Committee is financially literate and possesses a comprehensive understanding of the Group's business and matters under its purview. The Audit Committee is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The Board holds overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full-year basis, and a duty to ensure that those financial statements are prepared in accordance with appropriate and consistently applied accounting policies, supported by sound judgment and estimates and in compliance with the applicable financial reporting standards.

The Audit Committee has in place procedures as outlined in the Auditors' Policy to continuously monitor and conduct an annual assessment of the suitability, objectivity and independence of the External Auditors. This assessment allows the Audit Committee to make informed recommendations to the Board regarding the appointment, re-appointment, or termination of the External Auditors. To maintain the integrity of their role, the External Auditors are precluded from providing any services that may impair their independence or create a conflict of interest.

The Company maintained a professional and transparent relationship with Auditors, both internal and external, in seeking their professional advice to ensure compliance with accounting standards, risk management and internal control matters. The Audit Committee was rendered the authority to communicate directly with the Auditors, allowing for open discussions without the presence of the Executive Directors and management team. This direct line of communication enhances the effectiveness of the audit process and supports the integrity of the Company's financial reporting and governance practices.

The composition of the Audit Committee, details of its meetings, and a summary of its activities in discharging its functions and duties for FP2024 are outlined separately in the Audit Committee Report of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

### II. Risk Management And Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and implementing an appropriate Risk Management Framework to achieve the Group's strategic objectives while safeguarding shareholders' investments and the assets of the Company and the Group. Risk management is integrated into the Group's business operations and ongoing reviews are conducted by the Board, with the assistance of the Risk Management Committee and Audit Committee. However, the Board recognises that no cost-effective internal controls and risk management systems will preclude all errors and irregularities. These systems are designed to manage, rather than eliminate, the risk associated with achieving business objectives, providing reasonable, but not absolute, assurance against material misstatement or loss. The Board remains committed to continuously enhancing these systems to effectively address the evolving risk landscape.

The Risk Management Framework includes maintenance of a Risk Register which outlines a risk profile and action plans for mitigating the identified risks. The Risk Management Committee regularly reviews the Risk Registers, focusing on key areas of identified risks and the measures taken by the management to address them. The Board receives feedback on the adequacy of the risk management function and the effectiveness of the internal controls for managing and mitigating those risks on a half-yearly basis. This ongoing assessment ensures that the Company remains proactive in addressing risks and adapting to changes in the business environment.

To enhance the effectiveness of the Audit Committee in discharging its functions, the Company has deployed the internal audit function through an independent outsourced professional firm. The internal audit function is guided by the Internal Audit Charter which was approved by the Audit Committee, ensuring a structured and systematic approach to internal auditing. Internal audit assignments are performed with impartiality, proficiency and due professional care, thereby providing the Audit Committee with reliable insights and assessments to support its oversight responsibilities.

The Internal Auditors collaborates closely with management to conduct its internal audit activities and reports directly to the Audit Committee. This direct reporting line ensures that the Audit Committee receives timely and relevant information. The Internal Auditors provides the Board with reasonable assurance regarding the adequacy of the scope, functions, and resources of the internal audit function, thereby supporting effective governance and oversight within the Company.

An overview of the state of the risk management and internal controls within the Group is set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

### I. Communication With Stakeholders

The Company recognises the importance of transparency and accountability to its stakeholders by having effective communication and maintaining constructive relationships. To facilitate this, the Board ensures the supply of clear, comprehensive and timely information allowing the stakeholders to engage actively with the Company. The handling and dissemination of corporate information to the shareholders, investors and other stakeholders are managed in accordance with the Company's Corporate Disclosure Policy, ensuring that all communications are consistent and compliant with regulatory requirements.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(continued)

### I. Communication With Stakeholders (continued)

The following communication channels are designed to enhance stakeholder engagement and ensure they are well-informed about the Company's activities:

#### (a) Annual Report

Comprehensive documentation that outlines the Company's financial performance, strategic objectives, and governance practices.

#### (b) Investor Relations Website

The Company maintains a dedicated section on 'Investor Relations' on its website at [www.genetec.net](http://www.genetec.net) which provides information such as corporate governance inclusive of the Board Charter, terms of reference and policies, management discussion and analysis, corporate governance reports, general meetings and all announcements released to Bursa Securities can be accessible by stakeholders.

#### (c) Feedback Mechanisms

The general telephone number, fax number and general enquiries email address of the Company are provided for stakeholders to send in any enquiries to the Company. Stakeholders also may instantly message the Company under the "Contact Us" section available on the corporate website.

#### (d) Media and Analyst Briefings

Media and Analyst Briefings are to be held by the Company to explain any major corporate exercises and/or to discuss the financial performance of the Group when deemed necessary.

### II. Conduct of General Meetings

General meetings serve as vital platforms for shareholders to exercise their ownership rights and engage in dialogue with the Board and senior management. The Company's AGM is the principal forum for this interaction, encouraging shareholders to participate in the proceedings. During the AGM, adequate time is allocated for shareholders to seek clarification or ask questions on pertinent matters, fostering an open environment for discussion. This approach reinforces the Company's commitment to transparency and accountability in its communications with shareholders.

During the FP2024, the 25th AGM of the Company was held on 29 September 2023 on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Service Sdn Bhd ("TIH"). This arrangement allowed shareholders to cast their votes in absentia and participate in the AGM remotely, ensuring that they could engage with the proceedings and exercise their ownership rights conveniently and effectively. The virtual format underscores the Company's commitment to accessibility and inclusivity for all shareholders.

The notice and agenda of the 25th AGM together with the proxy form were despatched to shareholders at least 28 days prior to the meeting allowing shareholders to make the necessary arrangements for participation and voting. Where applicable, the Board ensured that each item of special business included in the notice of meeting was accompanied by a comprehensive written explanation of that resolution and its implications. This approach facilitated shareholders' understanding and evaluation of the matters at hand, promoting informed decision-making during the AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS** (continued)

### **II. Conduct of General Meetings** (continued)

The Directors and senior management participated virtually in the 25th AGM, ready to provide meaningful responses to questions raised by shareholders. The External Auditors were also present virtually to offer appropriate clarifications on pertinent matters. Following the 25th AGM, the minutes, along with the questions and answers discussed, were published on the corporate website within a reasonable timeframe, ensuring that shareholders had access to this information. This practice reinforces the Company's commitment to transparency and effective communication with its stakeholders.

### **COMPLIANCE STATEMENT**

The Board is satisfied that, to the best of its knowledge, the Company is substantially in compliance with the practices outlined in the MCCG, with the exception of the departures noted in the Corporate Governance Report 2024. Any practices in the MCCG that are relevant to the Group's business and were not implemented during the FP2024 will be reviewed by the Board for potential implementation where feasible.

This Statement was presented and approved by the Board on 22 October 2024.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of Genetec Technology Berhad (“**the Board**”) is committed in maintaining a sound risk management framework and internal control system throughout the Group and is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the year under review.

This Internal Control Statement is made in accordance with Principle B of the Malaysian Code on Corporate Governance 2017 and paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Listing Requirements, which requires Malaysian public listed companies to make a statement about their state of internal control, as a Group, in their Annual Report.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness. In addition, the Board also affirms its overall responsibility to identify principal risks, ensure the implementation of an appropriate control environment and framework to manage risks, and evaluate the operational effectiveness and efficiency of the Group. In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve business goals and objectives. It can therefore only provide reasonable, rather than absolute assurance against material misstatement, fraud or loss.

## RISK MANAGEMENT FRAMEWORK

The Board believes firmly that risk management is essential for continued profitability and to safeguard shareholders’ investment. Accordingly, the Group has established a system of risk management framework and internal control comprising clear accountabilities, company procedures/policies, budgeting and evaluation process and has reviewed the adequacy and effectiveness of the risk management framework.

The Group refers to ISO 31000 Risk Management Standard as a guideline for identifying, evaluating, managing and monitoring significant risks by the Group in order to align its risk management processes with the ever-changing business environment.

The Risk Management Committee (“RMC”) which comprises the Chief Operating Officer and Departmental Managers/Heads has been entrusted by the Board to appraise and evaluate the effectiveness of the overall risk management and internal control system and report to the Board on weaknesses and significant risks which will affect the operations, industrial relations, financial position and compliance status of the Group.

Major incidents, if any, are reported to the Risk Management Committee/Board to facilitate their review of the effectiveness of crisis management and the adequacy of mitigating measures taken by the Group to address the underlying risks. Divisions evaluate the risks under their purview, which are subsequently consolidated and prioritised for review by the Risk Management Committee. In addition to reviewing the top risks, the Risk Management Committee maintains oversight of second-tier risks to ensure overall adequacy and effectiveness of risk mitigation plans and controls. Incidents that took place in the industry are also reviewed and learning points are applied to strengthen the Group’s crisis management processes.

Based on the framework, the RMC has carried out the following:

- establish the strategic context of risk in relation to the Group’s risk appetite, i.e. how risks are perceived and the levels at which they are acceptable or otherwise;
- identify risks in relation to the objectives of every business function of the Group’s operating companies;
- identify emerging risks faced by the Group in the operating environment;
- assess the likelihood and impact of such risks identified;
- evaluate the severity of the risks and their treatment options to set priority of management’s attention and devise appropriate actions; and
- The Risk Management Committee met twice during the financial year to review the adequacy and effectiveness of the risk management measures.



# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (continued)

The Group adopts control objectives and procedures from the ISO 9001 for its day-to-day operational processes and implements standard operating policies to mitigate business risks and negative outcome. The Board meets on a quarterly basis to discuss matters brought to its attention as well as to carry out the review of any potential risks. Strategic risks pertaining to the Group's business are overseen directly by the Board.

## INTERNAL AUDIT

The Board recognises that effective monitoring on a continuous basis is vital for a sound internal control system. In this respect, the Board through the Audit Committee is responsible for the review of the reports on internal control from its internal audit function.

The internal audit function of the Group has been outsourced to an independent professional firm ("**Internal Auditor**") which supports the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal control.

In particular, the Internal Auditor appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan, which reflects the risk profile of the Group's major business operations is reviewed and approved by the Audit Committee. The scope of Internal Auditor's function covered the audit and review of governance, risk assessment, compliance, operational and financial control across all business units.

## INTERNAL CONTROL SYSTEM

The Group's key internal control processes are based on the principles of COSO (Committee of Sponsoring Organisations of the Treadway Commission) Guidance on Internal Controls – Integrated Framework as follows:

### Control Environment

- The Group has established a clear vision, mission, corporate philosophy and strategic direction that serve as the road map to the Group's direction and are communicated to employees at all levels.
- The Board is supported by various established committees in discharging its responsibilities that include the Audit Committee, Nomination Committee and Remuneration Committee.
- A defined organisational and reporting structure has been established at all levels within the Group and is aligned to business and operational requirements.
- The Group values ethical conduct, quality, timely delivery and customer satisfaction as project quality and deliverables have a direct impact on the Group's bottom line.

### Control Activities

- The ISO procedures and Group's standard operating policies and procedures reflect current practices of the business processes and key functions. Internal control measures and practices have been incorporated into these procedures to enhance controls and monitoring of day-to-day operations. Where relevant, they are periodically reviewed and revised to reflect current practices and relevancy.
- The Group has cascaded down these documented procedures to its employees for implementation. Compliance in their day-to-day operations is monitored by the respective departmental managers to ensure quality of work and products.
- Internal audit and ISO audit are carried out periodically to ensure that the Group's policies and procedures are in place and appropriate actions are being taken on highlighted internal control weaknesses to improve operational efficiencies and consistency of quality of products and work standards.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## INTERNAL CONTROL SYSTEM (continued)

### Information and Communication

- The Group implemented enterprise resource planning system to provide informative and relevant reports, thus assisting in the decision-making process.
- Timely and comprehensive flow of information and reports are submitted to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against strategic plans.
- Management meetings are convened at Group and subsidiaries levels to share information, discuss financial and business development, progress and performance monitoring as well as to decide upon operational matters. The proceedings of these meetings are documented in the minutes for further action and reference.

### Monitoring

- Management constantly monitors the gaps and highlighted issues through the conduct of follow-up audits to improve on current processes and internal controls.
- Quarterly reviews on financial results are conducted to highlight any instances of significant variances that arose during the year which may require immediate management action.
- Internal audit reports were discussed with Management and tabled to the Audit Committee for their consideration and further action. Follow-up status reports were also dealt with in similar manner.

## ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has received formal assurance from the Chief Operating Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

## CONCLUSION

The Board confirmed that ongoing process of identifying, evaluating and managing the Group's risks exists and has operated throughout the year covered in this Annual Report and up to the date of its approval. Based on the reviews of the Group's risk management framework and internal control system, policies and practices performed by the Risk Management Committee and the Management of the Group, the Board is of the view that the Group's risk management and internal control system which the Group considers relevant and material to its operations, was adequate and effective for the current year under review. The Board has found no significant evidence to suggest that the Group's business risks are not being satisfactorily managed.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 June 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

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

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement was made in accordance with a resolution of the Board dated 22 October 2024.

# AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Genetec Technology Berhad ("Genetec" or "the Company") is pleased to present this Audit Committee ("AC") Report for the financial period from 1 April 2023 to 30 June 2024 ("FP2024").

## COMPOSITION AND DESIGNATION OF AC

The present members of the AC are as follows:

Name	Designation
Ong Phoe Be <i>(Redesignated to Chairperson on 31 May 2023)</i>	Chairperson Independent Non-Executive Director
Dato' Jeeventhiran a/l Ramanaidu <i>(Appointed on 31 May 2023)</i>	Member Independent Non-Executive Director
Ong Siew Min <i>(Appointed on 2 October 2023)</i>	Member Independent Non-Executive Director
Teh Kim Seng <i>(Ceased on 31 May 2023)</i>	Chairman Independent Non-Executive Director
Hew Voon Foo <i>(Redesignated to member on 31 May 2023 &amp; Ceased on 2 October 2023)</i>	Member Non-Independent Non-Executive Director

The Company has complied with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires all the AC members to be Non-Executive Directors, with a majority of whom being Independent Directors. The Company has also complied with the Step Up Practice of 9.4 under the Malaysian Code on Corporate Governance that the AC should comprise solely of Independent Non-Executive Directors.

## TERMS OF REFERENCE OF THE AC MEMBERSHIP

Members of the AC are appointed by the Board from amongst its Directors which fulfil the following requirements:-

- (a) the AC must be composed of not fewer than three (3) members;
- (b) all the AC members must be non-executive directors, with a majority of them being independent directors;
- (c) the chairman of the AC shall be appointed by the Board, or failing which, by the members of the AC. The chairman shall be an independent director and is not the chairman of the Board.
- (d) at least one (1) member of the AC:-
  - (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
  - (ii) if he/she is not a member of MIA, he/she must have at least three (3) years of working experience and:-
    - (a) he/she must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - (b) he/she must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
  - (iii) fulfil such other requirements as may from time to time be prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").
- (e) an alternate director is not eligible for membership in the AC.

All members of the AC have a working familiarity with finance and accounting practices. Ms. Ong Siew Min is a member of MIA.

The AC is guided by its Terms of Reference ("TOR"), which is available on the Company's website at [www.genetec.net](http://www.genetec.net). The TOR was reviewed and amended on 28 November 2023 and it shall be reviewed and updated where necessary.

# AUDIT COMMITTEE REPORT

## MEETINGS AND ATTENDANCE

During the FP2024, a total of six (6) meetings were held and the attendance of each AC member at the AC meetings is as follows:-

AC Member	Attendance during tenure in office
Ong Phoe Be ( <i>Chairperson</i> )	6/6
Dato' Jeeventhiran a/l Ramanaidu	5/5*
Ong Siew Min	2/3*
Hew Voon Foo	3/3*
Teh Kim Seng	1/1*

*Note \* - reflect the number of meetings attended from the date of appointment or up to the date of cessation.*

Meetings of the AC are scheduled in advance to allow the members to make the necessary arrangements to attend the meetings. The AC met at a pre-scheduled timetable, with due notices of meetings issued, and with agendas planned and itemised so that matters were deliberated and discussed in a detailed manner. At each Board meeting, the AC chairperson briefs the Board on matters deliberated at the AC meeting recently held. The minutes of each AC meeting are circulated to Board members at the subsequent Board meeting for notation.

Chief Financial Officer and Chief Operating Officer are regularly invited to attend the meetings. The AC may require the external/internal auditors and any other official of the Company to attend any of its meetings as it determined.

The AC shall whenever deemed necessary, meet the external/internal auditors without the presence of executive board members and management staff where the auditors can freely discuss any concerns arising from their audits.

## REVIEW OF THE AC

The Board, through the Nomination Committee, conducts an annual review of the term of office and performance of the AC and each of its members to determine whether the AC and its members have carried out their duties in accordance with its Terms of Reference. The Nomination Committee is satisfied that the AC and its members have effectively discharged their functions, duties and responsibilities in accordance with the TOR and supported the Board in maintaining high corporate governance standards.

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC

The principal activities undertaken by the AC during the FP2024 are summarised as follows:

### Financial Reporting

- (i) Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto presented by the management before recommending to the Board for approval. To assist the AC in this process, the Chief Financial Officer of the Company provided explanations to elucidate the fluctuations in the Group's financial performance over the five financial quarters, including the financial position of the Group in terms of its cash flows for the quarters concerned;
- (ii) Reviewed the consolidated audited financial statements of the Company and the Group which were drawn up in accordance with the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act 2016 for recommendation to the Board for approval.

