



KARYON INDUSTRIES BERHAD
200301010377 (612797-T)

ANNUAL REPORT
2024

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NOTICE OF 21ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting (“AGM”) of Karyon Industries Berhad (“the Company”) will be held physically at Ponderosa Golf & Country Club, Trading Post, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor, on **Tuesday, 10 September 2024 at 2.00 p.m.** for the following purposes:

AGENDA

ORDINARY BUSINESS:

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2024 and the Reports of the Directors and Auditors thereon. | <i>Please refer to
Explanatory
Note 1</i> |
| 2. | To approve the payment of Directors’ Fees amounting to RM575,000 for the financial year ended 31 March 2024. | <i>Ordinary
Resolution 1</i> |
| 3. | To approve the payment of Directors’ Benefits amounting to RM80,000 for the period commencing after the date of this AGM to the date of the next AGM. | <i>Ordinary
Resolution 2</i> |
| 4. | To re-elect Ms. Kok Lee Nee, a Director retiring by rotation pursuant to Clause 76 (3) of the Company’s Constitution. | <i>Ordinary
Resolution 3</i> |
| 5. | To re-elect Mr. Yeoh Eng How, a Director retiring by rotation pursuant to Clause 76 (3) of the Company’s Constitution. | <i>Ordinary
Resolution 4</i> |
| 6. | To re-elect Mr. Yeoh Chin Kiang, a Director retiring by rotation pursuant to Clause 76 (3) of the Company’s Constitution. | <i>Ordinary
Resolution 5</i> |
| 7. | Ms. Tay Hui-Hui, a Director who also retires by rotation pursuant to Clause 76 (3) of the Company’s Constitution, has expressed her intention not to seek for re-election at this 21st AGM. Hence, she will retain office until the close of the 21st AGM. | |
| 8. | To re-elect Mr. Lee Kian Hu, a Director retiring pursuant to Clause 78 of the Company’s Constitution. | <i>Ordinary
Resolution 6</i> |
| 9. | To approve the re-appointment of Messrs BDO PLT as the External Auditors of the Company for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration. | <i>Ordinary
Resolution 7</i> |

NOTICE OF 21ST ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS:

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

10. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

*Ordinary
Resolution 8
Please refer to
Explanatory Note 2*

“**THAT** subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the provisions of the Constitution of the Company and approval of any relevant government and/or regulatory authorities, where such approval is required, the Board of Directors of the Company (“**Board**”) be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Board may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and **THAT** the Board be and is hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Securities (“**the Mandate**”) and **THAT** such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND **THAT** in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12 of the Constitution of the Company, the shareholders of the Company hereby waive their statutory pre-emptive rights over all new shares to be offered and issued pursuant to the Mandate, such new shares when issued shall rank pari passu in all respects with existing issued shares in the Company.”

11. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

HEW JING SIAN (MAICSA 7065968)
SSM PRACTICING CERTIFICATE NO. 202008001325

AN YU QING (MAICSA 7076459)
SSM PRACTICING CERTIFICATE NO. 202108000205

Secretaries

Johor Bahru

29 July 2024

NOTICE OF 21ST ANNUAL GENERAL MEETING (CONT'D)

NOTES:

1. For the purpose of determining who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 2 September 2024. Only members whose names appear in the said Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - i) In hard copy form
In the case of an appointment made in hard copy form, this Form of Proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor.
 - ii) By electronic means via email
In the case of an appointment made via email transmission, this Form of Proxy must be received via email at admin@aldpro.com.my.

For option (ii), the Company may request any member to deposit original executed Form of Proxy to its Registered Office of the Company before or on the day of meeting for verification purpose.

NOTICE OF 21ST ANNUAL GENERAL MEETING (CONT'D)

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in this Form of Proxy are completed, signed and dated accordingly.
10. Last date and time for lodging this Form of Proxy is 8 September 2024, Sunday at 2.00 p.m.
11. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
12. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please submit the Original / Duly Certified certificate of appointment executed in the manner as stated in this Form of Proxy if this has not been lodged at the Registered Office of the Company earlier. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTE:-

Ordinary Business:

1. Item 1 of the Agenda - Audited Financial Statements for the year ended 31 March 2024

This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.

NOTICE OF 21ST ANNUAL GENERAL MEETING (CONT'D)

Special Business:

2. **Ordinary Resolution 8 – Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company had, during its 20th AGM held on 12 September 2023, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Company has not issued any new share pursuant to the mandate which was granted at the last AGM held on 12 September 2023.

The Proposed Ordinary Resolution 8 is to seek a renewal of the general mandate from the shareholders of the Company at the 21st AGM to be held on 10 September 2024. This is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Companies Act 2016, to allot new shares without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 12 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

In order for the Board to issue any new shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed ordinary resolution, if passed, will exclude the shareholders' pre-emptive rights over all new shares, options over or grant of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities by the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the general mandate is in the best interests of the Company and its shareholders.

Voting by Poll

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this notice is to be voted by poll.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Loh Chen Yook
*Chairman/Non-Independent
Non-Executive Director*

Mr Yeoh Chin Kiang
Executive Deputy Chairman

Mr Chua Ling Hong
*Executive Director
Chief Executive Officer*

Mr Loh Fatt Chong
*Non-Independent
Non-Executive Director*

Ms Kok Lee Nee
*Executive Director
Chief Financial Officer*

Mr Yeoh Eng How
Executive Director

Ms Tay Hui-Hui
*Independent
Non-Executive Director*

Mr Phang Kok Kwen
*Independent
Non-Executive Director*

Mr Low Chiun Yik
*Independent
Non-Executive Director*

Ms Chua Shing Yong
*Independent
Non-Executive Director*

Mr Lee Kian Hu
*Independent
Non-Executive Director
(Appointed on 10 July 2024)*

Mr See Hock Chuan
*Independent
Non-Executive Director
(Resigned on 10 July 2024)*

AUDIT COMMITTEE

Mr Phang Kok Kwen (Chairman)
Ms Tay Hui-Hui
Mr Lee Kian Hu
(Appointed on 10 July 2024)
Mr See Hock Chuan
(Resigned on 10 July 2024)

NOMINATING COMMITTEE

Ms Tay Hui-Hui (Chairman)
Mr Low Chiun Yik
Mr Lee Kian Hu
(Appointed on 10 July 2024)
Mr See Hock Chuan
(Resigned on 10 July 2024)

RISK MANAGEMENT COMMITTEE

Mr Loh Fatt Chong (Chairman)
Mr Chua Ling Hong
Ms Kok Lee Nee
Mr Low Chiun Yik

REMUNERATION COMMITTEE

Mr Low Chiun Yik (Chairman)
Mr Phang Kok Kwen
Ms Chua Shing Yong

ESOS COMMITTEE

Mr Chua Ling Hong (Chairman)
Mr Loh Chen Yook
Ms Chua Shing Yong

COMPANY SECRETARIES

Ms Hew Jing Sian
(MAICSA 7065968)
SSM Practising Certificate No.
202008001325
Ms An Yu Qing (MAICSA 7076459)
SSM Practising Certificate No.
202108000205

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
(202101043817 (1444117-M))
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel : 03 9770 2200
Fax: 03 9770 2239

REGISTERED OFFICE

Suite 5.11 & 5.12, 5th Floor,
Menara TJB,
No. 9, Jalan Syed Mohd Mufti,
80000 Johor Bahru, Johor, Malaysia.
Tel : 07-224 2823
Email : plc@cisgroup93.com

AUDITORS

BDO PLT (201906000013
(LLP0018825-LCA) & AF 0206)
Chartered Accountants
Level 8, BDO @ Menara CenTaRa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur
Tel : 03 2616 2888
Fax: 07 2616 2970

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
(198201008390 (88103-W))
No. 50 & 52, Jalan Dedap 13
Taman Johor Jaya
81100 Johor Bahru, Johor, Malaysia

AmBank (M) Berhad
(196901000166 (8515-D))
Level 31, Selesa Tower
Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor, Malaysia

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad
Stock Code: 0054

WEBSITE

www.karyongroup.com.my

CORPORATE PROFILE AND STRUCTURE

Karyon Industries Berhad (“KIB”) was listed on the MESDAQ Market (now known as the ACE Market) of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 15 September 2004 and was subsequently transferred to the Main Market of Bursa Securities on 6 May 2014. KIB is principally engaged in investment holding and provision of management services. The two major wholly-owned subsidiaries of KIB are Allbright Industries (M) Sdn Bhd and Hsing Lung Sdn Bhd, of which both are principally involved in manufacturing and trading of polymeric products.



KARYON INDUSTRIES BERHAD
[200301010377 (612797-T)]

Name of Company	Business Activities
Allbright Industries (M) Sdn Bhd	Manufacturing and trading of plastic additives and industrial chemical products
Hsing Lung Sdn Bhd	Manufacturing and trading of polyvinyl chloride compound and industrial chemical products
Promaz Plastic Sdn Bhd	General trading in hardware and building material.

PROFILE OF DIRECTORS

LOH CHEN YOOK

Chairman/Non-Independent
Non-Executive Director

Mr Loh Chen Yook, Male, Malaysian, aged 69, was appointed to the Board of Directors (“**Board**”) of KIB on 23 June 2005 and redesignated as the Chairman of the Company on 16 May 2006. He is also a member of ESOS Committee.

He has extensive experience in the property development, infrastructure and building construction, as well as timber logging business through his involvement in the industry for the past 44 years.

Mr Loh is a substantial shareholder and Managing Director of the ML Group of Companies. Aside from KIB, he also sits on the board of other public listed company. He is the Independent Non-Executive Director of ENRA Group Berhad. Further, he also sits on the Board of three (3) wholly-owned subsidiaries of KIB, namely Allbright Industries (M) Sdn Bhd (“**AISB**”), Karyon (Malaysia) Sdn Bhd (“**KMSB**”) and Karyon Ventures Sdn Bhd (“**KVSB**”).

He is the father of Mr Loh Fatt Chong, who is a Non-Independent Non-Executive Director and substantial shareholder of the Company. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

YEOH CHIN KIANG

Executive Deputy Chairman

Mr Yeoh Chin Kiang, Male, Malaysian, aged 71, was appointed to the Board of KIB on 2 August 2021 as an Executive Deputy Chairman of the Company.

Mr Yeoh graduated in 1975 with a Bachelor of Business Administration from the National Taiwan University, Taiwan. Mr Yeoh has over 30 years of experience in the copper cable and wire industry. He worked in Leader Cable Sdn Bhd as the Sales Manager for 5 years prior to joining Central Cable Bhd in August 1984 as the General Manager and was subsequently appointed as a Director in January 1985. These companies are principally involved in cable and wire manufacturing related businesses. He was then promoted to the position of Managing Director of Central Cable Bhd in December 1992. In 1997, he left Central Cable Bhd and joined Ta Win (M) Industries Sdn Bhd (“**TWISB**”) as the General Manager and subsequently promoted to Managing Director in 2017. He was also appointed as the Executive Director of Ta Win Holding Berhad (“**TWHB**”), subsequent to the listing of TWHB on Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange) on 15 August 2000. He resigned from his position as the Executive Director of TWHB in 2017 and Managing Director of TWISB in 2021, respectively.

Aside from KIB, Mr Yeoh also holds directorship in several private companies, such as Central Equity Sdn Bhd and Unique Prospect Sdn Bhd.

He is the father of Mr Yeoh Eng How, who is also the Executive Director and substantial shareholder of the Company. Save for KIB, Mr Yeoh does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF DIRECTORS (CONT'D)

CHUA LING HONG

Executive Director cum
Chief Executive Officer

Mr Chua Ling Hong, Male, Malaysian, aged 49, was appointed to the Board of KIB on 11 July 2006. He was re-designated as the Chief Executive Officer of the Company on 26 May 2016.

Mr Chua is the Chairman of the ESOS Committee and a member of the Risk Management Committee. He graduated with a degree in Business Studies majoring in Marketing from Nanyang Technological University, Singapore in 1995.

Mr Chua started his career as Corporate Planning Executive in Bengawan Solo Pte Ltd, where he was exposed to various business functions including the marketing, human resources, production and purchasing departments. He then joined Polyvinyl Pte Ltd as the Sales and Marketing Executive which he developed and implemented sales and marketing strategies to promote the company's product which exposed him on the customer base and sales revenue functions.

In 1997, Mr Chua joined Hsing Lung Sdn Bhd ("**HLSB**"), a wholly-owned subsidiary of KIB as the Operations Manager, where he oversees the day-to-day operation of the company's manufacturing facility and responsible for the function of purchasing, marketing, quality control, product development and overall management to ensure the company's growth. He was subsequently appointed as the Director of HLSB in January 2006. In addition, Mr Chua is also involved in the day-to-day operations of AISB.

He currently also sits on the Board of HLSB, AISB, KVSb, KMSB and Promaz Plastic Sdn Bhd ("**PPSB**").

Mr Chua is the son of Dr Chua Kee Lam, who is the Key Senior Management of the Company and Madam Teoh Kooi Kim, and the brother to Ms Chua Ling Lee, which all of whom are substantial shareholders of the Company. Save for KIB, Mr Chua does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

LOH FATT CHONG

Non-Independent
Non-Executive Director

Mr Loh Fatt Chong, Male, Malaysian, aged 44, was appointed to the Board of KIB on 24 November 2009. He is the Chairman of the Risk Management Committee.

Mr Loh graduated in 2002 with a degree in Commerce majoring in Accounting from Deakin University, Australia. Subsequently in 2004, he obtained a Master of Commerce specialising in Finance from the same university.

Mr Loh began his career in 2004 as Audit Assistant with Deloitte Kassim Chan (now known as Deloitte PLT) where he was responsible in conducting and managing statutory audits for Deloitte PLT's clients. He left the audit firm in 2005 and joined KMSB as the Finance and Administration Executive. In 2006, he was appointed as the Head of Finance and Administration of KMSB, where he was responsible for all matters relating to finance and administration in KMSB. Mr Loh was subsequently appointed to the Board of KMSB and HLSB respectively.

He is the son of Mr Loh Chen Yook, who is also the Chairman/Non-Independent Non-Executive Director and substantial shareholder of the Company. Save for KIB, Mr Loh does not sit on the Board of any other public companies and listed companies. He has over 15 years of experience in property development activities. He is currently working on a master planning property development activity for a private limited company. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF DIRECTORS (CONT'D)

YEOH ENG HOW Executive Director

Mr Yeoh Eng How, Male, Malaysian, aged 46, was first appointed to the Board of KIB on 23 April 2012 as an Alternate Director to Dr Chua Kee Lam. On 1 March 2021, he resigned from his role as the Alternate Director and was appointed as the Executive Director of KIB. Mr Yeoh graduated in 2002 with a Bachelor of Chemical Engineering from University of Melbourne, Australia.

Mr Yeoh began his career as Sales Engineer with HLSB in 2002 where he was responsible to handle the marketing activities of HLSB. Subsequently in 2009, he was transferred to oversee the operations of AISB, which is responsible for the overall day-to-day operation and the functions of marketing, quality control, product development and manufacturing activities as well as research and development of the company. On 7 September 2009, Mr Yeoh was appointed as the Director of AISB, a position which he presently holds.

He is the son of Mr Yeoh Chin Kiang, who is the Executive Deputy Chairman and the substantial shareholder of KIB. He is the spouse of Ms Chua Ling Lee, who is also the substantial shareholder of the Company. Save for KIB, Mr Yeoh does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

KOK LEE NEE

Executive Director cum
Chief Financial Officer

Ms Kok Lee Nee, Female, Malaysian, aged 44, was appointed to the Board of KIB on 5 November 2018. She is also a member of the Risk Management Committee.

Ms Kok is a Chartered Accountant and a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants (“ACCA”) since 2005. In 2010, she was admitted as a Fellow Member of ACCA.

Ms Kok started her career with BDO Binder (now known as BDO PLT) in Malaysia in 2001 as an Audit Assistant where she was involved in conducting and managing statutory audits for BDO PLT’s clients. In 2004, She left the audit firm and joined KIB as an Account Executive. She was appointed as the Group Accountant in 2009 and subsequently as the Group Finance Manager in December 2011. She was appointed as the Chief Financial Officer of KIB in January 2014 and subsequently to the Board on 5 November 2018, a position which she presently holds. She is responsible for the statutory and corporate reporting of the Group.

Ms Kok also sits on the Board of HLSB, AISB and PPSB.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Kok does not sit on the Board of other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF DIRECTORS (CONT'D)

TAY HUI-HUI

Independent

Non-Executive Director

Ms Tay Hui-Hui, Female, Malaysian, aged 38, was appointed to the Board of KIB on 9 December 2015. She is also the Chairman of the Nominating Committee and a member of the Audit Committee.

Ms Tay is a Chartered Company Secretary and a member of Malaysian Institute of Chartered Company Secretaries since 13 January 2017. She is also a member of Malaysian Association of Company Secretaries since 24 May 2014.

Ms Tay started her career as an Account Executive in a local trading company in 2009 and was responsible for handling accounting work and system documentation, she left the company in 2011. Subsequently in 2011, she joined Best Venture Consultancy Services, a local professional firm as Audit Associate and was responsible for carrying out audit work and tax computation on private limited companies. Meanwhile, she also assists in secretarial works such as assisting clients to prepare company resolutions, minutes and other statutory documents. She joined G.K. Lye PLT as an Audit –Senior in 2014 and resigned as Audit Manager in 2018.

Ms Tay has her own business in Batu Pahat, Johor where the Company is principally involved in the provision of company secretarial, audit and tax services for its clients.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Tay does not sit on the Board of any other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

In addition, Ms Tay who is due to retire as a Director of the Company by rotation pursuant to Clause 76(3) of the Company's Constitution, has given notice and expressed her intention not to seek for re-election at the forthcoming 21st annual general meeting ("AGM"). Hence, she will retain office until the close of the 21st AGM.

PHANG KOK KWEN

Independent

Non-Executive Director

Mr Phang Kok Kwen, Male, Malaysian, aged 49, was appointed to the Board of KIB on 29 January 2018. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr Phang is a Chartered Accountant and has been a member of the Malaysian Institute of Accountants since November 2001. He was admitted as a member of ACCA in April 2001. He is a Fellow Member of ACCA since April 2006. He was admitted as a member of Chartered Tax Institute of Malaysia in January 2004 and has been a Chartered Tax Practitioner with Chartered Tax Institute of Malaysia since November 2015. He is an ASEAN Chartered Professional Accountant since December 2017.

Mr Phang began his career as an Audit Assistant with K. H. Pun & Co., Chartered Accountants, in July 1995. He left the firm as Senior Tax Manager in May 2017. Mr Phang was appointed as Senior Independent Non-Executive Director of Plastrade Technology Berhad on 19 May 2017 and was redesignated as Executive Director of Plastrade Technology Berhad on 24 May 2018. He resigned as Executive Director on 31 December 2018.

Mr Phang is the managing partner of KK Phang & Co., a medium sized audit firm based in Johor Bahru. Being an approved company auditor and licensed tax agent, Mr Phang has extensive experience in the accounting, auditing and tax consulting sector.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Mr Phang does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF DIRECTORS (CONT'D)

CHUA SHING YONG

Independent
Non-Executive Director

Ms Chua Shing Yong, Female, Malaysian, aged 39, was appointed to the Board of KIB on 5 November 2018. She is also a member of the Remuneration Committee and ESOS Committee. Ms Chua is a Member with the Malaysian Institute of Accountants.