# AUDIT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC (continued)

### External Audit

- (i) Undertook assessment of the suitability and independence of the new External Auditors based on the internal procurement process and recommended the appointment of new External Auditors in place of the retiring External Auditors at the last annual general meeting.
- (ii) Reviewed and approved the audit planning memorandum covering the engagement team, materiality, audit scope, audit methodology and timing of the audit, audit focus areas, significant accounting policies/disclosures, risk of false and misleading financial statements, directors' responsibilities, auditors' responsibilities and auditors' independence.
- (iii) Reviewed the External Auditors' audit status including audit findings and outstanding matters as well as responses given by the management.
- (iv) Met with the External Auditors without the presence of the executive board members and the management staff of the Company to discuss the issues of concern to the External Auditors arising from the annual audit.

### Internal Audit

- (i) Reviewed and considered the reappointment of outsourced professional services firm as Internal Auditors of the Company for recommendation to the Board for approval.
- (i) Reviewed and discussed the internal audit reports which consist of the findings, recommendations and management responses to ensure that all key risks will be addressed and adequate controls put in place on a timely basis.
- (ii) Reviewed Internal Auditors' follow-up reports on outstanding audit issues to monitor the effectiveness of corrective actions taken by the management.
- (iii) Reviewed the effectiveness of the internal control and governance processes within the Group.
- (iv) Assessed the Internal Auditors' proficiency, resources and independence to ensure adequate discharge of the duties and responsibilities of the internal audit function.

### Related Party Transactions

- (i) Reviewed the recurrent related party transactions ("RRPT") entered into by the Group on a quarterly basis.
- (ii) Reviewed any related party transactions and conflict of interest situations that may arise within the Company and the Group.
- (iii) Reviewed the draft Circular to Shareholders with regard to the proposed renewal of shareholders' mandate for existing RRPT and proposed new shareholders' mandate for additional RRPT of a revenue or trading nature of the Group including the adequacy and appropriateness of the procedures for RRPT and the AC Statement stated therein.

### Other matters

- (i) Reviewed and recommended the Statement on Risk Management and Internal Control; and AC Report for inclusion in the Company's Annual Report for Board approval.

# AUDIT COMMITTEE REPORT

## INTERNAL AUDIT FUNCTIONS / ACTIVITIES AND COSTS

The Group's internal audit functions are outsourced to CGRM Infocomm Sdn Bhd, an independent professional firm. They report directly to the AC and assist the Board of Directors by providing independent assurance on the monitoring and managing of risks and internal controls.

CGRM Infocomm Sdn Bhd is totally independent and maintains its objectivity during the conduct of audits as it is not involved in the day-to-day operations of the Group. The director-in-charge is a Certified Internal Auditor, Certified Risk Management Assessor and chartered member of the Institute of Internal Auditors with many years of internal audit experience.

The Internal Audit Charter sets out the terms of reference, role, organisation status, responsibility and authority of internal audit function within the Group. The scope of the internal audit covers the assessment of governance and risk assessment processes within the audited scope, efficiency and effectiveness of internal controls, and compliance activities of the Group. The reviews are carried out with reference to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors and the COSO Framework for Internal Controls.

The audit approach adopted by the Group is risk-based and targeted at assessing and reviewing the implementation and monitoring of controls to address the critical risk areas of the Group which is consistent with the Group's framework in designing, implementing and monitoring its internal control system. The risk-based internal audit plan outlines the audit timetable for auditable business processes and follow-ups are tabled for AC's review and endorsement. The AC may authorise changes to the audit plan from time to time if the need arises.

During the FP2024 under review, the Internal Auditors undertook the following activities:

- (a) completed the following reviews as per the approved internal audit plan and there were no significant issues during the financial period under review:

Audit Entity	Audit Activities
Genetec Technology Berhad	<ul style="list-style-type: none"> <li>Review of Strategic Business Planning and Business Sustainability</li> <li>Review of Order Fulfilment Management</li> </ul>
CLT Engineering Sdn Bhd	<ul style="list-style-type: none"> <li>Review of Revenue Cycle Management</li> <li>Review of Related Party and Recurrent Related Party Transactions Procedures Review</li> <li>Follow-up review on prior internal audit observations on Facilities Maintenance and Machinery Maintenance</li> </ul>

- (b) discussed with auditees, process owners and management on the observations and recommended action plans to mitigate the identified risk or control improvements required following each audit review.
- (c) prepared internal audit reports and presented them to the AC on the internal audit observations and issues identified, together with recommendations and management's agreed action/improvement to address the observations/issues.
- (d) followed up and reported to the AC on the status of implementation of the management agreed action plans to ensure that all matters arising are adequately addressed by the management. None of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in this AC Report.
- (e) prepared a progress report summarising the internal audit reviews completed and reports presented to the AC during the financial year.

The cost (inclusive of government tax and out-of-pocket expenses) incurred for the internal audit function in respect of FP2024 was RM60,163.96.

# Financial Statement

Directors' Report	71
Statements of Financial Position	78
Statements of Comprehensive Income	80
Statements of Changes in Equity	81
Statements of Cash Flows	84
Notes to The Financial Statements	88
Statement by Directors	152
Statutory Declaration	152
Independent Auditors' Report	153

# DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, designing and building of smart automation systems, customised factory automated equipment and integrated systems from conceptual design, development of prototype to mass replication of equipment. The principal activities of its subsidiaries are stated in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

## CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31 March to 30 June and made up its financial statements for the 15 months period from 1 April 2023 to 30 June 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial period, net of tax	84,550	88,672
Attributable to:		
Owners of the Company	86,124	88,672
Non-controlling interests	(1,574)	-
	84,550	88,672

## DIVIDENDS

On 29 August 2024, the directors declared an interim single-tier dividend of 2 sen per ordinary share amounting to RM15,697,828 in respect of the financial period ended 30 June 2024, which was paid on 4 October 2024. This interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## RESERVES OR PROVISIONS

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



# DIRECTORS' REPORT

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

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

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

During the financial period, the Company applied to the Companies Commission of Malaysia for an order allowing its wholly owned subsidiary, Genetec Technology (Shanghai) Private Limited to continue to have a financial year end, which does not coincide with the Company's financial period ended 30 June 2024 under Section 247(3) of the Companies Act 2016. The order was granted on 20 August 2024.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT

## ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

## AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial period were RM296,500 and RM222,000 respectively.

To the extent permitted by law, the Company has agreed to indemnify the auditor, Baker Tilly Monteiro Heng PLT, as part of the terms of its audit engagement against any claims arising from the audit for an unspecified amount. No payment has been made to indemnify Baker Tilly Monteiro Heng PLT during the financial period and up to the date of this report.

## ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued 26,493,000 new ordinary shares pursuant to the exercise of the Company's Employee's Share Option Scheme ("ESOS") amounting to RM3,772,603.

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

During the financial period, no new issue of debentures were made by the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial period other than the issue of options pursuant to the Employee's Share Option Scheme ("ESOS").

At an extraordinary general meeting held on 27 August 2020, the Company's shareholders approved the establishment of ESOS of not more than 15% of the total number of issued shares of the Company at any point in time during the tenure of the ESOS, to eligible Directors and employees of the Group.

The salient features of the ESOS scheme are as follows:

- i) Eligible employees are those who must be at least eighteen (18) years of age, employed on a full time basis and have been in the employment of the Group for a period of at least six (6) months of continuous service.
- ii) The option is personal to the grantee and is non-assignable and non-transferable.
- iii) The option price shall be determined based on the weighted average market price of the Company's ordinary shares for the five (5) market days preceding the date of offer with a discount of not more than ten percent (10%).
- iv) The ESOS shall be in force for a period of five (5) years from the date of implementation of the Proposed ESOS. However, an extension to the scheme may be effected by the Company upon recommendation from the ESOS Committee, subject to an aggregate duration of ten (10) years from the date of commencement.

# DIRECTORS' REPORT

## OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Offer date	Expiry date	Exercise price	Number of options over ordinary shares			
			At 1 April 2023	Granted	Exercised	At 30 June 2024
9 October 2020	8 October 2025	^0.11	34,733,400	-	(26,493,000)	8,240,400

^ The Company completed its bonus issue exercise on 11 January 2022 and the exercise price has been adjusted accordingly.

The outstanding options of 8,240,400 were fully exercised on 6 September 2024. The Company had subsequently terminated the ESOS on 9 September 2024.

## DIRECTORS

The directors in office during the financial period and up to the date of the report are:

Chin Kem Weng \*  
 Sow Ewe Lee \*  
 Ong Phoe Be  
 Dato' Jeeventhiran A/L Ramanaidu  
 Allen Lik-Hook Ting (Appointed on 31 May 2023)  
 Ong Siew Min (Appointed on 2 October 2023)  
 Tan Moon Teik (Resigned on 2 October 2023)  
 Hew Voon Foo (Resigned on 2 October 2023)

\* Directors of the Company and subsidiaries

### Director of Subsidiary

Tan Moon Teik

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

	At 1 April 2023/Date of appointment	Number of ordinary shares		At 30 June 2024
		Bought	Sold	

### Interests in the Company

Direct interests:

Chin Kem Weng	52,682,565	-	-	52,682,565
Sow Ewe Lee	5,200,000	6,500,000	-	11,700,000
Ong Phoe Be	836,100	-	(36,100)	800,000
Dato' Jeeventhiran A/L Ramanaidu	100,000	-	-	100,000
Allen Lik-Hook Ting	539,400	-	-	539,400

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS (continued)

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows: (continued)

	Number of options over ordinary shares			
	At 1 April 2023	Granted	Exercised	At 30 June 2024
Chin Kem Weng	7,280,000	-	-	7,280,000
Sow Ewe Lee	6,500,000	-	(6,500,000)	-

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares or debentures of the Company and its related corporations during the financial period.

## DIRECTORS' BENEFITS

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

The directors' benefits of the Group and the Company were as follows:

	Group RM'000	Company RM'000
<b>Directors of the Company</b>		
Executive directors		
- Remuneration	2,707	2,113
- Other short-term employee benefits	154	73
	2,861	2,186
Non-executive directors		
- Fees	494	494
	3,355	2,680

Neither during, nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

# DIRECTORS' REPORT

## INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM10,000,000 and RM21,400 respectively.

## SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Country of incorporation	Ownership interest		Principal activities
		30.6.2024 %	31.3.2023 %	
BESS Engineering Sdn. Bhd.	Malaysia	100	-	Manufacture batteries and accumulators, miscellaneous electrical equipment, installation of industrial machinery and equipment. The Company has not commenced its business operation since the date of incorporation
CLT Engineering Sdn. Bhd.	Malaysia	51	51	Fabrication of machine parts and toolings for equipment and replications of systems and equipment
FAS Manufacturing Sdn. Bhd.	Malaysia	100	100	Fabrication of machine parts and toolings for equipment. The Company has ceased operations since financial year 2012
FAS Technology Solution Sdn. Bhd.	Malaysia	100	100	Design and development of standard automated industrial equipment. The Company has ceased operations since financial year 2012
Genetec Global Technologies, Inc.	United States of America	100	100	Dormant
Genetec Technology (Shanghai) Private Limited	China	100	100	Dormant
<b>Subsidiary of Genetec Global Technologies Inc.</b>				
IP Systems, Inc.	United States of America	60	60	Dormant

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

# DIRECTORS' REPORT

## **SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

The significant events during the financial period are disclosed in Note 34 to the financial statements.

## **SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

The significant events during the financial period are disclosed in Note 35 to the financial statements.

## **AUDITORS**

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

**CHIN KEM WENG**  
Director

**SOW EWE LEE**  
Director

Date: 22 October 2024

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group			Company		
		30.6.2024 RM'000	31.3.2023 RM'000 (Restated)	1.4.2022 RM'000 (Restated)	30.6.2024 RM'000	31.3.2023 RM'000	1.4.2022 RM'000 (Restated)
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	5	134,793	114,183	41,072	114,655	93,315	19,615
Goodwill	6	5,060	5,060	5,060	-	-	-
Investment in subsidiaries	7	-	-	-	18,348	18,347	18,347
Investment in a joint venture	8	-	1	-	250	1	-
Deferred tax assets	9	3,272	2,647	3,759	3,272	2,647	3,759
Other investments	10	2,280	-	-	2,280	-	-
<b>Total non-current assets</b>		<b>145,405</b>	<b>121,891</b>	<b>49,891</b>	<b>138,805</b>	<b>114,310</b>	<b>41,721</b>
<b>Current assets</b>							
Inventories	11	13,795	8,582	1,764	13,475	8,252	1,401
Derivatives financial assets	12	-	175	272	-	175	268
Trade and other receivables	13	57,983	133,556	165,540	47,454	121,665	149,919
Contract assets	14	186,257	60,784	66,305	179,736	48,067	56,332
Current tax assets		114	266	-	114	266	-
Short-term investments	15	122,815	147,120	732	122,815	147,120	732
Cash and bank balances	16	41,340	32,672	31,226	31,014	23,736	27,904
<b>Total current assets</b>		<b>422,304</b>	<b>383,155</b>	<b>265,839</b>	<b>394,608</b>	<b>349,281</b>	<b>236,556</b>
<b>TOTAL ASSETS</b>		<b>567,709</b>	<b>505,046</b>	<b>315,730</b>	<b>533,413</b>	<b>463,591</b>	<b>278,277</b>

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group			Company		
		30.6.2024 RM'000	31.3.2023 RM'000 (Restated)	1.4.2022 RM'000 (Restated)	30.6.2024 RM'000	31.3.2023 RM'000	1.4.2022 RM'000 (Restated)
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to the owners of the Company</b>							
Share capital	17	269,980	266,207	88,215	269,980	266,207	88,215
Other reserves	18	(1,576)	(446)	(195)	266	1,125	1,125
Retained earnings		219,075	132,951	83,166	215,335	126,663	79,063
		487,479	398,712	171,186	485,581	393,995	168,403
<b>Non-controlling interests</b>		9,249	11,004	9,188	-	-	-
<b>TOTAL EQUITY</b>		496,728	409,716	180,374	485,581	393,995	168,403
<b>Non-current liabilities</b>							
Loans and borrowings	19	8,415	8,140	9,208	2,806	1,279	975
Lease liabilities	20	83	94	95	55	70	12
Deferred tax liabilities	9	343	806	811	-	-	-
<b>Total non-current liabilities</b>		8,841	9,040	10,114	2,861	1,349	987
<b>Current liabilities</b>							
Loan and borrowings	19	14,063	47,102	88,944	11,713	44,592	84,023
Lease liabilities	20	145	173	204	86	88	37
Derivatives financial liabilities	12	120	-	-	120	-	-
Trade and other payables	21	46,068	36,516	33,913	32,311	22,507	23,425
Contract liabilities	14	1,135	1,060	-	741	1,060	-
Current tax liabilities		609	1,439	2,181	-	-	1,402
<b>Total current liabilities</b>		62,140	86,290	125,242	44,971	68,247	108,887
<b>TOTAL LIABILITIES</b>		70,981	95,330	135,356	47,832	69,596	109,874
<b>TOTAL EQUITY AND LIABILITIES</b>		567,709	505,046	315,730	533,413	463,591	278,277

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



# STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Period Ended 30 June 2024

	Note	Group		Company	
		1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Revenue	22	347,003	241,004	321,541	202,867
Cost of sales		(238,171)	(166,678)	(211,276)	(135,211)
<b>Gross profit</b>		108,832	74,326	110,265	67,656
Other income		7,857	6,776	6,549	4,802
Administrative expenses		(20,883)	(17,163)	(17,636)	(14,531)
Other expenses		(4,948)	(3,060)	(4,941)	(2,853)
Net reversal of impairment losses/(impairment losses) of financial assets		-	-	572	(10)
<b>Operating profit</b>		90,858	60,879	94,809	55,064
Finance income	23	2,889	303	2,674	241
Finance costs	24	(3,106)	(3,363)	(2,516)	(2,811)
		(217)	(3,060)	158	(2,570)
Share of result of a joint venture, net of tax		(250)	-	-	-
<b>Profit before tax</b>	25	90,391	57,819	94,967	52,494
Tax expense	27	(5,841)	(6,092)	(6,295)	(4,894)
<b>Profit for the financial period/year</b>		84,550	51,727	88,672	47,600
<b>Other comprehensive income, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(452)	(377)	-	-
<b>Total comprehensive income for the financial period/year</b>		84,098	51,350	88,672	47,600
<b>Profit attributable to:</b>					
Owners of the Company		86,124	49,785	88,672	47,600
Non-controlling interests		(1,574)	1,942	-	-
		84,550	51,727	88,672	47,600
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		85,853	49,534	88,672	47,600
Non-controlling interests		(1,755)	1,816	-	-
		84,098	51,350	88,672	47,600
<b>Earnings per ordinary share attributable to owners of the Company (sen)</b>					
- Basic	28	11.2	7.2		
- Diluted	28	11.1	6.9		

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

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 30 June 2024

Group	Attributable to owners of the Company							Total RM'000
	Share capital RM'000	Share option reserve RM'000	Translation reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interest RM'000		
<b>Restated balance at 1 April 2023</b>	266,207	1,125	(1,571)	132,951	398,712	11,004	409,716	
<b>Total comprehensive income for the financial period</b>	-	-	-	86,124	86,124	(1,574)	84,550	
Profit for the financial period	-	-	-	86,124	86,124	(1,574)	84,550	
Other comprehensive income for the financial period	-	-	(271)	-	(271)	(181)	(452)	
Total comprehensive income	-	-	(271)	86,124	85,853	(1,755)	84,098	
<b>Transactions with owners</b>								
Issue of ordinary shares pursuant to ESOS, representing total transactions with owners	17	3,773	-	-	2,914	-	2,914	
<b>At 30 June 2024</b>	269,980	266	(1,842)	219,075	487,479	9,249	496,728	