Ms Chua began her career in August 2006 with a local professional firm SE LAI Associates, where she was responsible for conducting statutory audit on private limited companies and left the firm as an Audit Supervisor in July 2011. She later joined an international group of advisory and professional services firm, SCS GLOBAL PAC (Singapore) as an Audit Senior from December 2011 to November 2012. From February 2013 to August 2015, she worked in a construction company as a Finance Manager. Thereafter, she worked as freelance accountant and consultant for a group of local construction companies. From November 2016 to present, she operates an accounting & secretarial firm, Ace Corporate Advisory PLT which provides accounting, tax, audit and corporate advisory services.

She does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Ms Chua does not sit on the Board of any other public companies and listed companies. She has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

LOW CHIUN YIK

Independent
Non-Executive Director

Mr Low Chiun Yik, Male, Malaysian, aged 36, was appointed to the Board of KIB on 5 November 2018. He is also the Chairman of the Remuneration Committee, a member of the Risk Management Committee and the Nominating Committee. Mr Low obtained a Master's degree in Accountancy and Finance from Birmingham City University, United Kingdom in 2010, and he is also a Chartered Audit Committee Director (The Institute of Internal Auditors Malaysia). Aside from KIB, he also sits on the board of Tomypak Holdings Berhad as an Independent Non-Executive Director.

He started his career with KPMG PLT in 2010 where he was responsible in providing internal audit and enterprise risk management services to both public as well as private companies. Mr Low left KPMG PLT in June 2017 and founded Galton Advisory LLP where the advisory firm is principally involved in the provision of professional services such as internal audit, enterprise risk management, corporate governance, sustainability and annual report disclosure services to public and private companies.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF DIRECTORS (CONT'D)

LEE KIAN HU

Independent

Non-Executive Director

Mr Lee Kian Hu, Male, Malaysian, aged 49, was appointed to the Board of KIB on 10 July 2024. He is also a member of the Audit Committee and Nominating Committee.

Mr Lee completed his Bachelor's Degree in Economics and Accounting from the University of Western Australia in 1997. He is also a Chartered Accountant in Malaysia and became a member of the Malaysian Institute of Accountants since 2002.

Mr Lee started his career with Surplus Strategy Sdn Bhd in 1998 as an account assistant where he was involved in handling full sets of account, company's secretarial job and business consulting. In 1999, he left Surplus Strategy Sdn Bhd and joined M.S. Wong & Co. as an audit and tax assistant where he was responsible for various audit jobs, personal and company income tax and company liquidation. Subsequently, he left M.S. Wong & Co. in 2000 and joined Ernst & Young PLT in 2001 as an audit associate, where he handled various responsibilities such as full sets of accounts and audit jobs, corporate tax computations, leading audit teams, system documentation and reviews, advisory on business law and regulations, corporate governance, as well as commercial and financial data analysis.

Mr Lee left Ernst & Young PLT in 2002 and founded Hu & Co., Chartered Accountants located at Johor Bahru in 2003. The firm specialises in providing professional advisory, solutions, and services at various levels. Over the past 20 years, Mr Lee has ventured into various business sectors such as Information Technology and Digital Marketing and has worked with numerous clients locally and globally, further enhancing his skills and expertise. Currently, he is the owner of Hu & Co., Chartered Accountants, and also serves as the Managing Director of Dash & Partners Sdn Bhd since July 2023, primarily focusing on providing business and corporate advisory, solutions and training.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. Save for KIB, Mr Lee does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

PROFILE OF KEY MANAGEMENT

CHUA SENG LEE

Chief Operating Officer of
Hsing Lung Sdn Bhd &
Allbright Industries (M) Sdn Bhd

Mr Chua Seng Lee, Male, Malaysian, aged 61, joined the Group as a Chief Operation Officer in 2015. He graduated with a Diploma in Chemical Process Technology from Singapore Polytechnic in 1985, Post Diploma Certificate of Industrial Management from Ngee Ann Polytechnic, Singapore in 1989 and obtained a Master's Degree in Business Administration from Nottingham Trent University, United Kingdom in 2012.

Mr Chua started his career as a service engineer with Pentol GmbH in Singapore in 1985, before moving to Texchem Resources Berhad ("TRB") in 1993. In 2005, he was appointed as the Director of Texchem Materials Sdn Bhd, a wholly-owned subsidiary of TRB. In 2014, Mr Chua became the Executive Director of Texchem Materials (Thailand) Ltd, Thailand office and was promoted as Deputy Managing Director in the following year. Subsequently in 2015, Mr Chua joined AISB and HLSB, the wholly-owned subsidiaries of KIB as Director and Chief Operating Officer respectively.

He does not have any family relationship with the directors and/or substantial shareholders of the Company. He does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

DR CHUA KEE LAM

Advisor

Dr Chua Kee Lam, Male, Malaysian, aged 82, was appointed to the Board of KIB on 28 April 2004 and has been the Managing Director of the Company since then. On 26 May 2016, Dr Chua had been re-designated as the Executive Deputy Chairman of the Company. On 2 August 2021, he resigned as the Executive Deputy Chairman of the Company and was appointed as an Advisor to the Company to provide advice on Research & Development as well as on financial matters. He graduated with a degree in Chemistry from Nanyang University, Singapore and subsequently he obtained a PhD in Chemistry from McMaster University Hamilton, Ontario, Canada in 1973.

He began his career in 1973 with the University of Malaya as a lecturer in the Chemistry Department. In 1976, he moved to UIC-Marchon (Pte) Ltd, a joint venture company between UIC of Singapore and Marchon of UK, manufacturing mainly anionic surfactants in Singapore. He was appointed as Senior Chemist in charge of quality control and product development of toiletry and detergent. He served the Company for five (5) years and resigned in 1981 before joining Chong Shing Cable Sdn Bhd as a General Manager. He also assisted Universal Cable Bhd, a holding company of Chong Shing Cable Sdn Bhd to set up a Polyvinyl Chloride compounding plant before he resigned in 1986 and founded the three (3) wholly-owned subsidiaries of the Company subsequently. Overall, he has more than 50 years of working experience in the field of chemistry.

He is the spouse of Madam Teoh Kooi Kim, the father of Mr Chua Ling Hong who is the Executive Director cum Chief Executive Officer of the Company and Ms Chua Ling Lee, which all of whom are substantial shareholders of the Company. Save for KIB, Dr Chua does not sit on the Board of any other public companies and listed companies. He has no convictions for any offences other than traffic offences within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Karyon Industries Berhad (“**KIB**”) is principally engaged in investment holding and provision of management services. KIB was first listed on the MESDAQ Market (now known as the ACE Market of Bursa Malaysia Securities Berhad) on 15 September 2004 and was officially transferred to the Main Market of Bursa Malaysia Securities Berhad on 6 May 2014.

The two major wholly-owned subsidiaries of KIB are Hsing Lung Sdn Bhd (“**HLSB**”) and Allbright Industries (M) Sdn Bhd (“**AISB**”). Both HLSB and AISB are principally involved in manufacturing and trading of polymeric products. Their manufacturing plants are located in Plentong, Johor with factory land sizes of 226,920 sq. ft. and 57,151 sq. ft. respectively.

Hsing Lung Sdn Bhd

Established in 1989, HLSB is one of the largest manufacturers of polyvinyl chloride compound (“**PVC**”) in Malaysia with a production capacity of 30,000 metric tonnes per annum. PVC is a type of plastic material used in various applications, including wire and cable coverings, footwear, linings, gaskets and many more. In addition, HLSB is also producing various types of PVC hoses for household and industrial purpose.

Allbright Industries (M) Sdn Bhd

AISB, founded in 2000, is mainly involved in the manufacturing and trading of metallic stearates, including calcium stearate, zinc stearate, magnesium stearate, PVC stabilisers and additives.

OUR MISSION

The Group's mission is to be the preferred supplier of polymeric products in the industry and to enhance shareholders' value. In pursuing our mission, we strategise our journey by providing the highest-quality products, with sales and delivery services that continuously exceed customers' expectations and providing opportunities for employees to excel and be rewarded.

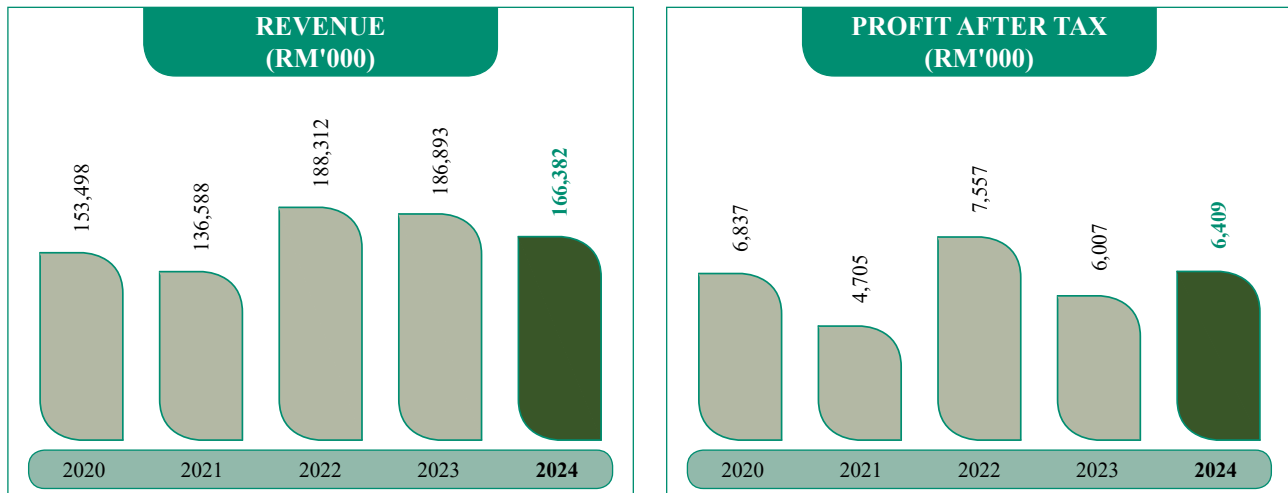
REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES

The KIB Group's financial performance and operating activities for the past five financial years ended (“**FYE**”) 31 March are presented below:

Financial Summary	2020 RM	2021 RM	2022 RM	2023 RM	2024 RM
Revenue	153,498,296	136,587,618	188,312,285	186,892,572	166,382,415
Cost of Sales	130,523,153	115,691,271	164,040,792	162,678,527	143,438,951
Gross Profit	22,975,143	20,896,347	24,271,493	24,214,045	22,943,464
Profit Before Tax	9,521,433	7,328,412	10,316,668	9,009,253	9,183,054
Profit After Tax	6,837,304	4,704,521	7,556,868	6,007,088	6,408,964
Shareholders' Funds	103,388,791	103,336,181	110,893,049	115,472,998	120,216,964
Return on Shareholders' Funds	6.61%	4.55%	6.81%	5.20%	5.33%

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES (CONT'D)



For the FYE 31 March 2024, the Group recorded a revenue of RM166.38 million, representing a decrease of RM20.51 million or 10.97% as compared to the FYE 31 March 2023 of RM186.89 million. The decrease in the Group's revenue was due mainly to the decrease in average selling price of polymeric products by approximately 13.20% as a result of decrease in cost of raw materials purchased. Despite the decrease in revenue, the profit after tax of the Group had increased slightly from RM6.01 million in the FYE 31 March 2023 to RM6.41 million in FYE 31 March 2024. The improvement in profit after tax was due mainly to the decrease in operating expenses contributed mainly by lower freight costs, coupled with higher interest income gain from the placement of fixed deposits amounted to RM0.50 million.

In terms of geographical performance, local market remains as the Group's largest contributor for the FYE 31 March 2024 which accounted for 76.72% of the Group's revenue, while exports to other Asian countries accounted for 18.90% and the remaining 4.38% consists of trades with other countries in different continents.

The Group's financial position remains solid with net assets per share of 25 sen as at 31 March 2024. Consequent to the increase in profit generated, the return on shareholders' funds has also increased from 5.20% in FYE 31 March 2023 to 5.33% in FYE 31 March 2024.

The property, plant and equipment of the Group have increased by RM10.96 million or 27.00%, from RM40.59 million as at 31 March 2023 to RM51.55 million as at 31 March 2024. The increase was due mainly to the acquisition of a new factory by HLSB (which was completed on 22 February 2024), coupled with an incidental cost of RM8.05 million as well as progress payment for solar project amounted to RM1.78 million.

The inventories of the Group have increased by RM4.31 million or 17.76%, from RM24.27 million as at 31 March 2023 to RM28.58 million as at 31 March 2024. The increase was due mainly to higher carrying amount for raw materials and finished goods of the Group to cater for upcoming months and future deliveries.

Further, the trade and other payables of the Group have increased by RM0.98 million or 5.47%, from RM17.91 million as at 31 March 2023 to RM18.89 million as at 31 March 2024. The increase was contributed mainly by the increase in accrued expenses of RM0.74 million or 27.31% as a result of the increased in accrued bonus arising from year-end adjustments.

The trade and other receivables of the Group have increased by RM6.08 million or 21.32% from RM28.52 million as at 31 March 2023 to RM34.60 million as at 31 March 2024. The increase was contributed mainly to the increase in trade receivables of RM4.04 million or 15.18% as a result of higher sales recorded towards the end of the FYE 31 March 2024. In addition, the advance payments made to third party suppliers as at the end of financial year have also increased by RM2.27 million, from RM1.22 million to RM3.49 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE AND OPERATING ACTIVITIES (CONT'D)

Notwithstanding the slight improvement in profitability for FYE 31 March 2024, the cash and cash equivalents of the Group has decreased from RM36.81 million as at 31 March 2023 to RM24.67 million as at 31 March 2024. The decreased of RM12.14 million or 32.98% was due to higher cash flows were used in working capital for the purchased of raw materials, as well as higher credit sales towards year end and the increased in advance payments made to third party suppliers as mentioned above.

Meanwhile, the Group's borrowings have also increased from RM5.83 million to RM9.12 million due mainly to additional drawdown of term loan to finance the acquisition of factory as mentioned above. As a result, the Group gearing ratio has increased from 0.05 times to 0.08 times.

REVIEW OF BUSINESS RISKS

The Group has established an Enterprise Risk Management ("ERM") Framework to guide the identification, analysis, evaluation, control/mitigation and monitoring of key risks to safeguard shareholders' investments and the Group's assets. The primary risks that the Group currently faces in its business operations include among others, the market competition and material supply. The mitigation plan for the key material risks are listed below:

- **Market competition**
Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability. To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. The Group is also working on expanding its customer base by more focusing on the export market, in order to entrench its position as one of the largest market players in the industry.
- **Material Supply**
The risk to material supply arises from unforeseen shortages or lack of raw materials which may cause disruption to the production and delivery schedule. To manage this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers and managing its inventory stringently.

Details on the ERM framework and policy are set out in the Statement of Risk Management and Internal Control in pages 79 to 83 of this Annual Report.

DIVIDEND

The Group has declared and paid a total single-tier interim dividend of 0.35 sen per share for the FYE 31 March 2024. The Group does not have any formal dividend policy. Any declaration of interim dividends and recommendation of final dividends are at the discretion of the Board of Directors of KIB, in consideration of the overall market conditions, the Group's earnings, capital commitments and any other factors. The final dividend (if any) shall be subject to shareholders' approval.

PROSPECTS

The business operations of the Group is expected to remain challenging due to uncertainties in both local and global economies, as well as the inflationary pressure which causes the high production and operating costs.

To ensure the Group navigates through this challenging period, we will continue to focus on enhancing our operational and cost efficiency to gain a better position in the current competitive and uncertain market.

In addition, the Group also plans to increase its production capacity through the purchase of new plant and machinery and/or upgrading existing machinery as the current production capacity is almost fully utilised. At the same time, we will also continue to explore new market opportunities as part of our growth strategies. With the abovementioned, the Board expect that the financial performance of the Group would remain satisfactory for the financial year ending 31 March 2025.

SUSTAINABILITY STATEMENT

A CLOSER LOOK AT OUR CORPORATE COMMITMENTS

Overview of Karyon Industries Berhad

Karyon Industries Berhad (“KIB” or “Company”) and its subsidiaries (collectively referred “Group” or “KIB Group”) hereby presents the Seventh Sustainability Statement for the financial year ended 31 March (“FYE”) 2024 where we outline the integration of Economic, Environmental, Social, and Governance (“EESG”) principles into our operations and to provide a clear and transparent overview of our commitment towards sustainability.

We are committed to conduct business responsibly, safely, and efficiently. As guided by the Company’s Code of Conduct and Ethics, we maintain comprehensive management and monitoring systems to ensure compliance with relevant laws and regulations alongside with our commitment towards environmental and social responsibilities.

During the FYE 2024, we commenced our reporting on Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions to assess the environmental impact of our direct and indirect GHG contributions towards the environment as well as the arising climate-related risks and opportunities.

We prioritise employee well-being by implementing health and safety training programmes for our employees to mitigate potential hazards. We also implement improvement strategies to ensure that we are align with the industry standards as well as to foster a proactive safety culture at KIB Group for both employee welfare and organisational success.

The Group effectively addresses discrimination, violence, and harassment by upholding stringent standards and ethical practices that ensure the well-being and dignity of all staff. By safeguarding social security rights and fostering inclusivity, we cultivate a workplace where everyone feels valued and respected.

Defining the Reporting Scope and Boundary

This Sustainability Statement covers the Group’s sustainability performance of the reporting period from 1 April 2023 to 31 March 2024. Our sustainability disclosures encompass our headquarters and manufacturing facilities located in Masai, Johor.

Company	Hsing Lung Sdn Bhd (“HLSB”)	Allbright Industries (M) Sdn Bhd (“AISB”)
Location	Masai, Johor	
Principal activities	Manufacturing and trading of polyvinyl chloride compound and industrial chemical products	Manufacturing and trading of plastic additives and industrial chemical products

Reporting Approach

This Sustainability Statement was prepared in accordance with the following:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”);
- Sustainability Reporting Guide (3rd edition) of Bursa Securities;
- Illustrative Sustainability Reporting guide of Bursa Securities;
- Global Reporting Initiative (“GRI”) Standards; and
- United Nations Sustainable Development Goals (“UN SDGs”).

SUSTAINABILITY STATEMENT (CONT'D)

A CLOSER LOOK AT OUR CORPORATE COMMITMENTS (CONT'D)

Feedback for Improvement

We aspire to improve our sustainability reporting as part of our ongoing efforts for continuous improvement. We value our stakeholders' participation and welcome any questions, feedback or recommendations. Please feel free to communicate with the designated contact using the provided details.