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 30 June 2024

Group	Note	Share capital	Share option reserve	Translation reserves	Retained earnings	Sub-total	Non-controlling interest	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2022</b>								
- As previously reported		88,215	1,125	(1,320)	64,574	152,594	8,201	160,795
- Effect of retrospective adjustments	36	-	-	-	18,592	18,592	987	19,579
<b>Restated balance at 1 April 2022</b>		88,215	1,125	(1,320)	83,166	171,186	9,188	180,374
<b>Total comprehensive income for the financial year</b>								
Profit for the financial year (restated)		-	-	-	49,785	49,785	1,942	51,727
Other comprehensive income for the financial period		-	-	(251)	-	(251)	(126)	(377)
Total comprehensive income		-	-	(251)	49,785	49,534	1,816	51,350
<b>Transaction with owners</b>								
Issue of ordinary shares	17	177,992	-	-	-	177,992	-	177,992
<b>Restated balance at 31 March 2023</b>		266,207	1,125	(1,571)	132,951	398,712	11,004	409,716

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 30 June 2024

	Note	← Attributable to owners of the Company →			Total RM'000
		Share capital RM'000	Share option reserve RM'000	Retained earnings RM'000	
<b>Company</b>					
<b>At 1 April 2022</b>					
- As previously reported		88,215	1,125	64,574	153,914
- Effect of retrospective adjustments	36	-	-	14,489	14,489
<b>Restated balance at 1 April 2022</b>		88,215	1,125	79,063	168,403
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year, representing total comprehensive income		-	-	47,600	47,600
<b>Transaction with owners</b>					
Issue of ordinary shares	17	177,992	-	-	177,992
<b>At 31 March 2023</b>		266,207	1,125	126,663	393,995
<b>Total comprehensive income for the financial period</b>					
Profit for the financial period, representing total comprehensive income		-	-	88,672	88,672
<b>Transaction with owners</b>					
Issue of ordinary shares pursuant to ESOS, representing total transactions with owners	17	3,773	(859)	-	2,914
<b>At 30 June 2024</b>		269,980	266	215,335	485,581

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

# STATEMENTS OF CASH FLOWS

For the Financial Period Ended 30 June 2024

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months)	1.4.2022 to 31.3.2023 (12 months)	1.4.2023 to 30.6.2024 (15 months)	1.4.2022 to 31.3.2023 (12 months)
Note	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	90,391	57,819	94,967	52,494
Adjustments for:				
Depreciation of property, plant and equipment	8,026	3,780	5,912	1,894
Finance costs	3,106	3,363	2,516	2,811
Finance income	(2,889)	(303)	(2,674)	(241)
Fair value gain on short-term investments	(3,811)	(1,324)	(3,811)	(1,324)
Net (reversal of impairment loss)/impairment loss on amount due from subsidiaries	-	-	(572)	10
(Gain)/Loss on disposal of property, plant and equipment	(24)	(15)	(24)	2
Loss on disposal of short-term investments	-	436	-	436
Reversal of inventories written down	(9)	-	(9)	-
Inventories written down	367	169	367	169
Property, plant and equipment written off	-	6	-	6
Net unrealised derivative loss/(gain)	120	(175)	120	(175)
Net unrealised foreign exchange (gain)/loss	(321)	106	(381)	46
Share of loss of joint venture	250	-	-	-
<b>Operating profit before changes in working capital,</b>	<b>95,206</b>	<b>63,862</b>	<b>96,411</b>	<b>56,128</b>
Changes in working capital:				
Inventories	(5,571)	(6,987)	(5,581)	(7,020)
Trade and other receivables and derivative financial assets	76,643	31,651	75,833	27,958
Contract assets/liabilities	(125,898)	7,081	(132,488)	9,825
Trade and other payables and derivative financial liabilities	9,478	2,602	9,810	(910)
Cash generated from operations	49,858	98,209	43,985	85,981
Income tax paid	(7,607)	(5,993)	(6,768)	(5,450)
<b>Net cash from operating activities</b>	<b>42,251</b>	<b>92,216</b>	<b>37,217</b>	<b>80,531</b>

# STATEMENTS OF CASH FLOWS

For the Financial Period Ended 30 June 2024

	Note	Group		Company	
		1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	(a)	(22,390)	(74,674)	(22,063)	(73,881)
Investment in joint venture		(249)	(1)	(249)	(1)
Investment in a subsidiary		-	-	(1)	-
Investment in unquoted shares		(2,280)	-	(2,280)	-
Interest received		1,005	303	790	241
Proceeds from disposal of property, plant and equipment		24	99	24	6
Proceeds from disposal of short-term investments		130,000	37,500	130,000	37,500
Acquisition of short-term investments		(100,000)	(183,000)	(100,000)	(183,000)
<b>Net cash from/(used in) investing activities</b>		<b>6,110</b>	<b>(219,773)</b>	<b>6,221</b>	<b>(219,135)</b>
<b>Cash flows from financing activities</b>					
	(b)				
Proceeds from issuance of shares		2,914	177,992	2,914	177,992
Net repayment of trade finance facilities		(34,278)	(42,128)	(33,709)	(39,654)
Net repayment of term loans		(1,106)	(1,498)	(590)	(749)
Interest paid on loans and borrowings		(3,106)	(3,363)	(2,516)	(2,811)
Repayment of hire purchase		(3,623)	(1,389)	(2,136)	(278)
Payment of lease liabilities		(302)	(234)	(123)	(64)
Net cash (used in)/from financing activities		(39,501)	129,380	(36,160)	134,436
Net increase/(decrease) in cash and cash equivalents		8,860	1,823	7,278	(4,168)
<b>Cash and cash equivalents at the beginning of the financial period/year</b>		<b>32,672</b>	<b>31,226</b>	<b>23,736</b>	<b>27,904</b>
Effect of exchange rate changes on cash and cash equivalents		(452)	(377)	-	-
<b>Cash and cash equivalents at the end of the financial period/year</b>	16	<b>41,080</b>	<b>32,672</b>	<b>31,014</b>	<b>23,736</b>

# STATEMENTS OF CASH FLOWS

For the Financial Period Ended 30 June 2024

(a) Acquisition of property, plant and equipment:

	Group		Company	
	30.06.2024	31.03.2023	30.06.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Acquisition of property, plant and equipment (Note 5)	28,636	77,000	27,252	75,627
Acquisition of lease arrangements	(263)	(221)	(106)	(192)
Acquisition by hire purchase	(5,983)	(2,105)	(5,083)	(1,554)
Cash payments on acquisition of property, plant and equipment	22,390	74,674	22,063	73,881

(b) Reconciliation of liabilities arising from financing activities:

	At beginning of the financial period/year	Cash flows	Non-cash		At end of the financial period/year
			Acquisition	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
<b>30.6.2024</b>					
Term loans	5,938	(1,106)	-	-	4,832
Hire purchase payables	5,314	(3,623)	5,983	-	7,674
Revolving credit	8,546	(8,546)	-	-	-
Banker acceptances	35,444	(25,732)	-	-	9,712
Lease liabilities	267	(302)	263	-	228
<b>31.3.2023</b>					
Term loans	7,436	(1,498)	-	-	5,938
Hire purchase payables	4,598	(1,389)	2,105	-	5,314
Revolving credit	13,165	(4,619)	-	-	8,546
Banker acceptances	72,953	(37,509)	-	-	35,444
Lease liabilities	299	(234)	221	(19)	267

# STATEMENTS OF CASH FLOWS

For the Financial Period Ended 30 June 2024

(b) Reconciliation of liabilities arising from financing activities: (continued)

	At beginning of the financial period/year RM'000	Cash flows RM'000	Non-cash		At end of the financial period/year RM'000
			← Acquisition RM'000	→ Others RM'000	
<b>Company</b>					
<b>30.6.2024</b>					
Term loans	590	(590)	-	-	-
Hire purchase payables	1,860	(2,136)	5,083	-	4,807
Revolving credit	8,546	(8,546)	-	-	-
Banker acceptances	34,875	(25,163)	-	-	9,712
Lease liabilities	158	(123)	106	-	141
<b>31.3.2023</b>					
Term loans	1,339	(749)	-	-	590
Hire purchase payables	584	(278)	1,554	-	1,860
Revolving credit	13,164	(4,618)	-	-	8,546
Banker acceptances	69,911	(35,036)	-	-	34,875
Lease liabilities	49	(64)	192	(19)	158

(c) Total cash outflows for leases

	Note	Group		Company	
		30.06.2024 RM'000	31.03.2023 RM'000	30.06.2024 RM'000	31.03.2023 RM'000
<b>Included in net cash from operating activities</b>					
Payment relating to leases of:					
- low value assets	25	170	36	67	20
- short-term assets	25	456	-	378	-
<b>Included in net cash from financing activities</b>					
Interest paid in relation to lease liabilities	24	14	13	7	4
Payment of lease liabilities		302	234	123	64
<b>Total cash outflows for leases</b>		<b>942</b>	<b>283</b>	<b>575</b>	<b>88</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Genetec Technology Berhad (“the Company”) is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The principal activities of the Company are investment holding, designing and building of smart automation systems customised factory automated equipment and integrated systems from conceptual design, development of prototype to mass replication of equipment. The principal activities of its subsidiaries are as stated in Note 7.

During the financial period, the Company changed its financial year end from 31 March to 30 June and made up their financial statements for the 15 months period from 1 April 2023 to 30 June 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 October 2024.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

### 2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial period:

#### New MFRS

MFRS 17 Insurance Contracts

#### Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (continued)

### 2.2 Adoption of new MFRS and amendments to MFRSs (continued)

#### *Amendments to MFRS 101 Presentation of Financial Statements*

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

### 2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026 Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

# NOTES TO THE FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (continued)

### 2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (continued)

**2.3.1** The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

#### ***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

### 3.1 Basis of consolidation

#### (a) Subsidiaries and business combination

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

#### (b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the proportionate share of the identifiable net assets of the subsidiaries.

#### (c) Joint arrangements

The Group classifies its joint arrangements as disclosed in Note 8 as “joint venture” and accounts its interests using the equity method as the Group has rights to the net assets of the arrangements.

### 3.2 Separate financial statements

In the Company’s statement of financial position, investments in subsidiaries and a joint venture are measured at cost less any accumulated impairment losses.

### 3.3 Financial instruments

#### Financial assets - subsequent measurement and gains and losses

##### Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

##### Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.3 Financial instruments (continued)

#### Financial assets - subsequent measurement and gains and losses (continued)

##### Equity instruments at fair value through other comprehensive income

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company have made an irrevocable election to classify its equity investments as disclosed in Note 10 that are not held for trading as equity instruments designated at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis.

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

#### Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### Derivatives

The Group and the Company uses forward foreign exchange contracts to hedge the exposure of purchases in foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

### 3.4 Property, plant and equipment

Property, plant and equipment (other than right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 5(a)) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

#### Useful lives (years)

Electrical equipment, renovation, furniture and fittings	5 - 13 years
Plant and machineries	10 years
Motor vehicles	5 years

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

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.5 Leases

#### Lessee accounting

The Group and Company present right-of-use assets that do not meet definition of investment property as property, plant and equipment in Note 5 and lease liabilities in Note 20.

#### Short-term leases and leases of low value assets

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

#### Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

#### Lease liabilities

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

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

### 3.6 Inventories

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

- raw materials: purchase costs on a first-in-first-out basis.
- finished goods and work-in-progress: cost of appropriate share of production overheads based on normal operating capacity. These costs are assigned on a first-in-first-out basis.

### 3.7 Revenue and other income

#### (a) Construction contracts

The Company constructs industrial automation products under long term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Company does not create an asset with an alternative use and the Company have an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

# NOTES TO THE FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.7 Revenue and other income (continued)

#### (a) Construction contracts (continued)

Billings are made with a credit term ranging from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Company become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Company recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Company recognises a contract liability for the difference.

Product warranty period is usually 24 months to 36 months from the date of acceptance test as provided in the contracts with customers.

#### (b) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

#### (c) Rental income

Rental income from sub-leased plant and machinery is recognised as other income in profit or loss.

#### (d) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgement of complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

# NOTES TO THE FINANCIAL STATEMENTS

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

### Construction revenue (Note 14 and 22)

The Group and the Company recognised revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the recognition of revenue either over time or at point in time recognition, depending on the timing when the control of the products is passed to the customers based on the terms on the customer's orders. Significant judgement is also required to determine the progress towards satisfaction of a performance obligation, the extent of the contract costs incurred, the estimated total contracts revenue and costs, as well as the recoverability of the projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

## 5. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Building in progress RM'000	Motor vehicles RM'000	Plant and machineries RM'000	Electrical equipment, renovation, furniture and fittings RM'000	Right-of- use assets RM'000	Total RM'000
<b>Cost</b>						
At 1 April 2023	-	6,443	16,787	15,845	102,675	141,750
Additions	963	173	5,585	5,426	16,489	28,636
Disposals	-	(209)	-	-	-	(209)
Written off	-	-	(336)	-	-	(336)
Derecognition	-	-	-	-	(96)	(96)
At 30 June 2024	963	6,407	22,036	21,271	119,068	169,745
<b>Accumulated depreciation</b>						
At 1 April 2023	-	2,748	8,836	7,021	8,962	27,567
Depreciation charge for the financial period	-	1,001	2,116	1,821	3,088	8,026
Disposals	-	(209)	-	-	-	(209)
Written off	-	-	(336)	-	-	(336)
Derecognition	-	-	-	-	(96)	(96)
At 30 June 2024	-	3,540	10,616	8,842	11,954	34,952
<b>Carrying amount</b>						
At 1 April 2023	-	3,695	7,951	8,824	93,713	114,183
At 30 June 2024	963	2,867	11,420	12,429	107,114	134,793



# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023	Motor vehicles RM'000	Plant and machineries RM'000	Electrical equipment, renovation, furniture and fittings RM'000	Right-of- use assets RM'000	Total RM'000
<b>Cost</b>					
At 1 April 2022	4,387	16,108	10,140	34,317	64,952
Additions	2,056	804	5,763	68,377	77,000
Disposals	-	(125)	(51)	-	(176)
Written off	-	-	(7)	-	(7)
Derecognition	-	-	-	(19)	(19)
At 31 March 2023	6,443	16,787	15,845	102,675	141,750
<b>Accumulated depreciation</b>					
At 1 April 2022	2,070	7,627	6,121	8,062	23,880
Depreciation charge for the financial year	678	1,279	923	900	3,780
Disposals	-	(70)	(22)	-	(92)
Written off	-	-	(1)	-	(1)
At 31 March 2023	2,748	8,836	7,021	8,962	27,567
<b>Carrying amount</b>					
At 1 April 2022	2,317	8,481	4,019	26,255	41,072
At 31 March 2023	3,695	7,951	8,824	93,713	114,183

# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024	Building in progress RM'000	Motor vehicles RM'000	Plant and machineries RM'000	Electrical equipment, renovation, furniture and fittings RM'000	Right-of- use assets RM'000	Total RM'000
<b>Cost</b>						
At 1 April 2023	-	4,529	7,175	12,839	84,445	108,988
Additions	963	173	4,423	5,361	16,332	27,252
Disposals	-	(209)	-	-	-	(209)
Written off	-	-	(336)	-	-	(336)
Derecognition	-	-	-	-	(96)	(96)
At 30 June 2024	963	4,493	11,262	18,200	100,681	135,599
<b>Accumulated depreciation</b>						
At 1 April 2023	-	2,189	4,291	4,413	4,780	15,673
Depreciation charge for the financial period	-	741	998	1,695	2,478	5,912
Disposals	-	(209)	-	-	-	(209)
Written off	-	-	(336)	-	-	(336)
Derecognition	-	-	-	-	(96)	(96)
At 30 June 2024	-	2,721	4,953	6,108	7,162	20,944
<b>Carrying amount</b>						
At 1 April 2023	-	2,340	2,884	8,426	79,665	93,315
At 30 June 2024	963	1,772	6,309	12,092	93,519	114,655

# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023	Motor vehicles RM'000	Plant and machineries RM'000	Electrical equipment, renovation, furniture and fittings RM'000	Right-of- use assets RM'000	Total RM'000
<b>Cost</b>					
At 1 April 2022	3,394	6,725	7,166	16,117	33,402
Additions	1,135	452	5,693	68,347	75,627
Disposals	-	(2)	(13)	-	(15)
Written off	-	-	(7)	-	(7)
Derecognition	-	-	-	(19)	(19)
At 31 March 2023	4,529	7,175	12,839	84,445	108,988
<b>Accumulated depreciation</b>					
At 1 April 2022	1,798	3,914	3,679	4,396	13,787
Depreciation charge for the financial year	391	380	739	384	1,894
Disposals	-	(3)	(4)	-	(7)
Written off	-	-	(1)	-	(1)
At 31 March 2023	2,189	4,291	4,413	4,780	15,673
<b>Carrying amount</b>					
At 1 April 2022	1,596	2,811	3,487	11,721	19,615
At 31 March 2023	2,340	2,884	8,426	79,665	93,315

### (a) Assets pledged as security

Leasehold land and buildings with carrying amount of RM24,462,941 and RM10,953,531 (31.3.2023: RM25,300,939 and RM11,352,912) have been pledged as security to secure term loans of the Group and of the Company as disclosed in Note 19.

### (b) Assets pledged as security for hire purchase

Plant and machineries and motor vehicles of the Group and of the Company with carrying amount of RM10,692,493 and RM6,162,998 (31.3.2023: RM6,676,800 and RM2,136,655) have been pledged as security to secure hire purchase of the Group and of the Company as disclosed in Note 19.

# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

### (c) Right-of-use assets

The Group and the Company leases several assets including leasehold lands, leasehold buildings and hostel.

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

	Leasehold lands RM'000	Leasehold buildings RM'000	Hostel RM'000	Total RM'000
<b>Carrying amount</b>				
<b>Group</b>				
At 1 April 2022	2,011	23,960	284	26,255
Additions	33,966	34,189	222	68,377
Depreciation	(57)	(613)	(230)	(900)
Derecognition*	-	-	(19)	(19)
At 31 March 2023	35,920	57,536	257	93,713
Additions	-	16,226	263	16,489
Depreciation	(920)	(1,873)	(295)	(3,088)
At 30 June 2024	35,000	71,889	225	107,114
<b>Company</b>				
At 1 April 2022	2,011	9,662	48	11,721
Additions	33,966	34,189	192	68,347
Depreciation	(57)	(263)	(64)	(384)
Derecognition*	-	-	(19)	(19)
At 31 March 2023	35,920	43,588	157	79,665
Additions	-	16,226	106	16,332
Depreciation	(920)	(1,434)	(124)	(2,478)
At 30 June 2024	35,000	58,380	139	93,519

\* During the financial period and previous financial year, derecognition of the right-of-use assets was a result of termination of certain leases.

The Group and the Company lease lands and buildings for their office space and operation site. The leases for office space and operation site generally have useful life of 50 years.

The Group and the Company also lease hostels with lease terms from 1 to 3 years.

# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

### (c) Right-of-use assets (continued)

#### Extension and termination options

The Group and the Company have several lease contracts that include extension and termination options. These options are negotiated by the Group and the Company to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs.

The undiscounted potential future rental payments relating to periods following the exercise date of extension and terminate options that are not included in the lease term are as follows:

	Within five years RM'000	More than five years RM'000	Total RM'000
<b>Group</b>			
Extension options expected not to be exercised	217	-	217
<b>Company</b>			
Extension options expected not to be exercised	110	-	110

## 6. GOODWILL

	Group RM'000
<b>Cost</b>	
At 1 April 2022/31 March 2023/1 April 2023/30 June 2024	20,560
<b>Accumulated impairment loss</b>	
At 1 April 2022/31 March 2023/1 April 2023/30 June 2024	(15,500)
<b>Carrying amount</b>	
At 1 April 2022/31 March 2023/1 April 2023/30 June 2024	5,060

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Company's subsidiary, CLT Engineering Sdn. Bhd., which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

During the current year under review, the Group has re-evaluated the recoverable amount and concluded that no further impairment loss is necessary nor any reversal of impairment loss previously made is required.

The key assumptions used for value-in-use calculation are:

- The weighted average growth rate using an estimated growth rate of 8%; and
- The discount rate of 12% applied to the cash flows projection is pre-tax and reflects management's estimate of the risk specific to the CGU at the date of assessment.

Based on the sensitivity analysis performed, the Group is of the opinion that there are no reasonable possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2024	31.3.2023
	RM'000	RM'000
<b>Unquoted shares, at cost</b>		
At beginning of the financial period/year	31,557	31,557
Additions	1	-
At end of the financial period/year	31,558	31,557
Less: Impairment losses	(13,210)	(13,210)
	18,348	18,347

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Ownership interest		Principal activities
		30.6.2024	31.3.2023	
		%	%	
BESS Engineering Sdn. Bhd.	Malaysia	100	-	Manufacture batteries and accumulators, miscellaneous electrical equipment, installation of industrial machinery and equipment. The Company has not commenced its business operation since the date of incorporation
CLT Engineering Sdn. Bhd.	Malaysia	51	51	Fabrication of machine parts and toolings for equipment and replications of systems and equipment
FAS Manufacturing Sdn. Bhd.	Malaysia	100	100	Fabrication of machine parts and toolings for equipment. The Company has ceased operations since financial year 2012
FAS Technology Solution Sdn. Bhd.	Malaysia	100	100	Design and development of standard automated industrial equipment. The Company has ceased operations since financial year 2012
Genetec Global Technologies, Inc.®	United States of America	100	100	Dormant
Genetec Technology (Shanghai) Private Limited**	China	100	100	Dormant

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Ownership interest		Principal activities
		30.6.2024 %	31.3.2023 %	
<b>Subsidiary of Genetec Global Technologies Inc.</b>				
IP Systems, Inc. <sup>@</sup>	United States of America	60	60	Dormant

\* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

@ Consolidated using unaudited management financial statements.

# The statutory financial year end of Genetec Technology (Shanghai) Private Limited was 31 December 2023 which does not coincide with the financial period end of the Group. For the purpose of consolidation, the financial statements of Genetec Technology (Shanghai) Private Limited for the financial year ended 31 December 2023 have been used and appropriate adjustments have been made for the effects of significant transactions from Genetec Technology (Shanghai) Private Limited's financial period end to 30 June 2024.

### (a) Incorporation of a subsidiary

On 1 December 2023, the Company had incorporated a 100% owned subsidiary, namely BESS Engineering Sdn. Bhd. with an issued and paid-up capital of 1,000 ordinary shares of RM1 each.

### (b) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

#### Equity interest held by non-controlling interests

	CLT Engineering Sdn. Bhd. RM'000	IP Systems, Inc. RM'000	Total RM'000
<b>30.6.2024</b>			
NCI Percentage of ownership interest and voting interest	49%	40%	
Carrying amount of NCI	15,639	(6,390)	9,249
Loss allocated to NCI	(1,574)	-	(1,574)
<b>31.3.2023 (Restated)</b>			
NCI Percentage of ownership interest and voting interest	49%	40%	
Carrying amount of NCI	17,213	(6,209)	11,004
Profit allocated to NCI	1,942	-	1,942

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENT IN SUBSIDIARIES (continued)

### (c) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests as follows:

	CLT Engineering Sdn. Bhd. RM'000	IP Systems, Inc. RM'000	Total RM'000
<b>Summarised statement of financial position</b>			
<b>As at 30 June 2024</b>			
Non-current assets	20,138	-	20,138
Current assets	28,320	-	28,320
Non-current liabilities	(5,980)	-	(5,980)
Current liabilities	(10,562)	(19,883)	(30,445)
Net assets/(liabilities)	31,916	(19,883)	12,033
<b>Summarised statement of comprehensive income</b>			
<b>Financial period ended 30 June 2024</b>			
Revenue	30,316	-	30,316
Loss for the financial period	(3,212)	-	(3,212)
Total comprehensive loss	(3,212)	-	(3,212)
<b>Summarised cash flows information</b>			
<b>Financial period ended 30 June 2024</b>			
Cash flows from operating activities	5,142	-	5,142
Cash flows used in investing activities	(327)	-	(327)
Cash flows used in financing activities	(3,722)	-	(3,722)
Net increase in cash and cash equivalents	1,093	-	1,093



# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENT IN SUBSIDIARIES (continued)

### (c) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests as follows: (continued)

	CLT Engineering Sdn. Bhd. RM'000 (Restated)	IP Systems, Inc. RM'000	Total RM'000
<b>Summarised statement of financial position</b>			
<b>As at 31 March 2023 (Restated)</b>			
Non-current assets	20,868	-	20,868
Current assets	35,448	-	35,448
Non-current liabilities	(7,691)	-	(7,691)
Current liabilities	(13,497)	(18,609)	(32,106)
Net assets	35,128	(18,609)	16,519
<b>Summarised statement of comprehensive income</b>			
<b>Financial year ended 31 March 2023 (Restated)</b>			
Revenue	41,597	-	41,597
Profit for the financial period	3,963	-	3,963
Total comprehensive income	3,963	-	3,963
<b>Summarised cash flows information</b>			
<b>Financial year ended 31 March 2023 (Restated)</b>			
Cash flows from operating activities	10,816	-	10,816
Cash flows used in investing activities	(700)	-	(700)
Cash flows used in financing activities	(4,503)	-	(4,503)
Net increase in cash and cash equivalents	5,613	-	5,613

# NOTES TO THE FINANCIAL STATEMENTS

## 8. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Unquoted shares at cost</b>				
At beginning of the financial period/year	1	-	1	-
Additions	249	1	249	1
At end of the financial period/year	250	1	250	1
Share of post-acquisition reserves	(250)	-	-	-
	-	1	250	1

Details of the joint venture is as follows:

Name of company	Country of incorporation	Ownership of interest interest		Principal activities
		30.6.2024	31.3.2023	
		%	%	
Citaglobal Genetec BESS Sdn. Bhd. ("CG BESS")	Malaysia	50	50	Manufacture of electricity distribution and control apparatus, batteries and accumulators

On 6 April 2023, the Company subscribed an additional 249,500 ordinary shares in Citaglobal Genetec BESS Sdn. Bhd., a joint venture of the Group at a price of RM1 per share. The Company's effective ownership in Citaglobal Genetec BESS Sdn. Bhd. remained at 50% as a result of the additional shares purchased.

### Summarised financial information of a material joint venture

The following table illustrates the summarised financial information of joint venture:

	30.6.2024
	RM'000
<b>Assets and liabilities:</b>	
Non-current assets	6
Current assets	4,151
Non-current liabilities	-
Current liabilities	(7,211)
	(3,054)

# NOTES TO THE FINANCIAL STATEMENTS

## 8. INVESTMENT IN A JOINT VENTURE (continued)

### Summarised financial information of a material joint venture (continued)

The following table illustrates the summarised financial information of joint venture: (continued)

	30.6.2024 RM'000
<b>Results:</b>	
Loss for the period, representing total comprehensive loss	(3,554)
<b>Included in total comprehensive loss</b>	
Revenue	4,464
Depreciation	1
<b>Reconciliation of net assets to carrying amount:</b>	
Share of the net assets at the acquisition date	250
Share of post-acquisition on losses	(250)
Carrying amount in the statements of financial position	-
<b>Group's and Company's share of result:</b>	
Group's and Company's share of total comprehensive loss	(250)

The Group has not recognised its share of losses of joint venture amounting to RM1,527,238 because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM1,527,238.

## 9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	30.6.2024 RM'000	31.3.2023 RM'000	30.6.2024 RM'000	31.3.2023 RM'000
<b>Deferred tax assets/(liabilities)</b>				
At beginning of the financial period/year	1,841	2,948	2,647	3,759
Recognised in profit or loss (Note 27)	1,088	(1,107)	625	(1,112)
At end of the financial period/year	2,929	1,841	3,272	2,647

# NOTES TO THE FINANCIAL STATEMENTS

## 9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

	Group		Company	
	30.6.2024 RM'000	31.3.2023 RM'000	30.6.2024 RM'000	31.3.2023 RM'000
<b>Presented after appropriate offsetting as follows:</b>				
Deferred tax assets	3,272	2,647	3,272	2,647
Deferred tax liabilities	(343)	(806)	-	-
	2,929	1,841	3,272	2,647

Deferred tax relates to the following:

	At beginning of the financial period/year RM'000	Recognised in profit or loss (Note 27) RM'000	At end of the financial period/year RM'000
<b>Group</b>			
<b>30.6.2024</b>			
<b>Deferred tax assets:</b>			
Provisions	1,447	58	1,505
Unused tax losses	3,744	1,197	4,941
Unabsorbed capital allowance	-	432	432
Others	249	(60)	189
	5,440	1,627	7,067
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	(3,599)	(346)	(3,945)
Others	-	(193)	(193)
	(3,599)	(539)	(4,138)
	1,841	1,088	2,929
<b>31.3.2023</b>			
<b>Deferred tax assets:</b>			
Provisions	2,160	(713)	1,447
Unused tax losses	3,369	375	3,744
Others	76	173	249
	5,605	(165)	5,440
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	(2,321)	(1,278)	(3,599)
Others	(336)	336	-
	(2,657)	(942)	(3,599)
	2,948	(1,107)	1,841

# NOTES TO THE FINANCIAL STATEMENTS

## 9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax relates to the following: (continued)

	At beginning of the financial period/year RM'000	Recognised in profit or loss (Note 27) RM'000	At end of the financial period/year RM'000
<b>Company</b>			
<b>30.6.2024</b>			
<b>Deferred tax assets:</b>			
Provisions	1,447	58	1,505
Unused tax losses	3,744	794	4,538
Others	237	(28)	209
	5,428	824	6,252
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	(2,781)	15	(2,766)
Others	-	(214)	(214)
	(2,781)	(199)	(2,980)
	2,647	625	3,272
<b>31.3.2023</b>			
<b>Deferred tax assets:</b>			
Provisions	2,124	(677)	1,447
Unused tax losses	3,369	375	3,744
Others	16	221	237
	5,509	(81)	5,428
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	(1,489)	(1,292)	(2,781)
Others	(261)	261	-
	(1,750)	(1,031)	(2,781)
	3,759	(1,112)	2,647

# NOTES TO THE FINANCIAL STATEMENTS

## 9. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

### Unrecognised deferred tax assets

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

	Group	
	30.6.2024	31.3.2023
	RM'000	RM'000
Unused tax losses	3,525	3,525
Unabsorbed capital allowance	153	153
	3,678	3,678
Potential deferred tax assets not recognised at 24%	883	883

The availability of unused tax losses for offsetting against future taxable profits of the Group are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group which are available for utilisation up to the following years:

	Group	
	30.6.2024	31.3.2023
	RM'000	RM'000
2029	3,525	3,525

## 10. OTHER INVESTMENTS

	Group and Company	
	30.6.2024	31.3.2023
	RM'000	RM'000
<b>Financial assets designated at fair value through other comprehensive income (DFVOCI)</b>		
Unquoted equity investment in Malaysia	2,280	-

# NOTES TO THE FINANCIAL STATEMENTS

## 11. INVENTORIES

	Group			Company		
	30.6.2024 RM'000	31.3.2023 RM'000 (Restated)	1.4.2022 RM'000 (Restated)	30.6.2024 RM'000	31.3.2023 RM'000	1.4.2022 RM'000 (Restated)
<b>At lower of cost and net realisable value</b>						
Raw materials	477	1,007	801	229	749	511
Consumables	576	435	461	504	363	388
Work-in-progress	12,742	7,140	502	12,742	7,140	502
	13,795	8,582	1,764	13,475	8,252	1,401

- (a) The cost of inventories of the Group and the Company recognised as an expense in cost of sales was RM165,841,484 and RM148,680,877 (31.3.2023: RM108,418,304 and RM85,881,237; 1.4.2022: RM150,309,467 and RM122,303,730) respectively during the financial period.
- (b) The inventories written down of the Group and the Company was RM366,920 (31.3.2023: RM169,164; 1.4.2022: RM58,280) during the financial period.
- (c) The reversal of inventories written down of the Group and the Company was RM8,778 (31.3.2023 and 1.4.2022: Nil).

## 12. DERIVATIVES FINANCIAL ASSETS/(LIABILITIES)

	Group and Company	
	30.6.2024 RM'000	31.3.2023 RM'000
<b>Derivatives (liabilities)/assets at fair value through profit or loss:</b>		
Forward foreign exchange contracts	(120)	175

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's and the Company's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The contract amounts of the outstanding forward foreign exchange contracts as at 30 June 2024 were RM18,757,775 (31.3.2023: RM64,537,500).

# NOTES TO THE FINANCIAL STATEMENTS

## 13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		30.6.2024 RM'000	31.3.2023 RM'000	30.6.2024 RM'000	31.3.2023 RM'000
<b>Trade</b>					
Amount due from a joint venture	(a)	3,228	-	3,228	-
Third parties	(a)	43,815	119,395	34,861	108,523
Less: Impairment losses	(b)	(226)	(226)	(226)	(226)
		46,817	119,169	37,863	108,297
<b>Non-trade</b>					
Amounts due from subsidiaries	(c)	-	-	4,527	5,347
Amount due from a joint venture	(c)	1,720	-	1,720	-
Other receivables		2,040	1,600	689	503
Deposits		248	306	108	110
Advances to suppliers		2,447	9,196	2,447	9,196
Prepayments		4,711	3,285	4,419	3,103
Less: Impairment losses on amounts due from subsidiaries	(b)	-	-	(4,319)	(4,891)
		11,166	14,387	9,591	13,368
		57,983	133,556	47,454	121,665

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group and the Company ranging from 30 to 90 days (31.3.2023: 30 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.



# NOTES TO THE FINANCIAL STATEMENTS

## 13. TRADE AND OTHER RECEIVABLES (continued)

### (b) Receivables that are impaired

The Group's and the Company's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

	Note	Group and Company	
		30.6.2024 RM'000	31.3.2023 RM'000
<b>Trade</b>			
At beginning/end of the financial period/year		226	226
<b>Non-trade</b>			
At beginning of the financial period/year		4,891	4,881
Charge for the financial period/year			
- Individual assessed	25	10	10
Reversal of impairment loss	25	(582)	-
At end of the financial period/year		4,319	4,891

The information about the credit exposures are disclosed in Note 29(b)(i).