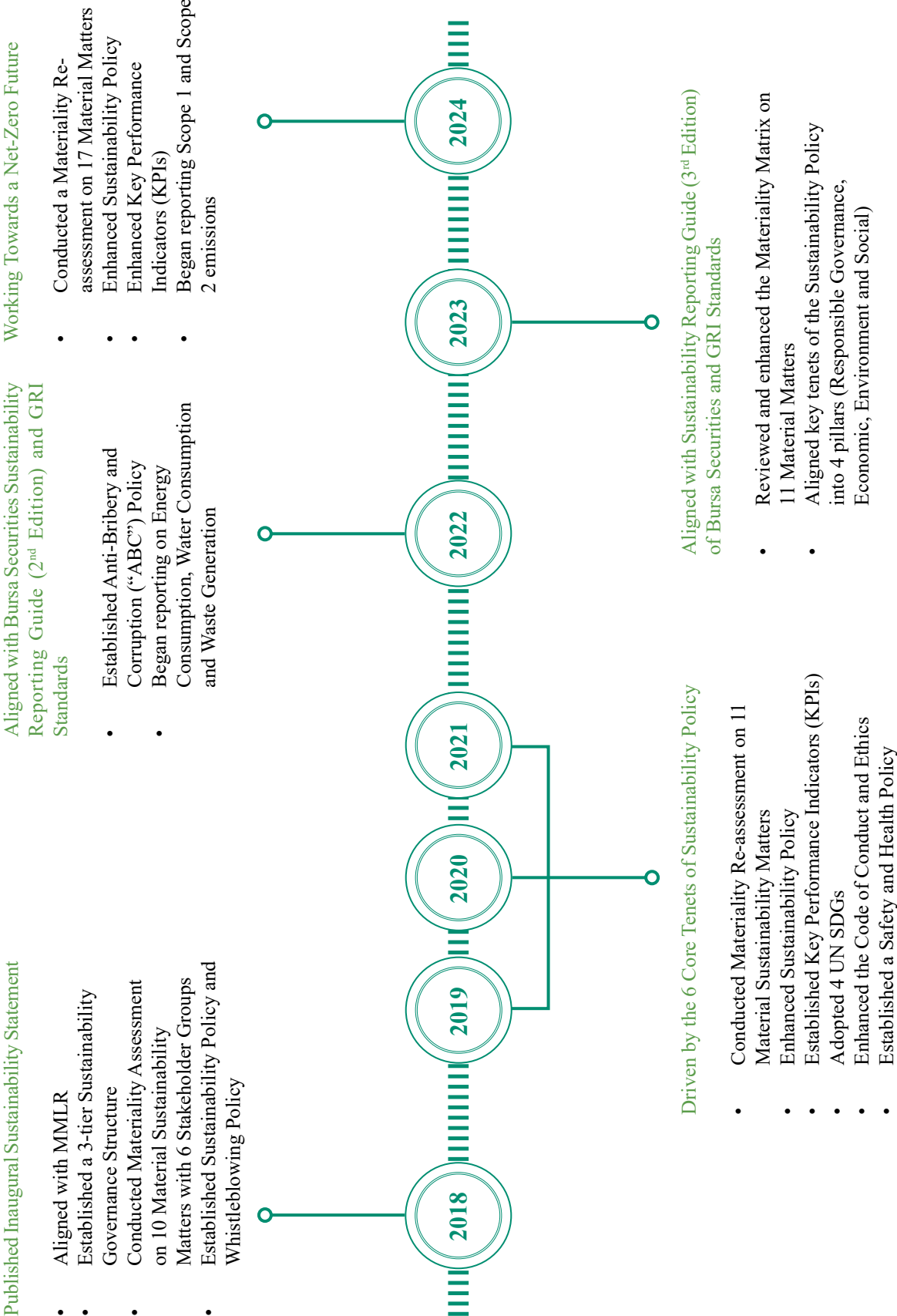
Mr. Andrew Yeoh
andrew@allbright.com.my
Sustainability Officer
Tel : 607 – 386 3198

Data Assurance

All data presented in our Sustainability Statement has undergone internal sourcing and verification by the respective departments to ensure transparency. Moving forward, the Group intends to explore independent assurance for future disclosures.

SUSTAINABILITY STATEMENT (CONT'D)

UNRAVELING OUR SUSTAINABILITY REPORTING JOURNEY





SUSTAINABILITY STATEMENT
(CONT'D)

KEY ACHIEVEMENTS IN FYE 2024

Responsible Governance	Economic Growth	Environmental Stewardship	Social Responsibility
ZERO instances of non-compliance with our Anti-Bribery and Corruption policy ZERO regulatory non-compliance identified 100% employees attended anti-bribery and corruption training ZERO substantiated complaints regarding breaches of customer security and privacy	Achieved RM9.18 million profit before tax Achieved 87.40% of total customer satisfaction score across the Group	Commenced reporting on Scope 1 and Scope 2 GHG emissions Reduced 3% of Scope 1 emissions Recorded 15.40% of reduction in total scheduled waste generated across the Group	ZERO cases of harassment, discrimination & human rights violation Invested a total of RM9,465.60 to the community Recorded ZERO fatalities across the Group Recorded a total of 2,135 training hours

SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE

Laying Out the Sustainability Framework

KIB's Sustainability Framework serves as a guide for our commitment towards environmental, governance, social, and economic responsibility. Rooted in the pillars of environmental stewardship, ethical governance, social responsibility, and economic growth, our Sustainability Framework serves as the foundation for sustainable decision-making across all facets of our operations. By integrating sustainability into our core values, we aim to minimise our ecological footprint, foster positive social impact, contribute to long-term economic resilience and uphold strong governance.

Our Mission

To be the preferred supplier of polymeric products in the industry and to enhance shareholders' value.

Our Sustainability Pillars and Material Sustainability Matters

Responsible Governance	Economic Growth	Social Responsibility	Environmental Stewardship
- Regulatory Compliance - Corporate Governance and Anti-Corruption - Ethics and Integrity - Data Privacy and Cybersecurity	- Economic Performance - Supply Chain Management - Investor Relations	- Product Quality and Innovation - Customer Satisfaction - Occupational Health and Safety - Labour Practices and Standards - Workforce Diversity and Inclusivity - Community Engagement	- Emission Monitoring - Energy Management - Water Consumption - Waste Management

Our Contributions to the UN SDGs



Our Stakeholders

Shareholders/ Investors	Government/ Statutory Bodies	Customers	Employees	Suppliers/Service Providers	Local Community

Our Alignment with Relevant Frameworks and Standards



SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

KIB's Sustainability Policy

Our Sustainability Policy articulates our core principles as a reflection of our EESG aspirations. It serves as a guide for the Group to formulate strategies and initiatives and supporting our Sustainability Action Plan to reduce environmental and social impact. The policy outlines commitments to meet business and stakeholder needs, driving us toward a more sustainable future.



- Establish and maintain robust governance structures to oversee sustainability initiatives and ensure compliance with relevant laws and regulations.
- Foster a culture of integrity, where ethical decision-making is prioritised, and our employees are empowered to report any unethical behaviour without fear of reprisal.

- Continuously support sustainability initiatives applied by the Group's stakeholders in both upstream and downstream of the supply chain.
- Ensure suppliers comply with the highest ethical standards and develop long-term partnerships with customers.
- Develop new products and enhance our manufacturing processes to include sustainable alternatives to reduce long term production costs.
- Develop measures to ensure product quality performance and customer satisfaction are on par as well as continual research and development efforts to achieve product innovations.



- Minimise waste production and incorporate recycling practices, responsible waste management and disposal.
- Minimise the use of energy, water and materials during manufacturing activities.
- Comply with the Environmental, Quality and Safety regulations.

- Develop measures to monitor our impact towards employees' health, safety and development.
- Maintain a safe and healthy working environment and provide fair treatment to employees.
- Promote philanthropic actions and behaviour amongst the Group's employees in order to extend sustainable mind-set to the local community and promote harmonious living.

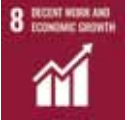


SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

Aligning Growth with the Global Goals

The UN SDGs represent a set of objectives aimed at addressing global sustainability challenges by 2030. The 17 goals of UN SDGs encourage global collaboration to shape a more equitable future. Out of the 17 goals, KIB has embraced 4 goals which are closely aligned with our core values as we navigate the sustainable development landscape.

	8.7: Measures to eradicate forced labour, modern slavery and child labour 8.8: Protection of labour rights and promotion of safe and secure working environments for all	• We uphold fundamental human rights in the workplace such as the right to fair wages, the right to be free from forced labour, and protection against discrimination and harassment. • Established a Health and Safety Committee and conducted health and safety training programmes for the employees. • Zero recorded fatalities across the Group.
	12.2: By 2030, achieve the sustainable management and efficient use of natural resources 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse	• Water consumption in FYE 2024 was 12,654 m³, which represents a reduction of 5.69% from FYE 2023. • Reduced 15.4% of total scheduled waste generated in FYE 2024 compared to FYE 2023.
	13.2: Integration of climate change measures into policies, strategies and planning	• Track and record Scope 1 and Scope 2 emissions. • Implemented electricity saving initiatives. • Committed to raise awareness among employees on responsible water use and waste management.
	16.5: Reduce all forms of corruption and bribery	• Established codes, policies and procedures: ✓ Code of Conduct and Ethics ✓ Whistleblowing Policy ✓ Anti-Bribery and Corruption Policy

SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

Sustainability Performance Scorecard

In safeguarding the trajectory of our sustainability initiatives, KIB has instituted several Key Performance Indicators (“KPI(s)”). These metrics function as performance benchmarks while also serving as a compass, providing in-depth insights of our progress over time.

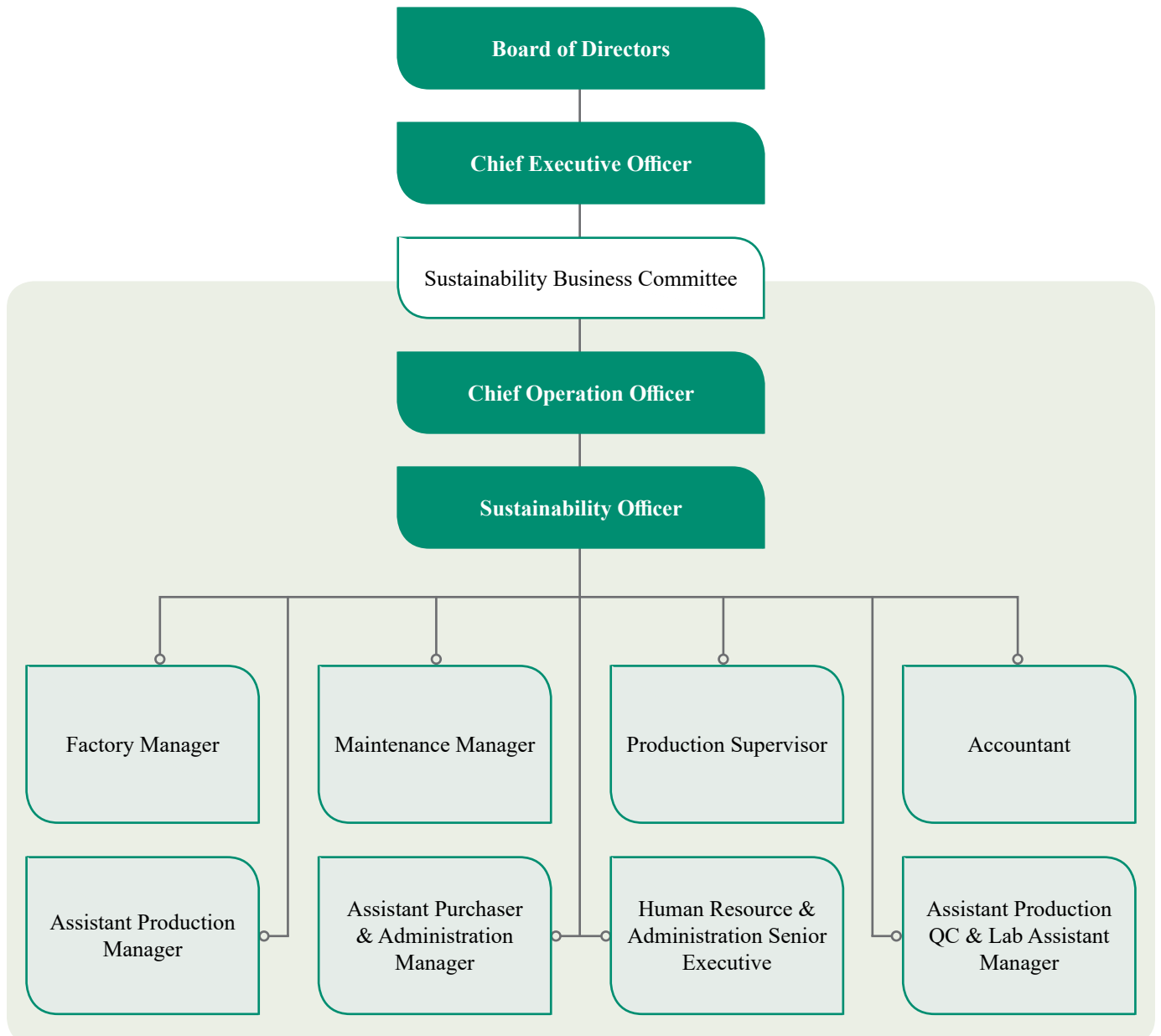
Material Matters	KPIs	Performance
RESPONSIBLE GOVERNANCE		
Corporate Governance and Anti-Corruption	Zero reported incidents of bribery and corruption annually	Achieved zero cases of bribery and non-compliances
Ethics and Integrity	Maximum three (3) grievance or whistleblowing cases annually	Achieved zero cases of whistleblowing
Data Privacy and Cybersecurity	Zero breaches in data privacy and cybersecurity	Achieved zero breaches in data privacy and cybersecurity
ECONOMIC GROWTH		
Profit	Meet annual profit before tax of RM8.00 million	Achieved profit before tax of RM9.18 million
ENVIRONMENTAL STEWARDSHIP		
Energy Management	Reduce energy intensity target from baseline of 0.2558 Megawatt-hour ("MWh") to 0.2353 MWh per metric ton ("mt") of product by financial year ending 31 March 2027	Not achieved, notwithstanding that, the energy intensity per mt of product has recorded at 0.2413 MWh in FYE 2024 which represent a decrease of 2.82% as compared to FYE 2023
SOCIAL RESPONSIBILITY		
Customer Satisfaction	To achieve the target of 75.00% customer satisfaction level	Achieved overall customer satisfaction scores of 85.98%

SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

The Governance Structure in Brief

KIB's governance structure is designed to ensure effective oversight and strategic decision-making of our sustainability matters. At the apex is the Board of Directors ("Board"), entrusted with the responsibility of guiding the organisation's overall direction and performance, followed by the Chief Executive Officer, who is responsible for executing the strategic vision and managing day-to-day operations. In line with our dedication to sustainable practices, KIB has established a Sustainability Business Committee which functions as a key advisory body. This committee is instrumental in integrating sustainable principles into our corporate strategy, fostering responsible business practices, and contributing to KIB's long-term efforts to environmental and social responsibility.



SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

Engaging with Stakeholders

We consistently seek feedbacks from key stakeholder groups through diverse engagement platforms and establishing connections with them to gather their suggestions and comprehend their concerns and thereby shaping responsive strategies to address the concerns. We aim to meet stakeholder expectations while cultivating shared value, as we foster a mutually beneficial relationship between the Group and stakeholders.

Stakeholder	Why They Are Important	Topics Raised	How We Respond	How We Engage	Frequency of Engagement
Regulatory, Government and Statutory Bodies	Regulatory, government, and statutory bodies establish and enforce standards, ensure compliance with laws and regulations, and provide a framework for responsible and ethical business practices, ultimately contributing to the company's overall stability and integrity.	- Governance compliance - Labour practices - Occupational safety and health - Environmental management and compliance - Workers' safety and health - Handling of material and finished goods - Quality Management System	- Regularly conduct internal audits to assess compliance with regulatory requirements - Comply with labour laws and regulations - Implement strict safety protocols and guidelines - Comply with environmental laws and regulations - Implement and maintain a robust Quality Management System (QMS)	Inspections by local authority and regulatory authorities Annual reports Quarterly reports General meetings with managers and local regulators International Organisation for Standardisation ("ISO") system implementation Discussion forum ISO meeting ISO audit	Annually as and when required Annually Quarterly As and when required Annually As and when required Monthly and quarterly Annually
Investors	Investors provide crucial financial support, facilitate business growth, and contribute to the company's ability to innovate, expand operations, and remain competitive in the market.	- Group financial performance - Sustainable and stable income distribution - Global and local business strategy - Potential market size - Dividend	- Implement sustainable business practices that ensure long-term profitability - Develop a comprehensive business strategy that considers both global and local market dynamics - Identify and assess potential markets for expansion - Evaluate the financial health of the company to determine dividend feasibility	Annual general meeting Annual reports Quarterly reports Announcements KIB's Website	Annually Annually Quarterly As and when required As and when required

SUSTAINABILITY STATEMENT
(CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

Engaging with Stakeholders (cont'd)

Stakeholder	Why They Are Important	Topics Raised	How We Respond	How We Engage	Frequency of Engagement
 Customers	Customers drive revenue, influence product development through feedback, and establish long-term relationships that contribute to brand loyalty and sustained business success.	- Efficient complaint resolution - Customer-company relationship management - Safety and security - Product quality - Delivery punctuality - Varying customer needs - Product compliance - Competitive pricing - Ethical business practices	- Implement a streamlined and responsive customer complaint resolution process. - Implement security measures to safeguard facilities, products, and sensitive information. - Adhere to stringent quality control measures throughout the manufacturing process. - Monitor and optimise production schedules to meet delivery commitments. - Conduct thorough market analysis to set competitive and fair pricing.	Website and Social Media Feedback sessions Satisfaction surveys Community and networking events Sales and Technical visits Annual dinner Product knowledge sharing	As and when required Monthly Annually As and when required As and when required Annually or as and when required As and when required
 Suppliers and Service Providers	Suppliers and service providers ensure a reliable and efficient supply chain, contribute to product quality, and play a crucial role in maintaining operational effectiveness and competitiveness in the market.	- Transparent procurement practices - Payment schedule - Pricing of services - Delivery times - Material quality and application - Reliable supply	- Communicate openly with suppliers about expectations and criteria. - Establish clear and mutually agreed-upon payment terms with suppliers. - Negotiate pricing based on industry standards and market conditions. - Collaborate closely with suppliers to establish realistic delivery timelines. - Establish stringent quality standards for raw materials.	Performance evaluation and audit Contract negotiations Purchasing Policy and Guidelines briefing Delivery schedule Application discussion Material training, application and product safety	Annually Monthly or as and when required As and when required Monthly or as and when required As and when required As and when required

SUSTAINABILITY STATEMENT (CONT'D)

A STRATEGIC APPROACH TOWARD SUSTAINABLE EXCELLENCE (CONT'D)

Engaging with Stakeholders (cont'd)