### (c) Amounts due from subsidiaries and a joint venture are unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.

## 14. CONTRACT ASSETS/(LIABILITIES)

	Group			Company		
	30.6.2024 RM'000	31.3.2023 RM'000 (Restated)	1.4.2022 RM'000 (Restated)	30.6.2024 RM'000	31.3.2023 RM'000	1.4.2022 RM'000 (Restated)
<b>Contract assets</b>						
Contract assets relating to construction service contracts	186,257	60,784	66,305	179,736	48,067	56,332
<b>Contract liabilities</b>						
Contract liabilities relating to construction service contracts	(1,135)	(1,060)	-	(741)	(1,060)	-

# NOTES TO THE FINANCIAL STATEMENTS

## 14. CONTRACT ASSETS/(LIABILITIES)

### (a) Significant changes in contract balances

	30.6.2024		31.3.2023		1.4.2022	
	Contracts assets increase/ (decrease) RM'000	Contracts liabilities (increase)/ decrease RM'000	Contracts assets increase/ (decrease) RM'000 (Restated)	Contracts liabilities (increase)/ decrease RM'000 (Restated)	Contracts assets increase/ (decrease) RM'000 (Restated)	Contracts liabilities (increase)/ decrease RM'000 (Restated)
<b>Group</b>						
Revenue recognised that was included in contract liability at the beginning of the financial period/year	-	1,060	-	-	-	-
Cash received/ receivable (billed)	(117,134)	(1,135)	(58,046)	(1,060)	-	-
Increase as a result of changes in the measure of progress	303,391	-	118,330	-	66,305	-
Transfer from contract assets recognised at the beginning of the period/year to receivables	(60,284)	-	(66,305)	-	-	-
Reversal of unrealised gain on foreign exchange of contract assets	(500)	-	-	-	-	-
Unrealised gain on foreign exchange of contract assets	-	-	500	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 14. CONTRACT ASSETS/(LIABILITIES) (continued)

### (a) Significant changes in contract balances (continued)

	30.6.2024		31.3.2023		1.4.2022	
	Contracts assets increase/ (decrease) RM'000	Contracts liabilities (increase)/ decrease RM'000	Contracts assets increase/ (decrease) RM'000 (Restated)	Contracts liabilities (increase)/ decrease RM'000 (Restated)	Contracts assets increase/ (decrease) RM'000 (Restated)	Contracts liabilities (increase)/ decrease RM'000 (Restated)
<b>Company</b>						
Revenue recognised that was included in contract liability at the beginning of the financial period/year	-	1,060	-	-	-	-
Cash received/ receivable (billed)	(104,862)	(741)	(58,046)	(1,060)	-	-
Increase as a result of changes in the measure of progress	284,598	-	105,613	-	56,332	-
Transfer from contract assets recognised at the beginning of the period/year to receivables	(47,567)	-	(56,332)	-	-	-
Reversal of unrealised gain on foreign exchange of contract assets	(500)	-	-	-	-	-
Unrealised gain on foreign exchange of contract assets	-	-	500	-	-	-

The contract assets primarily relate to the Group and the Company's rights to consideration for work completed on contracts but not yet billed at the reporting date. Typically, the amount will be billed in the manner as established in the contracts with customers and payment is expected to be received based on agreed credit terms. The contract assets are reclassified as trade receivables when the rights to contract consideration become unconditional.

The contract liabilities refer to an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

# NOTES TO THE FINANCIAL STATEMENTS

## 15. SHORT-TERM INVESTMENTS

	Group and Company	
	30.6.2024	31.3.2023
	RM'000	RM'000
<b>Financial assets at fair value through profit or loss</b>		
<b>At fair value:</b>		
Investment funds in Malaysia	122,815	147,120

The amount represents placement in money market fund ("Fund"), of which the market price per unit of the Fund as at 30 June 2024 was range from RM0.573 to RM1.078 (31.3.2023: RM0.554). The Group and the Company held 185,069,339 (31.3.2023: 265,414,991) units of the Fund as at 30 June 2024.

## 16. CASH AND BANK BALANCES

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	41,340	32,672	31,014	23,736

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	41,340	32,672	31,014	23,736
Less: Bank overdrafts (Note 19)	(260)	-	-	-
Cash and cash equivalents as presented in statements of cash flows	41,080	32,672	31,014	23,736

# NOTES TO THE FINANCIAL STATEMENTS

## 17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	Unit'000	Unit'000	RM'000	RM'000
<b>Issued and fully paid (no par value):</b>				
At the beginning of the financial period/year	750,158	681,962	266,207	88,215
Issued pursuant to ESOS	26,493	-	3,773	-
Issue of ordinary shares	-	68,196	-	177,992
At the end of the financial period/year	776,651	750,158	269,980	266,207

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial period, the Company issued 26,493,000 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") which amounted RM3,772,603.

In the previous financial year, the Company issued 68,196,180 new ordinary shares at RM2.61 per ordinary share via a private placement to eligible investors for a total cash consideration of RM177,992,029.

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

## 18. OTHER RESERVES

	Note	Group		Company	
		30.6.2024	31.3.2023	30.6.2024	31.3.2023
		RM'000	RM'000	RM'000	RM'000
Share option reserve	(a)	266	1,125	266	1,125
Translation reserve	(b)	(1,842)	(1,571)	-	-
		(1,576)	(446)	266	1,125

# NOTES TO THE FINANCIAL STATEMENTS

## 18. OTHER RESERVES (continued)

### (a) Share option reserve

The share option reserve comprises the cumulative value of directors' and employees' services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital.

The salient features of the ESOS scheme are as follows:

- i) Eligible employees are those who must be at least eighteen (18) years of age, employed on a full time basis and have been in the employment of the Group for a period of at least six (6) months of continuous service.
- ii) The option is personal to the grantee and is non-assignable and non-transferable.
- iii) The option price shall be determined based on the weighted average market price of the Company's ordinary shares for the five (5) market days preceding the date of offer with a discount of not more than ten percent (10%).
- iv) The ESOS shall be in force for a period of five (5) years from the date of implementation of the Proposed ESOS. However, an extension to the scheme may be effected by the Company upon recommendation from the ESOS Committee, subject to an aggregate duration of ten (10) years from the date of commencement.

The terms and conditions related to the grant of the share option programme are as follows; all options are to be settled by physical delivery of shares:

Grant date	Number of options Unit'000	Vesting conditions	Options life
22 October 2020	34,733	None	5 years

#### Movement of share options during the financial period

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movement in, share options:

	Group and Company			
	Number 30.6.2024 Unit'000	WAEP 30.6.2024	Number 31.3.2023 Unit'000	WAEP 31.3.2023
At beginning of the financial period/year	34,733	RM0.11	34,733	RM0.11
Exercised during the period/year	(26,493)	RM0.11	-	RM0.11
At end of the financial period/year	8,240	RM0.11	34,733	RM0.11
Exercisable at end of the period/year	8,240	RM0.11	34,733	RM0.11

# NOTES TO THE FINANCIAL STATEMENTS

## 18. OTHER RESERVES (continued)

### (a) Share option reserve (continued)

The options outstanding at 30 June 2024 have exercise price of RM0.11 (31.3.2023: RM0.11) and the weighted average remaining contractual life for the share options outstanding as at 30 June 2024 is 1.3 years (31.3.2023: 2.5 years).

The fair value of the share options granted were determined using a Black-Scholes model, with the following inputs:

	<b>30.6.2024 and 31.3.2023</b>
<b>Fair value of share options and assumptions</b>	
Weighted average fair value of share option at grant date (RM)	0.421
Weighted average fair value of share option subsequent to bonus issue (RM)	0.0324
Weighted average share price (RM)	3.96
Option life (years)	5
Expected dividend (%)	None
Expected volatility (%)	14

The outstanding options of 8,240,400 were fully exercised on 6 September 2024. The Company had subsequently terminated the ESOS on 9 September 2024.

### (b) Translation reserve

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form parts of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. LOAN AND BORROWINGS

	Note	Group		Company	
		30.6.2024 RM'000	31.3.2023 RM'000	30.6.2024 RM'000	31.3.2023 RM'000
<b>Non-current:</b>					
<b>Secured</b>					
Term loans	(a)	3,954	4,496	-	-
Hire purchase payables	(b)	4,461	3,644	2,806	1,279
		8,415	8,140	2,806	1,279
<b>Current:</b>					
<b>Secured</b>					
Term loans	(a)	878	1,442	-	590
Hire purchase payables	(b)	3,213	1,670	2,001	581
Revolving credit	(c)	-	8,546	-	8,546
Banker acceptances	(d)	9,712	35,444	9,712	34,875
Bank overdrafts (Note 16)	(e)	260	-	-	-
		14,063	47,102	11,713	44,592
<b>Total loans and borrowings:</b>					
Term loans	(a)	4,832	5,938	-	590
Hire purchase payables	(b)	7,674	5,314	4,807	1,860
Revolving credit	(c)	-	8,546	-	8,546
Banker acceptances	(d)	9,712	35,444	9,712	34,875
Bank overdrafts (Note 16)	(e)	260	-	-	-
		22,478	55,242	14,519	45,871

### (a) Term loans

The term loans bear interest at rates ranging from 2.45% to 6.74% (31.3.2023: 2.45% to 6.49%) per annum and are secured and supported as follows:

- (a) Corporate guarantee by the Company; and
- (b) Legal charge over the subsidiary's property as disclosed in Note 5.

### (b) Hire purchase payables

Hire purchase payable of the Group and the Company bear interest at rates ranging from 2.02% to 3.65% (31.3.2023: 2.02% to 3.45%) per annum and are secured by the Group's plant and machineries and motor vehicles under hire purchase arrangements as disclosed in Note 5.



# NOTES TO THE FINANCIAL STATEMENTS

## 19. LOAN AND BORROWINGS (continued)

### (b) Hire purchase payables (continued)

Future minimum hire purchase payables payments together with the present value of net minimum hire purchase payables payments are as follows:

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Minimum hire purchase payables payments</b>				
Not later than 1 year	3,577	1,918	2,236	665
Later than 1 year and not later than 5 years	4,732	3,885	2,974	1,367
	8,309	5,803	5,210	2,032
Less: Future finance charges	(635)	(489)	(403)	(172)
Present value of minimum hire purchase payables payments	7,674	5,314	4,807	1,860

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Present value of minimum hire purchase payables payments</b>				
Not later than 1 year	3,213	1,670	2,001	581
Later than 1 year and not later than 5 years	4,461	3,644	2,806	1,279
	7,674	5,314	4,807	1,860
Less: Amount due within 12 months	(3,213)	(1,670)	(2,001)	(581)
Amount due after 12 months	4,461	3,644	2,806	1,279

### (c) Revolving credit

In the previous financial year, the revolving credit are secured by way of:

- (a) Corporate guarantee by the Company; and
- (b) Legal charge over the properties as disclosed in Note 5.

The revolving credit bears effective interest rates ranging from 5.37% to 6.81% per annum.

### (d) Bankers' acceptances

The bankers' acceptances are secured by way of legal charge over the properties as disclosed in Note 5.

The bankers' acceptances bear interest rates ranging from 4.44% to 5.84% (31.3.2023: 4.06% to 6.86%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. LOAN AND BORROWINGS (continued)

### (e) Bank overdrafts

The bank overdrafts are secured by way of:

- (a) Corporate guarantee by the Company; and
- (b) Legal charge over the subsidiary's property as disclosed in Note 5

The bank overdraft bear effective interest rate at 6.99% (31.3.2023: Nil) per annum.

## 20. LEASE LIABILITIES

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Non-current:</b>				
Lease liabilities	83	94	55	70
<b>Current:</b>				
Lease liabilities	145	173	86	88
	228	267	141	158

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group		Company	
	30.6.2024	31.3.2023	30.6.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Minimum lease payments</b>				
Not later than 1 year	151	179	90	92
Later than 1 year and not later than 5 years	85	96	57	72
	236	275	147	164
Less: Future finance charges	(8)	(8)	(6)	(6)
Present value of minimum lease payments	228	267	141	158
<b>Present value of minimum lease payments</b>				
Not later than 1 year	145	173	86	88
Later than 1 year and not later than 5 years	83	94	55	70
	228	267	141	158
Less: Amount due within 12 months	(145)	(173)	(86)	(88)
Amount due after 12 months	83	94	55	70

# NOTES TO THE FINANCIAL STATEMENTS

## 21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		30.6.2024 RM'000	31.3.2023 RM'000	30.6.2024 RM'000	31.3.2023 RM'000
<b>Trade</b>					
Trade payables	(a)	36,578	29,007	28,695	17,783
Amount due to related parties	(b)	1,046	-	1,022	2,369
Amount due to a subsidiary	(b)	-	-	502	1,136
		37,624	29,007	30,219	21,288
<b>Non-trade</b>					
Other payables		7,085	6,591	869	427
Deposits received		42	42	-	-
Accruals		1,317	876	1,223	792
		8,444	7,509	2,092	1,219
<b>Total trade and other payables</b>		<b>46,068</b>	<b>36,516</b>	<b>32,311</b>	<b>22,507</b>

- (a) Trade payables are non-interest bearing and are normally settled on range from 30 to 90 days (31.3.2023: 30 to 90 days).
- (b) The amount due to related parties and a subsidiary are unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 29(b)(ii).

## 22. REVENUE

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
<b>Revenue from contract with customers:</b>				
Industrial automation products	347,003	241,004	321,541	202,867
<b>Timing of recognition</b>				
At a point in time	42,552	33,606	35,883	27,018
Over time	304,451	207,398	285,658	175,849
	347,003	241,004	321,541	202,867

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. FINANCE INCOME

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000
Interest income on:				
- Short term deposits	994	303	790	241
- Short-term investments	1,884	-	1,884	-
- Other finance income	11	-	-	-
	2,889	303	2,674	241

## 24. FINANCE COSTS

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Interest expense on:				
- Term loan	349	300	20	59
- Revolving credit	477	723	477	723
- Hire purchase payables	644	283	407	56
- Bankers' acceptances	1,616	2,004	1,605	1,969
- Lease liabilities	14	13	7	4
- Other finance costs	6	40	-	-
	3,106	3,363	2,516	2,811

# NOTES TO THE FINANCIAL STATEMENTS

## 25. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Auditors' remuneration - statutory audit:				
- Baker Tilly Monteiro Heng PLT	297	-	222	-
- Other auditor	-	245	-	180
Other services:				
- Baker Tilly Monteiro Heng PLT	6	-	6	-
- Other auditor	-	65	-	65
Depreciation of property, plant and equipment	8,026	3,780	5,912	1,894
Fair value loss/(gain) on derivatives:				
- realised	4,820	2,944	4,820	2,797
- unrealised	120	(175)	120	(175)
Reversal of inventories written down	(9)	-	(9)	-
Inventories written down	367	169	367	169
Finance income	(2,889)	(303)	(2,674)	(241)
(Gain)/Loss on disposal of property, plant and equipment	(24)	(15)	(24)	2
Property, plant and equipment written off	-	6	-	6
Loss on disposal of short-term investments	-	436	-	436
Fair value gain on short-term investments				
- unrealised	(3,811)	(1,324)	(3,811)	(1,324)
(Gain)/Loss on foreign exchange:				
- realised	(2,835)	(4,647)	(2,018)	(3,658)
- unrealised	(321)	106	(381)	46
Expense relating to leases of:				
- low value assets	170	36	67	20
- short-term assets	456	-	378	-
Net (reversal of impairment loss)/impairment loss on amount due from subsidiaries	-	-	(572)	10
Rental income	(545)	(726)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000
Salaries, bonuses, allowances and others	35,137	25,616	28,187	17,320
Defined contribution plan	3,634	2,472	2,941	1,901
	38,771	28,088	31,128	19,221

## 27. TAX EXPENSE

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)

### Statements of comprehensive income

#### Current income tax:

- Current income tax charge	7,008	4,765	7,008	3,553
- Adjustment in respect of prior years	(79)	220	(88)	229
	6,929	4,985	6,920	3,782

#### Deferred tax (Note 9):

- Origination of temporary differences	(1,662)	1,893	(1,023)	1,884
- Adjustment in respect of prior years	574	(786)	398	(772)
	(1,088)	1,107	(625)	1,112
Tax expense recognised in profit or loss	5,841	6,092	6,295	4,894

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.3.2023: 24%) of the estimated assessable profit for the financial period/year.

The Company was granted pioneer status tax incentive by the Malaysian Industrial Development Authority ("MIDA") in respect of its "Smart Factory Automation System and Related Modules for Autonomous and Electric Vehicle, i.e. slip control system and autonomous driving system" activities for a period of 5 years commencing 3 December 2019 to 2 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

## 27. TAX EXPENSE (continued)

By virtue of the pioneer status, the statutory income derived by the Company from the pioneer services during the pioneer period will be 70% tax exemption on its statutory income for a period of 5 years.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's income tax expense are as follows:

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Profit before tax	90,391	57,819	94,967	52,494
Tax at Malaysian statutory income tax rate of 24% (31.3.2023: 24%)	21,694	13,877	22,792	12,599
Non-deductible expenses	1,041	4,329	568	4,385
Income not subject to tax	(17,389)	(11,548)	(17,375)	(11,547)
Adjustment in respect of:				
- current tax	(79)	220	(88)	229
- deferred tax	574	(786)	398	(772)
	5,841	6,092	6,295	4,894

## 28. EARNINGS PER SHARE

### Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period/year, calculated as follows:

	Group	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Profit attributable to owners of the Company	86,124	49,785
Weighted average number of ordinary shares	765,777	690,297
Basic earnings per ordinary share (sen)	11.2	7.2

# NOTES TO THE FINANCIAL STATEMENTS

## 28. EARNINGS PER SHARE (continued)

### Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial period/year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Profit attributable to owners of the Company	86,124	49,785
Weighted average number of ordinary shares	765,777	690,297
Effect of dilution from:		
- Share option	7,850	33,150
Weighted average number of ordinary shares (diluted)	773,627	723,447
Diluted earnings per ordinary share (sen)	11.1	6.9

On 6 September 2024, the Company issued 8,240,400 new ordinary shares pursuant to the exercise of the Company's Employee's Share Option Scheme ("ESOS") amounting to RM1,173,433.



# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) Fair value through profit or loss ("FVPL")
- (iii) Designated fair value through profit or loss ("DFVPL")
- (iv) Designated fair value through other comprehensive income ("DFVOCI")

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
<b>30.6.2024</b>					
<b>Group</b>					
<b>Financial assets</b>					
Other investments	2,280	-	-	-	2,280
Short-term investments	122,815	-	-	122,815	-
Trade and other receivables, excluding advances to suppliers and prepayments	50,825	50,825	-	-	-
Cash and bank balances	41,340	41,340	-	-	-
	217,260	92,165	-	122,815	2,280
<b>Financial liabilities</b>					
Derivative financial liabilities	(120)	-	(120)	-	-
Loans and borrowings	(22,478)	(22,478)	-	-	-
Trade and other payables	(46,068)	(46,068)	-	-	-
	(68,666)	(68,546)	(120)	-	-
<b>Company</b>					
<b>Financial assets</b>					
Other investments	2,280	-	-	-	2,280
Short-term investments	122,815	-	-	122,815	-
Trade and other receivables, excluding advances to suppliers and prepayments	40,588	40,588	-	-	-
Cash and bank balances	31,014	31,014	-	-	-
	196,697	71,602	-	122,815	2,280
<b>Financial liabilities</b>					
Derivative financial liabilities	(120)	-	(120)	-	-
Loans and borrowings	(14,519)	(14,519)	-	-	-
Trade and other payables	(32,311)	(32,311)	-	-	-
	(46,950)	(46,830)	(120)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount	AC	FVPL	DFVPL
	RM'000	RM'000	RM'000	RM'000
<b>31.3.2023</b>				
<b>Group</b>				
<b>Financial assets</b>				
Short-term investments	147,120	-	-	147,120
Trade and other receivables, excluding advances to suppliers and prepayments	121,075	121,075	-	-
Derivative financial assets	175	-	175	-
Cash and bank balances	32,672	32,672	-	-
	301,042	153,747	175	147,120
<b>Financial liabilities</b>				
Loans and borrowings	(55,242)	(55,242)	-	-
Trade and other payables	(36,516)	(36,516)	-	-
	(91,758)	(91,758)	-	-
<b>Company</b>				
<b>Financial assets</b>				
Short-term investments	147,120	-	-	147,120
Trade and other receivables, excluding advances to suppliers and prepayments	109,366	109,366	-	-
Derivative financial assets	175	-	175	-
Cash and bank balances	23,736	23,736	-	-
	280,397	133,102	175	147,120
<b>Financial liabilities</b>				
Loans and borrowings	(45,871)	(45,871)	-	-
Trade and other payables	(22,507)	(22,507)	-	-
	(68,378)	(68,378)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company use derivative financial instruments, such as, foreign exchange forward contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors review and agree to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

### (i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables), foreign exchange transactions and other financial instruments. The Company also provides loans for advances to subsidiaries and financial guarantee to banks for credit facilities granted to a subsidiary. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on certain customers requiring credit over a certain amount.

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

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- a concession or restructuring of loans granted by the lender of the counterpart relating to the counterpart's financial difficulty; or
- it is probable that the counterpart will enter bankruptcy or other financial reorganisation;

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (i) Credit risk (continued)

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

#### Trade receivables and contract assets

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

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company use ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group and the Company also take appropriate actions to recover long past due balances.

#### Credit risk concentration profile

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by geographic region on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	30.6.2024		31.3.2023	
	RM'000	%	RM'000	%
<b>Trade receivables:</b>				
<b>Group</b>				
Malaysia	4,996	11%	4,520	4%
Asia	3,770	8%	10,162	9%
Europe	5,023	11%	20,258	17%
Mexico	1,185	2%	2,184	1%
United States	31,843	68%	82,045	69%
	46,817	100%	119,169	100%
<b>Company</b>				
Malaysia	3,260	9%	403	0%
Asia	314	1%	3,424	3%
Europe	5,023	13%	20,258	18%
Mexico	1,185	3%	2,184	3%
United States	28,081	74%	84,090	76%
	37,863	100%	110,359	100%

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (i) Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### Credit risk concentration profile (continued)

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by geographic region on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows: (continued)

##### Contract assets:

	30.6.2024		31.3.2023	
	RM'000	%	RM'000	%
<b>Group</b>				
Malaysia	590	0%	125	0%
Asia	1,146	1%	12,385	21%
Europe	16,260	9%	2,061	3%
United States	168,261	90%	46,213	76%
	186,257	100%	60,784	100%
<b>Company</b>				
Europe	16,260	9%	2,062	4%
United States	163,476	91%	46,005	96%
	179,736	100%	48,067	100%

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (i) Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### Credit risk concentration profile (continued)

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. The Group and the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows:

	Contract assets RM'000	Trade receivables					Total RM'000
		Current RM'000	> 1 day past due RM'000	> 30 days past due RM'000	> 60 days past due RM'000	> 90 days past due RM'000	
<b>Group</b>							
<b>30.6.2024</b>							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	186,257	9,507	644	7,628	415	28,623	46,817
Impairment losses	-	-	-	-	-	226	226
<b>31.3.2023</b>							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	60,784	16,072	109	59,377	2,986	40,625	119,169
Impairment losses	-	-	-	-	-	226	226
<b>Company</b>							
<b>30.6.2024</b>							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	179,736	7,046	644	4,878	370	24,925	37,863
Impairment losses	-	-	-	-	-	226	226
<b>31.3.2023</b>							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	48,067	9,909	109	57,638	16	40,625	108,297
Impairment losses	-	-	-	-	-	-	226

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (i) Credit risk (continued)

##### **Other receivables and other financial assets**

For other receivables and other financial assets (including investment securities and cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognized in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

##### **Financial guarantee contracts**

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an ongoing basis. The maximum exposure to credit risks amounts to RM5,093,075 (31.3.2023: RM5,918,034) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 29(b)(ii). As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

#### Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>Group</b>					
<b>30.6.2024</b>					
Trade and other payables	46,068	46,068	-	-	46,068
Hire purchase payables	7,674	3,577	4,732	-	8,309
Lease liabilities	228	151	85	-	236
Term loans	4,832	1,094	3,111	1,424	5,629
Banker acceptances	9,712	9,882	-	-	9,882
Bank overdrafts	260	260	-	-	260
Derivative financial liabilities	120	120	-	-	120
	68,894	61,152	7,928	1,424	70,504



# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (ii) Liquidity risk (continued)

##### Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
<b>Group</b> (continued)					
<b>31.3.2023</b>					
Trade and other payables	36,516	36,516	-	-	36,516
Hire purchase payables	5,314	1,918	3,885	-	5,803
Lease liabilities	267	179	96	-	275
Term loans	5,938	1,693	2,980	2,298	6,971
Banker acceptances	35,444	36,194	-	-	36,194
Revolving credit	8,546	8,625	-	-	8,625
	92,025	85,125	6,961	2,298	94,384
<b>Company</b>					
<b>30.6.2024</b>					
Trade and other payables	32,311	32,311	-	-	32,311
Hire purchase payables	4,807	2,236	2,974	-	5,210
Lease liabilities	141	90	57	-	147
Banker acceptances	9,712	9,882	-	-	9,882
Derivative financial liabilities	120	120	-	-	120
Financial guarantees	-	5,093	-	-	5,093
	47,091	49,732	3,031	-	52,763
<b>31.3.2023</b>					
Trade and other payables	22,507	22,507	-	-	22,507
Hire purchase payables	1,860	665	1,367	-	2,032
Lease liabilities	158	92	72	-	164
Term loans	590	612	-	-	612
Revolving credit	8,546	8,625	-	-	8,625
Banker acceptances	34,875	35,618	-	-	35,618
Financial guarantees	-	5,918	-	-	5,918
	68,536	74,037	1,439	-	75,476

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, and purchases that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Management has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group's and the Company's policy is to hedge all material foreign currency exposures arising from its transactions and balance using derivative instruments that have maturity periods that match the corresponding maturity periods of the hedged items. In addition, the Group and the Company also take advantage of any natural effects of its foreign currencies revenue and expenses by maintaining current accounts in foreign currencies.

The Group and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	← Functional currencies →						
	USD	SGD	THB	RMB	EURO	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>							
<b>30.6.2024</b>							
<b>Balances recognised in the statements of financial position</b>							
Trade and other receivables	44,340	50	-	-	-	-	44,390
Cash and bank balances	11,856	-	-	56	8	4	11,924
Derivative financial liabilities	(120)	-	-	-	-	-	(120)
Trade and other payables	(6,034)	(602)	(932)	(19)	(469)	-	(8,056)
<b>Total</b>	<b>50,042</b>	<b>(552)</b>	<b>(932)</b>	<b>37</b>	<b>(461)</b>	<b>4</b>	<b>48,138</b>
<b>31.3.2023</b>							
<b>Balances recognised in the statements of financial position</b>							
Trade and other receivables	114,540	54	-	-	-	-	114,594
Cash and bank balances	7,220	-	6	14	8	6	7,254
Derivative financial assets	175	-	-	-	-	-	175
Trade and other payables	(1,753)	(963)	(844)	(2)	(2,893)	-	(6,455)
<b>Total</b>	<b>120,182</b>	<b>(909)</b>	<b>(838)</b>	<b>12</b>	<b>(2,885)</b>	<b>6</b>	<b>115,568</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (iii) Foreign currency risk (continued)

The Group and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows: (continued)

	Functional currencies						Total RM'000
	USD RM'000	SGD RM'000	THB RM'000	RMB RM'000	EURO RM'000	Others RM'000	
<b>Company</b>							
<b>30.6.2024</b>							
<b>Balances recognised in the statements of financial position</b>							
Trade and other receivables	37,173	-	-	-	-	-	37,173
Cash and bank balances	5,139	-	-	33	8	4	5,184
Derivative financial liabilities	(120)	-	-	-	-	-	(120)
Trade and other payables	(1,730)	(473)	(932)	(18)	(470)	-	(3,623)
<b>Total</b>	<b>40,462</b>	<b>(473)</b>	<b>(932)</b>	<b>15</b>	<b>(462)</b>	<b>4</b>	<b>38,614</b>
<b>31.3.2023</b>							
<b>Balances recognised in the statements of financial position</b>							
Trade and other receivables	107,839	-	-	-	-	-	107,839
Cash and bank balances	1,617	-	2	14	8	6	1,647
Derivative financial assets	175	-	-	-	-	-	175
Trade and other payables	(1,278)	(323)	(844)	(2)	(2,893)	-	(5,340)
<b>Total</b>	<b>108,353</b>	<b>(323)</b>	<b>(842)</b>	<b>12</b>	<b>(2,885)</b>	<b>6</b>	<b>104,321</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (iii) Foreign currency risk (continued)

##### Sensitivity analysis for foreign currency risk

The Group and the Company principal foreign currency exposure mainly relates to United States Dollar ("USD"), Singapore Dollar ("SGD"), Thailand Baht ("THB"), Renminbi ("RMB") and Euro ("EUR").

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, THB, RMB and EUR with all other variables held constant on the Group and Company's total equity and profit for the financial period.

	Change in rate %	Effect on profit for the financial period/year RM'000	Effect on equity RM'000
<b>Group</b>			
<b>30.6.2024</b>			
- USD	+10%	3,803	3,803
	- 10%	(3,803)	(3,803)
- SGD	+10%	42	42
	- 10%	(42)	(42)
- THB	+10%	71	71
	- 10%	(71)	(71)
- RMB	+10%	3	3
	- 10%	(3)	(3)
- EUR	+10%	35	35
	- 10%	(35)	(35)
<b>31.3.2023</b>			
- USD	+10%	9,134	9,134
	- 10%	(9,134)	(9,134)
- SGD	+10%	69	69
	- 10%	(69)	(69)
- THB	+10%	64	64
	- 10%	(64)	(64)
- RMB	+10%	1	1
	- 10%	(1)	(1)
- EUR	+10%	219	219
	- 10%	(219)	(219)

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (iii) Foreign currency risk (continued)

##### Sensitivity analysis for foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, THB, RMB and EUR with all other variables held constant on the Group and Company's total equity and profit for the financial period. (continued)

	Change in rate %	Effect on profit for the financial period/year RM	Effect on equity RM
<b>Company</b>			
<b>30.6.2024</b>			
- USD	+10%	3,075	3,075
	- 10%	(3,075)	(3,075)
- SGD	+10%	36	36
	- 10%	(36)	(36)
- THB	+10%	71	71
	- 10%	(71)	(71)
- RMB	+10%	1	1
	- 10%	(1)	(1)
- EUR	+10%	35	35
	- 10%	(35)	(35)
<b>31.3.2023</b>			
- USD	+10%	8,235	8,235
	- 10%	(8,235)	(8,235)
- SGD	+10%	25	25
	- 10%	(25)	(25)
- THB	+10%	64	64
	- 10%	(64)	(64)
- RMB	+10%	1	1
	- 10%	(1)	(1)
- EUR	+10%	219	219
	- 10%	(219)	(219)

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's and the Company's policy to manage their interest rate risk is to hedge all material floating rate borrowings using interest rate swaps.

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period.

	Change in basis points	Effect on profit for the financial period/year RM'000	Effect on equity RM'000
<b>Group:</b>			
<b>30 June 2024</b>	+ 10	4	4
	- 10	(4)	(4)
<b>31 March 2023</b>	+ 10	11	11
	- 10	(11)	(11)
<b>Company:</b>			
<b>30 June 2024</b>	+ 10	-	-
	- 10	-	-
<b>31 March 2023</b>	+ 10	7	7
	- 10	(7)	(7)

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management (continued)

#### (v) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments (other than interest or exchange rates).

The Group's and the Company's investments in unit trust fund are subject to market price risk.

#### Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably change in the net asset value ("NAV"), with all other variables held constant on the Group's and the Company's total equity and profit for the financial period:

	Change in NAV %	Effect on profit for the financial period/year RM'000	Effect on equity RM'000
<b>Group and Company:</b>			
<b>30 June 2024</b>	+10%	9,334	9,334
	- 10%	(9,334)	(9,334)
<b>31 March 2023</b>	+10%	11,181	11,181
	- 10%	(11,181)	(11,181)

### (c) Fair value measurement

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

The fair value of long-term financial liabilities is determined by the present value of future cash flows estimated and discounted using the current interest rates for similar instruments at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (c) Fair value measurement (continued)

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers. There have been no transfers between Level 1 and Level 2 during the financial period (31.3.2023: no transfer in either directions).

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

	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Total RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Group</b>									
<b>30.6.2024</b>									
<b>Financial assets</b>									
Other investments	2,280	-	-	2,280	2,280	-	-	-	-
Short-term investments	122,815	-	122,815	-	122,815	-	-	-	-
<b>Financial liabilities</b>									
Forward foreign exchange contracts	(120)	-	(120)	-	(120)	-	-	-	-
Term loan	(4,832)	-	-	-	-	-	-	(4,832)	(4,832)
Hire purchase payables	(7,674)	-	-	-	-	-	-	(7,829)	(7,829)
<b>31.3.2023</b>									
<b>Financial assets</b>									
Forward foreign exchange contracts	175	-	175	-	175	-	-	-	-
Short-term investments	147,120	-	147,120	-	147,120	-	-	-	-
<b>Financial liabilities</b>									
Term loan	(5,938)	-	-	-	-	-	-	(5,938)	(5,938)
Hire purchase payables	(5,314)	-	-	-	-	-	-	(5,462)	(5,462)



# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Total RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Company</b>									
<b>30.6.2024</b>									
<b>Financial assets</b>									
Other investments	2,280	-	-	2,280	2,280	-	-	-	-
Short-term investments	122,815	-	122,815	-	122,815	-	-	-	-
<b>Financial liabilities</b>									
Forward foreign exchange contracts	(120)	-	(120)	-	(120)	-	-	-	-
Hire purchase payables	(4,807)	-	-	-	-	-	-	(4,919)	(4,919)
<b>31.3.2023</b>									
<b>Financial assets</b>									
Forward foreign exchange contracts	175	-	175	-	175	-	-	-	-
Short-term investments	147,120	-	147,120	-	147,120	-	-	-	-
<b>Financial liabilities</b>									
Term loan	(590)	-	-	-	-	-	-	(590)	(590)
Hire purchase payables	(1,860)	-	-	-	-	-	-	(1,923)	(1,923)

### Level 2 fair value

#### Fair value of financial instruments carried at fair value

##### Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

##### Short-term investments

The fair value of the short-term investments are based on the latest estimate or indicative net asset value (NAV) provided or published by the underlying funds.

# NOTES TO THE FINANCIAL STATEMENTS

## 29. FINANCIAL INSTRUMENTS (continued)

### (c) Fair value measurement (continued)

#### Level 3 fair value

#### Fair value of financial instruments carried at fair value

##### Other investments

The fair value of unquoted equity instruments has been estimated based on the most recent transaction value.

#### Fair value of financial instruments not carried at fair value

##### Term loans and hire purchase

The fair value of term loans and hire purchase are estimated based on discounted cash flows, method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

## 30. COMMITMENTS

The Group and the Company have made commitments for the following capital expenditures:

	Group and Company	
	30.6.2024	31.3.2023
	RM'000	RM'000
Property, plant and equipment	25,349	-

## 31. RELATED PARTIES

### (a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) A joint venture;
- (iii) Entities in which directors have substantial financial interest; and
- (iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENTS

## 31. RELATED PARTIES

### (b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000
<b>Sales</b>				
A joint venture	(3,228)	-	(3,228)	-
Entities in which directors have substantial financial interests	(4)	-	-	-
<b>Purchases</b>				
Subsidiaries	-	-	4,853	3,460
Related parties	2,136	4,926	1,969	4,661
Entities in which directors have substantial financial interests	647	588	-	-

### (c) Compensation of key management personnel

	Group		Company	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000
<b>Directors:</b>				
- Remuneration	2,707	2,048	2,113	1,534
- Fees	494	312	494	312
- Other short-term employee benefits	154	88	73	28
	3,355	2,448	2,680	1,874
Other key management personnel	3,074	1,610	3,074	1,610
	6,429	4,058	5,754	3,484

# NOTES TO THE FINANCIAL STATEMENTS

## 32. SEGMENT INFORMATION

The entire Group operates under a single reportable segment, the industrial automation segment, which is the Group's strategic business unit. The Group's Chief Operating Officer reviews internal management reports at least on a quarterly basis. No segment reporting is presented as the Group operates solely in the industrial automation segment.