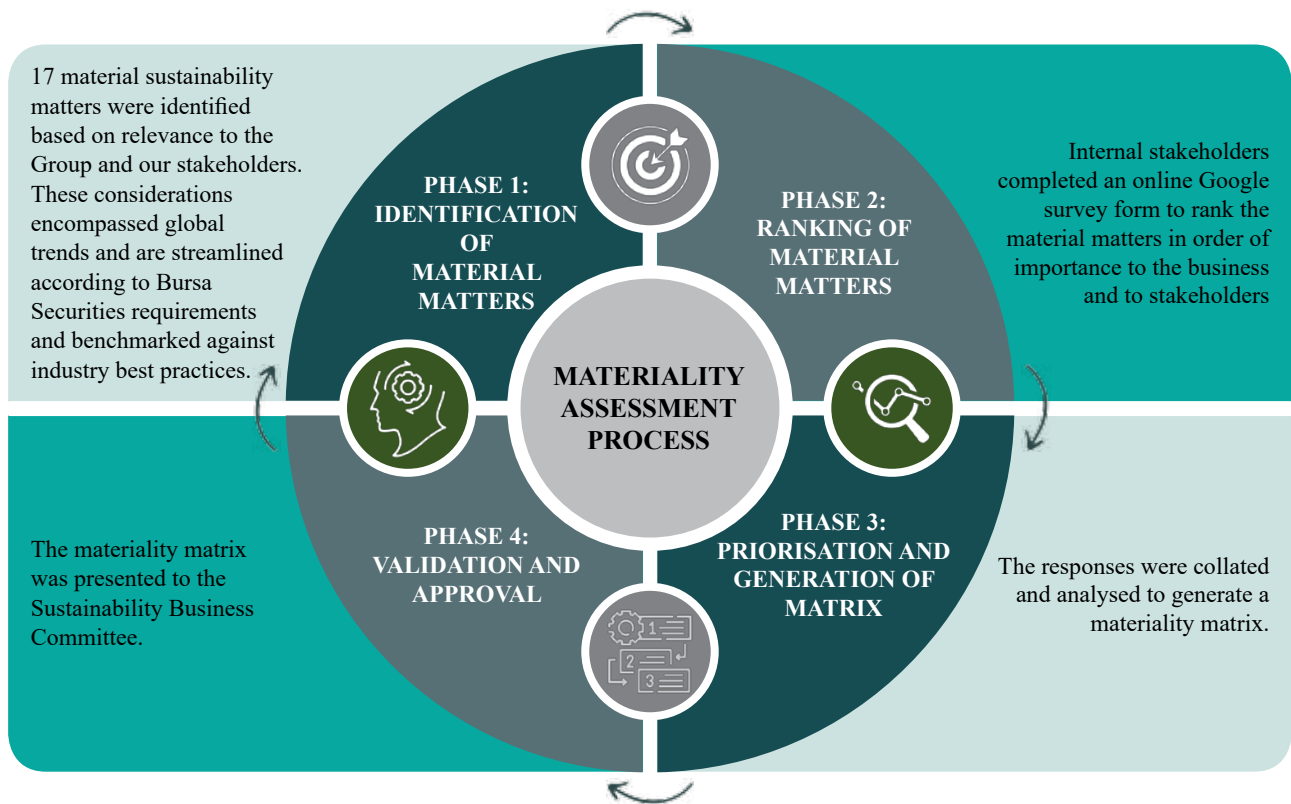
Stakeholder	Why They Are Important	Topics Raised	How We Respond	How We Engage	Frequency of Engagement
 Employees	Employees constitute the workforce responsible for production, innovation, and operational efficiency, thereby directly influencing the company's overall success and growth.	• Performance management • Learning and development • Work-life balance • Compensation • Health, safety and well-being • Working environment • Safety measures and SOPs at the workplace	• Implement regular performance reviews and feedback sessions. • Offer training programs and workshops to enhance employee skills. • Promote a culture that values work-life balance. • Regularly review and adjust salaries to remain competitive in the market. • Prioritise employee health and safety through rigorous safety protocols.	Circulation of internal policies Management discussion Staff appraisals Bonus and allowances In-house training and product knowledge Safety Committee meetings and trainings Production discussion Code of Conduct and Ethics Human Resources' policy and procedures Company trip Annual dinner 5S Awareness Campaign	As and when required As and when required Annually Annually As and when required Quarterly Daily As and when required As and when required As and when required Annually or as and when required Quarterly
 Local Communities	Local communities provide a supportive environment and contribute to the company's social license to operate, fostering positive relationships and sustainable business practices.	• Social issues • Impact of business operations • Transparency and accountability • Environmental impact • Cultural events	• Conduct Corporate Social Responsibility (CSR) initiatives that contribute positively to society. • Monitoring and control of schedule waste and air emissions. • Maintain open and transparent communication with stakeholders.	Donation to education, society and association Charity programme Industrial membership	Annually or as and when required As and when required Annually

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS

Detailing the Materiality Assessment Process

The materiality assessment acts as a strategic tool to assist us in identifying our significant sustainability concerns and guiding our decision-making processes as well as enabling our development of impactful sustainability initiatives. We regularly assess our material sustainability issues to ensure that our direction aligns with the priorities of our community. For the FYE 2024, we conducted a materiality assessment to ensure our material matters align with the latest sustainability trends and evolving industry dynamics.

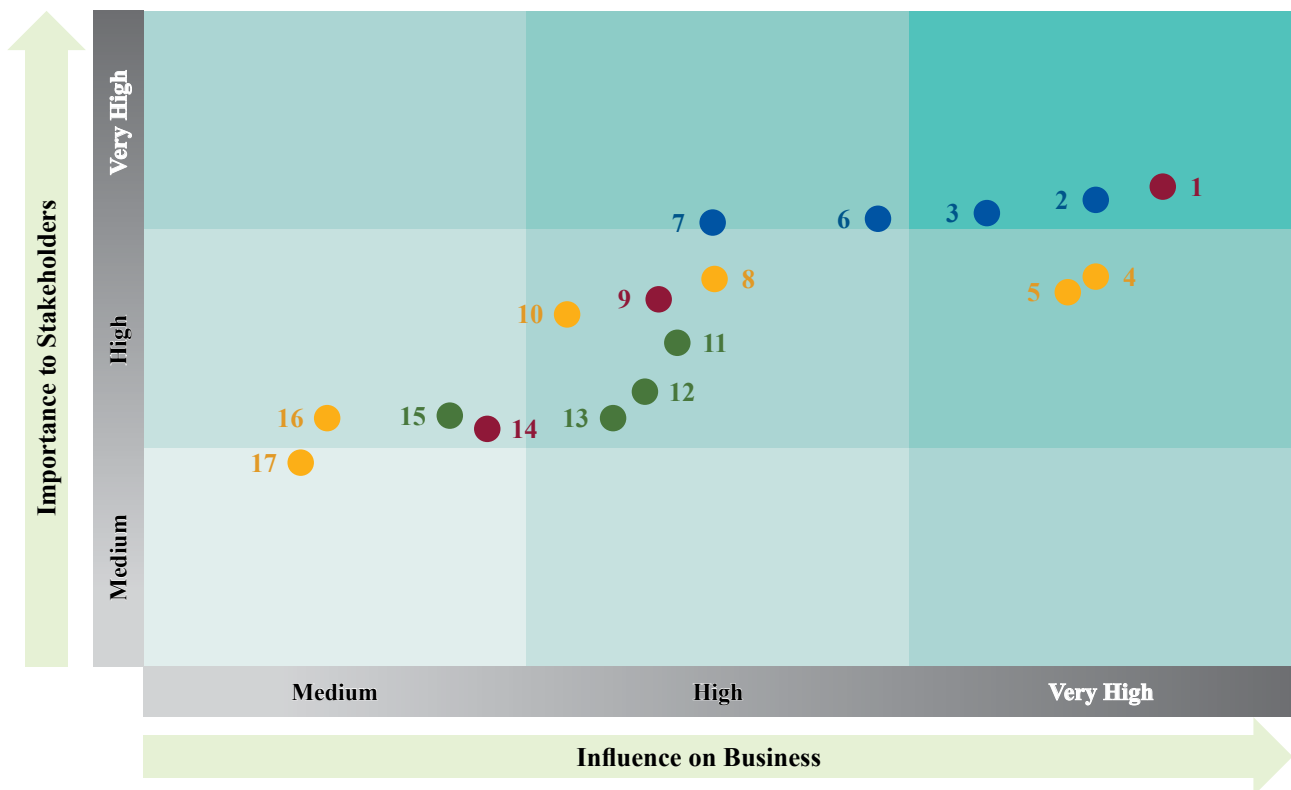


SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Determining the Materiality Matrix

The matrix, used as a strategic tool, maps various important issues against their impact on decision-making and performance. Through extensive analysis and stakeholder engagement, we identify the key material aspects that encompasses global trends and at the same time, streamlined the identified key material aspects according to Bursa Securities' requirements. We then rank our material matters based on the levels of importance where it leads to the collation of data and analysis of the responses to generate the matrix. Once the materiality matrix has been generated, it is then sent for validation and approval.



Responsible Governance	Economic Growth	Environmental Stewardship	Social Responsibility
2. Regulatory Compliance 3. Corporate Governance and Anti-Corruption 6. Ethics and Integrity 7. Data Privacy and Cybersecurity	1. Economic Performance 9. Supply Chain Management 14. Investor Relations	11. Emission Monitoring 12. Energy Management 13. Water Consumption 15. Waste Management	4. Product Quality and Innovation 5. Customer Satisfaction 8. Occupational Health and Safety 10. Labour Practices and Standards 16. Workforce Diversity and Inclusivity 17. Community Engagement

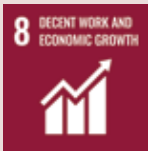
The Group identified 17 material matters for the FYE 2024, with the top 5 being Economic Performance, Regulatory Compliance, Corporate Governance and Anti-Corruption, Product Quality and Innovation, and Customer Satisfaction.

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Mapping the Material Matters

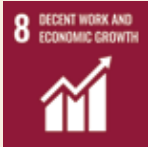
Material sustainability matters connect our EESG pillars, key stakeholders, and UN SDGs, crucial in addressing factors impacting the Group's performance. Recognising these connections allows us to adopt a holistic approach to sustainability, enhancing responsible business practices, and contribute meaningfully to stakeholder objectives alongside with the UN SDGs.

ESG Pillars	Commitment Statement	Material Matters	Stakeholders	Corresponding SDGs
Responsible Governance	Conducting our business with a high standard of corporate governance and company values, which emphasises managing all relationships with fairness, decency and good citizenship.	Regulatory Compliance	- Regulatory, Government and Statutory Bodies. - Investors. - Customers. - Suppliers and Service Providers.	
		Corporate Governance and Anti-Corruption		
		Ethics and Integrity		
		Data Privacy and Cybersecurity		
Economic Growth	Our commitment to enhancing economic stability revolves around optimising economic performance and driving property innovation, ensuring a prosperous future that harmonises financial growth with ground-breaking sustainable solutions.	Economic Performance	- Suppliers and Service Providers. - Investors.	
		Supply Chain Management		
		Investor Relations		
Environmental Stewardship	Minimising our environmental impact by effectively managing energy, waste and water consumption.	Emission Monitoring	- Regulatory, Government and Statutory Bodies. - Investors. - Customers. - Suppliers and Service Providers.	
		Energy Management		
		Water Consumption		
		Waste Management		

SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING OUR MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Mapping the Material Matters (cont'd)

ESG Pillars	Commitment Statement	Material Matters	Stakeholders	Corresponding SDGs
Social Responsibility	Fostering a culture of mutual respect and security, an inclusive and diverse work environment, an array of professional development opportunities, safe working conditions as well as fair hiring and labour standards.	Product Quality and Innovation	- Regulatory, Government and Statutory Bodies. - Employees. - Customers. - Suppliers and Service Providers. - Local Communities.	
		Customer Satisfaction		
		Occupational Health and Safety		
		Labour Practices and Standards		
		Workforce Diversity and Inclusivity		
		Community Engagement		

ADVANCING TOWARDS CLIMATE RESILIENCE

Climate change presents a multifaceted global challenge, requiring a nuanced understanding of its associated risks and opportunities across diverse sectors. As a responsible chemical products manufacturer, KIB strategically integrate climate-related initiatives into our operations, enhancing our climate-resilience and mitigating our environmental footprint.