### Geographical segments

The industrial automation segment operates manufacturing facilities and sales offices mainly in Malaysia. In presenting information on the basis of geographical segments, segment revenue and non-current assets are presented based on geographical locations.

### Geographical information

	Revenue RM'000	Non-current assets RM'000
<b>30.6.2024</b>		
Malaysia	10,021	145,405
Asia	6,966	-
Europe	56,538	-
United States	265,320	-
Mexico	8,158	-
	347,003	145,405
<b>31.3.2023 (restated)</b>		
Malaysia	8,926	121,891
Asia	34,018	-
Europe	46,278	-
United States	126,852	-
Mexico	24,930	-
	241,004	121,891

### Major customers

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

	Revenue	
	1.4.2023 to 30.6.2024 (15 months) RM'000	1.4.2022 to 31.3.2023 (12 months) RM'000 (Restated)
Customer A	7,202	37,844
Customer B	89,142	142,468
Customer C	227,067	55,983
	323,411	236,295

# NOTES TO THE FINANCIAL STATEMENTS

## 33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group and the Company monitor capital using debt-to-equity ratio. The debt-to-equity ratio is calculated as total debts divided by total equity. The debt-to-equity ratio at 30 June 2024 and 31 March 2023 are as follows:

	Note	Group		Company	
		30.6.2024 RM	31.3.2023 RM (Restated)	30.6.2024 RM	31.3.2023 RM
Loans and borrowings	19	22,478	55,242	14,519	45,871
Less: Cash and bank balances	16	(41,340)	(32,672)	(31,014)	(23,736)
Net (cash)/debt		(18,862)	22,570	(16,495)	22,135
Total equity		496,728	409,716	485,581	393,995
Debt to equity ratio		*	6%	*	6%

\* Not meaningful as the Group and the Company are in net cash position.

There was no breach of covenants during the financial year.

## 34. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 1 March 2023, the Company proposed to undertake the transfer of the listing and quotation of the entire issued share capital of Genetec Technology Berhad from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer").

The Company obtained approval from Securities Commission Malaysia and Bursa Securities via their letters dated 23 August 2023 and 16 October 2023 respectively.

The Proposed Transfer was completed on 27 October 2023.

## 35. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 28 May 2024, the Company proposed to establish and implement a long-term incentive plan ("Proposed LTIP") of up to 5% of the Company's total issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for the eligible executive directors and employees of the Company and its subsidiary companies (excluding subsidiaries which are dormant) who fulfil the eligibility criteria.

Bursa Securities had approved the Proposed LTIP via its letter dated 12 July 2024.

At an extraordinary general meeting held on 29 August 2024, the Company's shareholders approved the establishment of the Proposed LTIP.

The LTIP has not been implemented as at the date of this report.

# NOTES TO THE FINANCIAL STATEMENTS

## 36. COMPARATIVE FIGURES

### (a) Retrospective adjustments and reclassifications

During the current financial period, the Group and the Company made retrospective adjustments to the prior year financial statements as to reflect the adjustments on revenue recognition in accordance to MFRS 15.

Certain comparative figures have been restated to confirm with current period presentation.

The effects of the adjustments and reclassifications are as follows:

	As previously reported	Adjustments	Reclassification	As restated
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
<b>31.3.2023</b>				
<b>Statements of Financial Position</b>				
<b>Current assets</b>				
Contract assets	48,068	12,716	-	60,784
Inventories	16,800	(8,218)	-	8,582
<b>Equity attributable to the owners of the Company</b>				
Retained earnings	131,207	1,744	-	132,951
<b>Non-controlling interest</b>				
	9,329	1,675	-	11,004
<b>Current liabilities</b>				
Current tax liabilities	360	1,079	-	1,439
<b>Statements of Comprehensive Income</b>				
Revenue	294,592	(53,588)	-	241,004
Cost of sales	(196,157)	36,509	(7,030)	(166,678)
Other income	46,468	-	(39,692)	6,776
Administrative expenses	(13,334)	-	(3,829)	(17,163)
Distribution expenses	(10,486)	-	10,486	-
Other expenses	(42,987)	-	39,927	(3,060)
Finance costs	(3,501)	-	138	(3,363)
Tax expense	(7,011)	919	-	(6,092)
<b>Statements of Cash Flows</b>				
<b>Cash flow from operating activities</b>				
Net cash from operating activities	92,354	-	(138)	92,216
Net cash from financing activities	129,242	-	138	129,380

# NOTES TO THE FINANCIAL STATEMENTS

## 36. COMPARATIVE FIGURES (continued)

### (a) Retrospective adjustments and reclassifications (continued)

The effects of the adjustments are as follows: (continued)

	As previously reported RM'000	Adjustments RM'000	Reclassification RM'000	As restated RM'000
<b>Group</b>				
<b>1.4.2022</b>				
<b>Statements of Financial Position</b>				
<b>Current assets</b>				
Contract assets	-	66,305	-	66,305
Inventories	46,491	(44,727)	-	1,764
<b>Equity attributable to the owners of the Company</b>				
Retained earnings	64,574	18,592	-	83,166
<b>Non-controlling interest</b>	8,201	987	-	9,188
<b>Current liabilities</b>				
Current tax liabilities	182	1,999	-	2,181
<b>Company</b>				
<b>31.3.2023</b>				
<b>Statements of Comprehensive Income</b>				
Revenue	259,199	(56,332)	-	202,867
Cost of sales	165,752	(37,406)	6,865	135,211
Other income	43,570	-	(38,768)	4,802
Administrative expenses	(11,128)	-	(3,403)	(14,531)
Distribution expenses	(9,970)	-	9,970	-
Other expenses	(41,782)	-	38,929	(2,853)
Finance costs	(2,948)	-	137	(2,811)
Tax expense	6,256	(1,362)	-	4,894
<b>Statements of Cash Flows</b>				
<b>Cash flow from operating activities</b>				
Net cash from operating activities	80,668	-	(137)	80,531
Net cash from financing activities	134,299	-	137	134,436

# NOTES TO THE FINANCIAL STATEMENTS

## 36. COMPARATIVE FIGURES (continued)

### (a) Retrospective adjustments and reclassifications (continued)

The effects of the adjustments are as follows: (continued)

	As previously reported RM'000	Adjustments RM'000	Reclassification RM'000	As restated RM'000
<b>Company</b>				
<b>1.4.2022</b>				
<b>Statements of Financial Position</b>				
<b>Current assets</b>				
Contract assets	-	56,332	-	56,332
Inventories	38,807	(37,406)	-	1,401
<b>Equity attributable to the owners of the Company</b>				
Retained earnings	64,574	14,489	-	79,063
<b>Current liabilities</b>				
Current tax liabilities	40	1,362	-	1,402

- (b) The financial statements of the Group and the Company for the financial year ended 31 March 2023 were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those financial statements on 20 July 2023.



# STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **CHIN KEM WENG** and **SOW EWE LEE**, being two of the directors of GENETEC TECHNOLOGY BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 78 to 151 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial period then ended.

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

**CHIN KEM WENG**  
Director

**SOW EWE LEE**  
Director

Date: 22 October 2024

# STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **TAN KON HOAN**, being the officer primarily responsible for the financial management of GENETEC TECHNOLOGY BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 78 to 151 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**TAN KON HOAN**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 22 October 2024.

Before me:

**Hadinur Mohd Syarif**  
No. W761  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

To the Members of Genetec Technology Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Genetec Technology Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to financial statements, including material accounting policy information, as set out on pages 78 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

### Group and Company

#### **Revenue (Note 14 and 22 to the financial statements)**

The Group's accounting policy is to recognise the revenue from sales of industrial automation products either over time or at a point in time recognition, depending on the timing when the controls of the products are passed to customers. In addition, the stage of completion for those revenue recognised overtime is determined by reference to the actual contract costs incurred for work performed to-date bear to the total estimated project costs.

We focused on this area because the Group's revenue recognition requires the exercise of significant judgement to be made by the directors, in particular with regards to determining the recognition of revenue either over time or at point in time recognition, depending on the timing when the control of the products is passed to the customers based on the terms on the customer's orders. Significant judgement is also required to determine the progress towards satisfaction of a performance obligation, the extent of the contract costs incurred, the estimated total contracts revenue and costs, as well as the recoverability of the projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

# INDEPENDENT AUDITORS' REPORT

To the Members of Genetec Technology Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

### Key Audit Matters (continued)

### Group and Company (continued)

#### Our response:

Our audit response on selected projects included, among others:

- Reading the terms and conditions of agreements with selected customers;
- Understanding the Group's process in preparing or updating project budget and the calculation of the stage of completion;
- Comparing the Group's major assumptions to contractual terms and discussing with the project managers;
- Checking the mathematical computation of recognised revenue for the projects during the financial period; and
- Testing the cut off to ensure the revenue is recognised in the correct accounting period.

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

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

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

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

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

#### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

# INDEPENDENT AUDITORS' REPORT

To the Members of Genetec Technology Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or of the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT

To the Members of Genetec Technology Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

### Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2023 were audited by another firm of Chartered Accountants whose report dated 20 July 2023 expressed an unmodified opinion on those financial statements.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**Baker Tilly Monteiro Heng PLT**  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

**Kenny Yeoh Khi Khen**  
No. 03229/09/2026 J  
Chartered Accountant

Kuala Lumpur

Date: 22 October 2024

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements for each financial year so as to give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have made judgements and estimates that are reasonable and prudent, adopted appropriate accounting policies and applied them consistently, and prepared the annual audited financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and applicable approved Financial Reporting Standards in Malaysia.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

# LIST OF PROPERTIES HELD BY THE GROUP

As at 30 June 2024

No.	Address	Approximate tenure/Year of expiry	Description/ Existing use	Land area / Built-up area (sq. ft.)	Net book value @ 30.06.2024 (RM'000)	Age of building (years)	Date of acquisition
1.	Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold/ Land with 3 storey office and factory	61,450 / 44,405	9,346	16	31 March 2008
2.	No. 59, Jalan P/21, Selaman Industrial Park, Seksyen 10, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold 1½ -storey detached factory/Office building	22,723 / 13,603	1,607	19	20 March 2006
3.	Lot 11734, Persiaran Subang Indah, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Daru Ehsan.	99 years expiring in 2090	Leasehold 1½ - storey office and factory	81,911 / 49,217	13,509	34	15 June 2011
4.	Lot 6, Jalan P/10, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold/ 2 storey to 4 storey production cum office building	683,293/ 301,509	83,389	25	26 May 2022

# ADDITIONAL COMPLIANCE INFORMATION

## 1) UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

### Private Placement

As at 30 June 2024, the proposed and actual utilisation of RM177,992,030 proceeds raised from the issuance for a total of 68,196,180 new ordinary shares at issue price per placement share of RM2.61 pursuant to the Private Placement, which was completed on 15 February 2023 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Available for Utilisation RM'000	Expected Utilisation Time Frame
Expansion of manufacturing facilities	94,000	80,228	13,772	Within 36 months
Working capital requirements	80,992	64,020	16,972	Within 24 months
Estimated expenses in relation to the Private Placement	3,000	3,000	-	Within 1 month
<b>Total</b>	<b>177,992</b>	<b>147,248</b>	<b>30,744</b>	

## 2) EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an extraordinary general meeting held on 27 August 2020, the Company's shareholders approved the establishment of ESOS of not more than 15% of the total number of issue shares of the Company at any point in time during the tenure of the ESOS, to eligible Directors and employees of the Group. A total of 6,594,000 options with exercise price of RM1.37 were granted and accepted pursuant to the ESOS. The exercise price of the options was adjusted to RM0.11 arising from the bonus issue of 629,503,200 ordinary shares listed on 11 January 2022.

The information in relation to the ESOS is as follows:

	FP2024
Outstanding options or share as at 1 April 2023	34,733,400
Total number of options or shares granted during the period	-
Total number of options or shares exercised during the period	(26,493,000)
Total number of options or shares forfeited during the period	-
<b>Outstanding options or shares as at 30 June 2024</b>	<b>8,240,400</b>

Options granted to the Directors including the Managing Director:

	FP2024
Outstanding options or share as at 1 April 2023	20,280,000
Aggregate options or shares granted during the period	-
Aggregate options or shares exercised during the period	(13,000,000)
<b>Aggregate options or shares outstanding as at 30 June 2024</b>	<b>7,280,000</b>



## ADDITIONAL COMPLIANCE INFORMATION

### 2) EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (continued)

Options granted to Directors and Senior Management:

	<b>FP2024</b>
Aggregate maximum allocation in percentage	70.0%
Actual percentage granted	59.4%

On 9 September 2024, the Board of Directors announced that the ESOS of the Company is terminated with outstanding options of 8,240,400 had fully exercised.

### 3) LONG-TERM INCENTIVE PLAN ("LTIP")

At an extraordinary general meeting held on 29 August 2024, the Company's shareholders approved the establishment of LTIP in the form of an employees' share grant scheme of up to 5% of the Company's total issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for the eligible executive Directors and employees of Genetec and its subsidiary companies (excluding subsidiaries which are dormant) who fulfill the eligibility criteria.

The LTIP has not been implemented as at the date of this report.

### 4) AUDIT AND NON-AUDIT FEES

During the financial period, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Group and by the Company for services rendered were as follows: -

	<b>Group (RM)</b>	<b>Company (RM)</b>
Audit fee	296,500	222,000
Non-audit fee	6,000	6,000

### 5) MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive who is not a director or major shareholders of the Company, either still subsisting at the end of the financial period, or which were entered into since the end of the previous financial year.

## ADDITIONAL COMPLIANCE INFORMATION

### 6) RECURRENT RELATED PARTY TRANSACTION

The significant recurrent related party transactions conducted during the financial period ended 30 June 2024 were as follows:

	Related Parties	Relationship with Genetec Group	Nature of Transactions with Genetec Group	Amount (RM)
1.	CLT Engineering Sdn. Bhd. ("CLT")	Tan Moon Teik is a Director of Genetec. He is also a Director and Major Shareholder of CLT  Chin Kem Weng is a Director of Genetec. He is also a Director and indirect Major Shareholder of CLT (via his shareholding in Genetec)	Purchase of fabrication parts	4,853,318
2.	Citaglobal Genetec BESS Sdn. Bhd. ("CG BESS")	Chin Kim Weng is a Director of Genetec. He is also a Director and Indirect Major Shareholder of CG BESS (via his shareholdings in Genetec).	Sale of battery energy storage system	3,227,867
3.	KVC Industrial Supplies Sdn. Bhd. ("KVC")	Chen Khai Voon is a Major Shareholder of Genetec (via his shareholdings in Genetec and KVC Corporation Sdn. Bhd. ("KVC Corp")). He is also a Director and an indirect Major Shareholder of KVC (via his direct shareholdings in KVC Corp and indirect shareholdings in KVC Properties Sdn. Bhd. and Sonepar Malaysia Sdn. Bhd.)  KVC Corp is a person connected to Chen Khai Voon, a Major Shareholder of Genetec and also an Indirect Major Shareholder of KVC (via its direct shareholdings in KVC Properties Sdn. Bhd. and indirect shareholdings in Sonepar Malaysia Sdn. Bhd.)	Purchase of industrial products	1,963,964
4.	TSA Industries Sdn. Bhd. ("TSA")	Chen Khai Voon is a Major Shareholder of Genetec (via his shareholdings in Genetec and KVC Corp). He is also an indirect Major Shareholder of TSA (via his direct shareholdings in KVC Corp and indirect shareholdings in KVC Properties Sdn. Bhd.)  KVC Corp is a person connected to Chen Khai Voon, a Major Shareholder of Genetec and also an indirect Major Shareholder of TSA (via its direct shareholdings in KVC Properties Sdn. Bhd.)	Purchase of industrial hardware	171,805
5.	MP Precision Sdn. Bhd. ("MP")	Tan Moon Teik is a Director of CLT. He is also a Major Shareholder of MP	Purchase of fabrication parts	646,866

# ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024

Total number of issued shares : 784,891,380  
 Class of shares: Ordinary Shares  
 Voting rights: One (1) vote per Ordinary Share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
1 – 99	77	0.64	2,016	0.00
100 – 1,000	2,065	17.23	1,403,422	0.18
1,001 – 10,000	6,469	53.98	31,734,474	4.04
10,001 – 100,000	2,886	24.08	89,328,287	11.38
100,001 – 39,244,568 (*)	487	4.06	615,682,981	78.44
39,244,569 and above (**)	1	0.01	46,740,200	5.96
<b>Total</b>	<b>11,985</b>	<b>100.00</b>	<b>784,891,380</b>	<b>100.00</b>

Remarks : \* Less than 5% of issued shares  
 \*\* 5% and above of issued shares

## DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)

Name	Direct Interest		Indirect Interest	
	No. of shares held	%	No. of shares held	%
Chin Kem Weng	59,962,565	7.64	-	-
Sow Ewe Lee	11,700,000	1.49	-	-
Ong Phoe Be	800,000	0.10	-	-
Dato' Jeeventhiran a/l Ramanaidu	100,000	0.01	-	-
Allen Lik-Hook Ting	1,027,200	0.13	-	-
Ong Siew Min	-	-	-	-

## SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Chin Kem Weng	59,962,565	7.64	-	-
Chen Khai Voon	2,500,000	0.32	46,740,200*	5.95
KVC Corporation Sdn Bhd	46,740,200	5.95	-	-
Employees Providend Fund Board	-	-	45,953,300	5.85

Note : \* Deemed interested through KVC Corporation Sdn Bhd

# ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024

## 30 LARGEST SHAREHOLDERS

No.	Name	No. of shares held	Percentage (%)
1	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR KVC CORPORATION SDN BHD</i>	46,740,200	5.95
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR CHIN KEM WENG (PB)</i>	35,000,000	4.46
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)</i>	29,056,600	3.70
4	TAN MOON TEIK	25,340,400	3.23
5	CHIN KEM WENG	21,212,565	2.70
6	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY GROWTH FUND</i>	17,968,100	2.29
7	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)</i>	17,618,500	2.24
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>URUSHARTA JAMAAH SDN. BHD. (2)</i>	15,042,300	1.92
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>NATIONAL TRUST FUND (IFM KAF) (446190)</i>	13,500,000	1.72
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR TAN KON HOAN (PB)</i>	12,883,000	1.64
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR SOW EWE LEE (PB)</i>	11,700,000	1.49
12	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>KAF CORE INCOME FUND</i>	11,600,000	1.48
13	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)</i>	11,392,600	1.45
14	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND</i>	11,349,600	1.45
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN MOON TEIK (7013856)</i>	10,583,400	1.35
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)</i>	9,602,200	1.22
17	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBNY FOR NORGES BANK (FI 17)</i>	9,281,000	1.18
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND</i>	8,500,000	1.08
19	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PAMB FOR PRULINK EQUITY FUND</i>	8,268,700	1.05

# ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024

## 30 LARGEST SHAREHOLDERS (continued)

No.	Name	No. of shares held	Percentage (%)
20	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEES MALAYSIA FOR EASTSRPING INVESTMENTS SMALL-CAP FUND</i>	8,170,500	1.04
21	PUBLIC INVEST NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)</i>	8,071,000	1.03
22	LEONG KAH KONG	7,209,300	0.92
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AIIMAN IS EQ)</i>	7,168,200	0.91
24	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)</i>	7,133,200	0.91
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>LEMBAGA TABUNG HAJI (AIIMAN)</i>	6,974,900	0.89
26	HSBC NOMINEES (ASING) SDN BHD <i>MORGAN STANLEY &amp; CO. INTERNATIONAL PLC (FIRM A/C)</i>	6,664,900	0.85
27	GOH YIK YONG	6,390,000	0.81
28	AFFIN HWANG NOMINEES (ASING) SDN BHD <i>DBS VICKERS SECS (S) PTE LTD FOR KGI SECURITIES (SINGAPORE) PTE. LTD.</i>	5,830,000	0.74
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>URUSHARTA JAMAAH SDN. BHD. (AHAM AM 2)</i>	5,658,200	0.72
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PETROLIAM NASIONAL BERHAD</i>	5,467,200	0.70
<b>Total</b>		<b>401,376,565</b>	<b>51.14</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Sixth Annual General Meeting (“26th AGM” or “Meeting”) of the Company will be conducted fully virtual through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration number with MYNIC: D1A282781) on Tuesday, 26 November 2024 at 10.00 a.m. for the transaction of the following businesses:-

## AGENDA

### AS ORDINARY BUSINESS:

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial period ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.       | <i>Please refer to Explanatory Note (a)</i> |
| 2. | To approve the additional payment of Directors’ fees of RM102,000 which was in excess of the earlier approved amount.  | <b>Ordinary Resolution 1</b>                |
| 3. | To approve the payment of Directors’ fees of RM408,000 payable to the Non-Executive Directors for the financial year ending 30 June 2025.                      | <b>Ordinary Resolution 2</b>                |
| 4. | To re-elect the following Directors who are due to retire pursuant to the Company’s Constitution and being eligible, have offered themselves for re-election:- |   |
|    | (i) Ms. Ong Phoe Be (Clause 105)   | <b>Ordinary Resolution 3</b>                |
|    | (ii) Dato’ Jeeventhiran a/l Ramanaidu (Clause 105)   | <b>Ordinary Resolution 4</b>                |
|    | (iii) Ms. Ong Siew Min (Clause 112)  | <b>Ordinary Resolution 5</b>                |
| 5. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 6</b>                |

### AS SPECIAL BUSINESS:

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

- |    |  |                              |
|----|--|------------------------------|
| 6. | <b>AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS</b> | <b>Ordinary Resolution 7</b> |
|----|--|------------------------------|

“THAT, subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company and approvals of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other governmental and/or regulatory authorities, where required, the Directors of the Company be empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company from time to time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being AND THAT the Directors of the Company be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 63 of the Constitution of the Company, the approval be given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from the issuance of new shares pursuant to Sections 75 and 76 of the Act.

# NOTICE OF ANNUAL GENERAL MEETING

AND FURTHER THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting or any adjournment thereof of the Company."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' RRPT MANDATE")**

**Ordinary Resolution 8**

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be given to the Company and/or its subsidiaries ("Genetec Group") to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 28 October 2024, which are necessary for the day-to-day operations in the ordinary course of business of Genetec Group on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the Proposed Renewal of Shareholders' RRPT Mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") or any adjournment thereof of the Company, at which time it will lapse unless the authority is renewed by a resolution passed at that meeting; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution."

# NOTICE OF ANNUAL GENERAL MEETING

8. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' RRPT MANDATE")**

**Ordinary Resolution 9**

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be given to the Company and/or its subsidiaries ("Genetec Group") to enter into new/additional recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 28 October 2024, which are necessary for the day-to-day operations in the ordinary course of business of Genetec Group on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the Proposed New Shareholders' RRPT Mandate is subject to annual renewal and disclosure shall be made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") or any adjournment thereof of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at that meeting; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

AND THAT authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution."

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

LOW SOOK KUAN (MAICSA 7047833)  
SSM PC No. 202008001384  
Company Secretary

Selangor Darul Ehsan  
28 October 2024



# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:

- i. The 26th AGM of the Company will be conducted on a fully virtual basis through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its TIIH Online website at <https://tiih.online>.
- ii. Member(s)/Proxy(ies) who wish to attend, speak (including posting questions to the Board via real-time submission of typed texts) and vote (collectively, "participate") in the Meeting may do so remotely via the Remote Participation and Voting ("RPV") facilities. Please follow the procedures provided in the Administrative Guide for the 26th AGM in order to register and participate remotely at the Meeting via the RPV facilities.

## Notes:

1. For the purpose of determining a member who shall be entitled to participate in the 26th AGM, the Company shall be requesting a Record of Depositors as at 18 November 2024. Only a depositor whose name appears on such Record of Depositors shall be regarded as a member and entitled to participate in the Meeting as well as for appointment of proxy(ies) or authorised representative to participate in the Meeting on his/her behalf.
2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to participate in the Meeting. A member may appoint more than one (1) proxy to participate in the Meeting provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under SICDA which holds ordinary shares in the Company for the 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 provided that the proportion of holdings to be represented by each proxy must be specified.
5. The instrument appointing a proxy shall be in writing signed by the appointer or by his attorney who is authorised in writing. Where the appointer is a corporation, the instrument appointing proxy(ies) must be made either under its common seal (if any) or signed by an officer or an attorney duly authorised.
6. A member who has appointed a proxy, attorney or corporate representative to participate in the Meeting must request his/her proxy, attorney or corporate representative to register himself/herself at the TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV facilities in the Administrative Guide for the 26th AGM.
7. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited as follows, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than 24 hours before the time appointed for the taking of the poll at the 26th AGM. All resolutions set out in this Notice are to be voted by poll.

(a) Deposit Hardcopy of Proxy Form

To the Company's Share Registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

Please ensure all the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration in the Proxy Form must be initialled.

(b) Deposit of Proxy Form Electronically

To the Company's Share Registrar via the TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide on the procedure for the electronic submission of the Proxy Form via TIIH Online.

The Proxy Form must be deposited accordingly by Sunday, 24 November 2024 at 10.00 a.m.

# NOTICE OF ANNUAL GENERAL MEETING

## **Explanatory Notes to the Agenda :**

### **Explanatory Note (a) - Audited Financial Statements and Reports**

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require formal approval of the shareholders for the Audited Financial Statements and Reports. Hence, this item is not put forward to shareholders for voting.

### **Ordinary Resolution 1 – Additional Payment of Directors' Fees**

The proposed Ordinary Resolution 1 is to facilitate the shortfall payment of Directors' fees of RM102,000 which was in excess of the earlier approved amount in the last Annual General Meeting ("AGM") held on 29 September 2023.

The shareholders had at the last AGM approved the Directors' fees of RM392,000 for the financial period from 1 April 2023 to 31 March 2024. However, the approved amount was insufficient due to the change in the financial year end of the Company and the restructuring in the Board composition during the financial period ended 30 June 2024.

### **Ordinary Resolution 2 - Payment of Directors' Fees For Financial Year Ending (FYE) 30 June 2025**

Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Accordingly, shareholders' approval is sought for the payment of the directors' fee for FYE 30 June 2025 amounting to RM408,000.

The proposed Ordinary Resolution 2 is to facilitate payment of Directors' fees on the current financial year basis, based on the current Board size and assuming that all Directors shall hold office until the end of the next financial year. In the event the proposed Directors' fees are insufficient, approval will be sought at the next AGM for additional fees to meet the shortfall.

### **Ordinary Resolutions 3, 4 and 5 - Re-election of Directors**

In accordance with Clause 105 of the Company's Constitution, one-third (1/3) of the Directors shall retire by rotation at the AGM. As such, Ms. Ong Phoe Be and Dato' Jeeventhiran a/l Ramanaidu are due for retirement as the Directors of the Company in this AGM.

In furtherance to Clause 112 of the Company's Constitution, any new Director appointed during the year shall retire at the AGM. Therefore, Ms. Ong Siew Min, appointed on 2 October 2023, is due for retirement.

For the purpose of determining the eligibility of the Directors to stand for re-election at the AGM of the Company, the Board through its Nomination Committee undertakes an evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:

- (i) Contribution and performance of each individual Director;
- (ii) Independence of the Independent Non-Executive Director; and
- (iii) Fit and proper assessment.

Based on the results of the above evaluation, the Board is satisfied with the Directors' performance and the level of contribution to the Board in terms of experience, expertise, integrity, competency, participation, and contribution as well as their abilities to act in the best interest of the Company. The Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

Upon the assessment and recommendation of the Nomination Committee, the Board supported the re-election of Ms. Ong Phoe Be, Dato' Jeeventhiran a/l Ramanaidu and Ms. Ong Siew Min ("the Retiring Directors").

The Retiring Directors have offered themselves for re-election. The profile of the Retiring Directors is set out in the 'Profile of Directors' including their interests in the shares of the Company disclosed under 'Analysis of Shareholdings' of the Annual Report 2024.

The proposed Ordinary Resolutions 3, 4 and 5, if passed, will allow the Retiring Directors to be re-elected as the Directors of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## **Ordinary Resolution 6 – Re-appointment of Auditors**

The Audit Committee has assessed the suitability and independence of Messrs Baker Tilly Monteiro Heng PLT, the External Auditors (“EA”) and was satisfied with the suitability of EA based on the quality of audit, performance, competency and sufficiency of resources of the audit team provided to the Group and also found the EA has sufficiently objective and independent. The Board, therefore, endorsed the Audit Committee’s recommendation for the re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company.

The proposed Ordinary Resolution 6, if passed, will allow Messrs Baker Tilly Monteiro Heng PLT to be re-appointed as the Auditors of the Company for the ensuing year.

## **Ordinary Resolution 7 - Authority to Issue Shares pursuant to Companies Act 2016 And Waiver of Pre-Emptive Rights**

The proposed Ordinary Resolution 7, if passed, is to grant a renewed general mandate (“General Mandate”) and empower the Directors of the Company to issue and allot new shares of up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares, if any) of the Company from time to time as the Directors of the Company consider would be in the best interest of the Company, without the need to convene a separate general meeting so as to avoid incurring additional cost and time. This authority shall continue in force until the conclusion of the next AGM of the Company or any adjournment thereof unless revoked or varied at a general meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company and which will lapse at the conclusion of the 26th AGM of the Company.

This General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to funding future investment project(s), business expansion and/or working capital purposes as the Directors may in their absolute discretion deem necessary and feasible. At this juncture, there is no decision to issue any additional shares.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85(1) of the Act and Clause 63 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85(1) of the Act and Clause 63 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

## **Ordinary Resolutions 8 and 9 - Proposed Renewal of Shareholders’ RRPT Mandate and Proposed New Shareholders’ RRPT Mandate**

The proposed Ordinary Resolutions 8 and 9, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 28 October 2024, which is accessible online on the Company’s website at [www.genetec.net](http://www.genetec.net), for detailed information.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

**1. Details of individuals who are standing for election as Directors (excluding directors standing for re-election)**

As of the date of this Notice, there is no individual standing for election as a Director of the Company at the 26th AGM.

**2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details of the proposed renewal of the general mandate to issue new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") and waiver of pre-emptive rights under Section 85(1) of the Act read together with Clause 63 of the Constitution of the Company are set out in the Explanatory Note of the Notice of 26th AGM.

This page has been intentionally left blank.



CDS Account No.	
No. of shares held	

## PROXY FORM

(To be completed in block letters)

I/We \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(FULL NAME OF MEMBER(S) AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of GENETEC TECHNOLOGY BERHAD [Registration No. 199701030038 (445537-W)] (the "Company") hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And (if more than one (1) proxy)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting ("26th AGM") of the Company to be conducted fully virtual through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration number with MYNIC: D1A282781) on Tuesday, 26 November 2024 at 10.00 a.m. and any adjournment thereof in the manner as indicated below:

Ordinary Resolution		For	Against
1	To approve additional payment of Directors' fees		
2	To approve payment of Directors' fees		
3	To re-elect Ong Phoe Be as Director		
4	To re-elect Dato's Jeeventhiran a/l Ramanaidu as Director		
5	To re-elect Ong Siew Min as Director		
6	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
7	To authorise the issuance of shares by the Directors pursuant to the Companies Act 2016 and waiver of pre-emptive rights		
8	To approve the Proposed Renewal of Shareholders' RRPT Mandate		
9	To approve the Proposed New Shareholders' RRPT Mandate		

*(Please indicate with an "X" in the spaces provided above as to how you wish your vote to be cast. In the absence of specific directions, the proxy will vote or abstain from voting at his/her discretion.)*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
 Signature of Member(s) / Common Seal

Tel No. (During office hours): \_\_\_\_\_

**IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:**

- i. The 26th AGM of the Company will be conducted on a fully virtual basis through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its TIIH Online website at <https://tiih.online>.
- ii. Member(s)/Proxy(ies) who wish to attend, speak (including posting questions to the Board via real-time submission of typed texts) and vote (collectively, "participate") in the Meeting may do so remotely via the Remote Participation and Voting ("RPV") facilities. Please follow the procedures provided in the Administrative Guide for the 26th AGM in order to register and participate remotely at the Meeting via the RPV facilities.

**Notes:**

1. For the purpose of determining a member who shall be entitled to participate in the 26th AGM, the Company shall be requesting a Record of Depositors as at 18 November 2024. Only a depositor whose name appears on such Record of Depositors shall be regarded as a member and entitled to participate in the Meeting as well as for appointment of proxy(ies) or authorised representative to participate in the Meeting on his/her behalf.
2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to participate in the Meeting. A member may appoint more than one (1) proxy to participate in the Meeting provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under SICDA which holds ordinary shares in the Company for the 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 provided that the proportion of holdings to be represented by each proxy must be specified.

AFFIX  
STAMP

**GENETEC TECHNOLOGY BERHAD**  
**Registration No. 199701030038 (445537-W)**

C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

fold here

5. The instrument appointing a proxy shall be in writing signed by the appointer or by his attorney who is authorised in writing. Where the appointer is a corporation, the instrument appointing proxy(ies) must be made either under its common seal (if any) or signed by an officer or an attorney duly authorised.
6. A member who has appointed a proxy, attorney or corporate representative to participate in the Meeting must request his/her proxy, attorney or corporate representative to register himself/herself at the TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV facilities in the Administrative Guide for the 26th AGM.
7. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited as follows, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than 24 hours before the time appointed for the taking of the poll at the 26th AGM. All resolutions set out in this Notice are to be voted by poll.

(a) Deposit Hardcopy of Proxy Form

To the Company's Share Registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

Please ensure all the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration in the Proxy Form must be initialled.

(b) Deposit of Proxy Form Electronically

To the Company's Share Registrar via the TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide on the procedure for the electronic submission of Proxy Form via TIIH Online.

The Proxy Form must be deposited accordingly by Sunday, 24 November 2024 at 10.00 a.m.



**GENETEC TECHNOLOGY BERHAD**  
**Registration No. 199701030038 (445537-W)**  
**(Incorporated In Malaysia)**

Lot 7, Jalan P10/11, Seksyen 10  
Kawasan Perusahaan Bangi  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan, Malaysia  
Tel: 603 8926 6388 Fax: 603 8926 9689

**[WWW.GENETEC.NET](http://WWW.GENETEC.NET)**