The following disclosures are structured around 4 interrelated areas for holistic reporting which includes governance, strategy, risk management and metrics and targets.

Governance

Recognising the impact of climate change on our business, KIB incorporated climate change factors into our decision-making. The Board maintains oversight of climate-related mitigation measures and monitors climate change risks and opportunities.

Strategy

KIB's climate-related risks are segregated into transition risks and physical risks. Transition risks are risks linked to the shift toward a sustainable, low-carbon economy, driven by regulatory changes and market shifts. Physical risks, on the other hand, are the risks resulted from the direct impacts of climate change, such as extreme weather events and rising temperatures, affecting assets and operations. The impacts primarily involve increased costs, revenue fluctuations, as well as the potential for damages and disruptions caused by short-term and long-term climate-related events.

Risk Management

By maintaining an effective risk management system, the Board and Risk Management Committee have effective oversight over potential climate-related risks. Moving forward, we will enhance our existing enterprise risk management framework with EESG risk indicators that help us identify climate-related risks and facilitate mitigation strategies.

SUSTAINABILITY STATEMENT (CONT'D)

ADVANCING TOWARDS CLIMATE RESILIENCE (CONT'D)

Metrics and Targets

KIB quantifies carbon emissions, waste, energy and water consumption. We measure carbon emissions in tCO₂e, electricity in kWh, water in m³ and waste in tonnes. In order to determine GHG, energy and water intensity, we calculate absolute values and normalise them by dividing against the total production volume of our operations.

KIB monitors and reports Scope 1 and Scope 2 emissions. Additional details regarding our management approach and performance data can be found in pages 42 to 44.

RESPONSIBLE GOVERNANCE

Regulatory Compliance

Maintaining professional integrity is the core to our success by being accountable and transparent in all our operations. Our adherence to shared values as reflected in our regulatory compliance, further demonstrated that our efforts towards the highest ethical standards. We ensure that all our employees are aware of these regulations and compliance requirements through training and specific guidance, either as part of their onboarding or ongoing refresher training.



Regulatory Compliance

- Companies Act 2016
- Employment (Amendment) Act 2022
- Fire Service Act 1988
- Factories and Machinery Act 1967
- Factory and Machinery (Noise Exposure) Regulation, 1989
- Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000
- Workers' Minimum Standards of Housing and Amenities Act 1990
- Safety Health and Welfare Regulation 1983
- Notification, Certification of Fitness and Inspection Regulation 1997
- Classification, Labelling and Safety Data Sheet of Hazardous Chemical Regulations 2013
- Safety and Health Committee Regulation 1996
- Poison Act 1952

Our Performance

We are pleased to report that there was no regulatory non-compliance identified for the current financial year and past 2 financial years.

SUSTAINABILITY STATEMENT (CONT'D)

RESPONSIBLE GOVERNANCE (CONT'D)

Ethics and Integrity

Board Charter	- Outline the roles, functions, compositions, operations and processes of the Board, including the responsibilities of the Board Committees. - Provide clarity on the governance of the Group, protecting the interest of shareholders and stakeholders.
Code of Conduct and Ethics	- Emphasise the Group's focus on ethics and compliance with the relevant laws and regulations in its business operations. - Provide a framework for all covered parties ensuring compliance with the Group's standards for integrity and ethical behaviour.
Fit and Proper Person Policy	- Outlines transparent procedures for the appointment of new Directors or re-election of Directors. - The Board and Nominating Committee are primarily responsible for assessing the qualifications and necessary skills for the Directors' role.
Whistleblowing Policy	- Outlines procedures for reporting misconduct within the Group. - Ensures protection for whistleblowers while promoting a culture of integrity and accountability.
Diversity Policy	Highlights our efforts to maintain a discrimination-free environment across the organisation, regardless of race, age, religion or gender.
Sustainability Policy	- Guides our efforts for good governance, environmental responsibility, social impact and community engagement. - Emphasises financial performance, environmental compliance, employee well-being and cultural diversity.

KIB's corporate policies are communicated to our business partners and other entities we engage with. Ensuring dedication to ethical business practices, good conduct, and transparency across all our business operations, it is crucial to comply with all applicable corporate internal policies in the locations where we operate.

Our Performance

KIB reported zero whistleblowing incidents within the Group for the past 3 financial years from FYE 2022 to FYE 2024.

	FYE 2022	FYE 2023	FYE 2024
No. of incidents of whistleblowing	0	0	0

Corporate Governance and Anti-Corruption

To ensure the Group maintains our track record of zero instances of corruption, we regularly communicate relevant anti-corruption approaches from our Anti-Bribery and Corruption Policy to our employees, suppliers and other stakeholders. We implemented training programmes to ensure full comprehension and compliance with applicable laws and regulations.

SUSTAINABILITY STATEMENT
(CONT'D)

RESPONSIBLE GOVERNANCE (CONT'D)

Corporate Governance and Anti-Corruption (Cont'd)

Anti-Bribery and Corruption Policy

KIB upholds a zero-tolerance stance against any forms of bribery and corruption. The Anti-Bribery and Corruption Policy establishes the framework and procedure for detecting bribery and corruption within our operation. It outlines our Group's dedication to conducting business ethically, aligning well with Section 17A of the Malaysia Anti-Corruption Commission Act 2009. This policy applies to all parties across the supply chain.

Our Performance

We effectively communicate our Anti-Bribery and Corruption Policy to our employees via regular anti-bribery training sessions. Besides that, we also provide easy access for our employees to our Anti-Bribery and Corruption Policy through our corporate website and employee handbook.

In KIB, non-executive employees are primarily general workers whose job functions and responsibilities carry a very low risk of corruption. All employees except for non-executive level had attended anti-bribery and corruption related training as per table shown below.

Employee category	FYE 2022 %	FYE 2023 %	FYE 2024 %
Senior Management	100	100	100
Management	100	100	100
Executive	100	100	100

In addition, we have also conducted corruption risk assessment throughout our operations and the outcome are as per table shown below:

	FYE 2022	FYE 2023	FYE 2024
Percentage of operations assessed for corruption-related risk	100%	100%	100%

Our Group sustained track record with zero reported cases of corruption across the past three financial years from FYE 2022 to FYE 2024.

	FYE 2022	FYE 2023	FYE 2024
No. of confirmed corruption incidents	0	0	0

Data Privacy and Cybersecurity

The adoption of digital infrastructure and technologies has become an integral aspect of organisations globally. KIB shares the same value in staying ahead of the curve and adopting digital transformation across our operations to foster trust with customers, business partners and other stakeholders that provide personal and business information while engaging with KIB. We recognise our responsibility and are actively committed to managing cybersecurity risks while safeguarding sensitive information from any leaks, threats or losses.

SUSTAINABILITY STATEMENT (CONT'D)

RESPONSIBLE GOVERNANCE (CONT'D)

Data Privacy and Cybersecurity (Cont'd)

At KIB, our approach to data privacy and cybersecurity is guided by the Personal Data Protection Act 2010. This regulation governs the acquisition, use, disclosure and maintenance of personal data, forming the legal foundation of our operations. We have also setup server at safe location, install and upgrade our firewall and anti-virus software regularly by professional IT personal as well as keeping our hard copy documents locked and the keys are kept by authorised personnel.

Our Performance

As of FYE 2024, we are glad to report that there were zero substantiated complaints concerning breaches in customer privacy or data loss for three financial years from FYE 2022 to FYE 2024.

	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

ECONOMIC GROWTH

Economic Performance

Generating long-term value creation for stakeholders allows us to sustain our business and uphold leadership in all markets in which we compete. KIB commits to practising financial discipline in management across our operations to ensure business stability. Our economic performance enables us to keep delivering excellent products to meet the growing expectations of our customers.

Our Performance

KPI Target	Achievement
Profit before tax : RM8.00 million	RM9.18 million

In FYE 2024, we have achieved our KPI target and recorded a profit before tax of RM9.18 million.

The detail of the group's overall financial performance is available in the "Management Discussion and Analysis" section on page 16 to 18 of this report.

Supply Chain Management

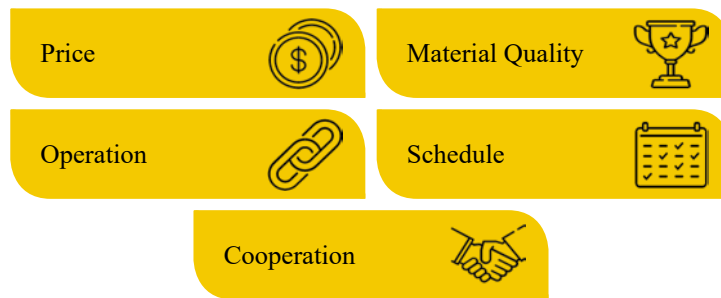
The Group actively pursue for suppliers that operate in an ethical, efficient and sustainably conscious way. Our approach involves rigorous due diligence, ensuring engagement with vendors while aligning with the Group's principles through a comprehensive supplier assessment procedure with a stringent set of criteria to evaluate the supplier service.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC GROWTH (CONT'D)

Supply Chain Management (Cont'd)

Commencing from FYE 2024, we have initiated the implementation of a performance supplier assessment for our new suppliers, which covers the evaluation of various criteria as outlined below:



Procurement Spent

The Group's procurement for local suppliers range from 40.14% to 45.42% for FYE 2022 to FYE 2024 in order to support local business.

PROCUREMENT SPENT



Investor Relations

Investors play a major role in the success and growth of the Group. It is essential for KIB to maintain a strong and transparent relationship with our investors.

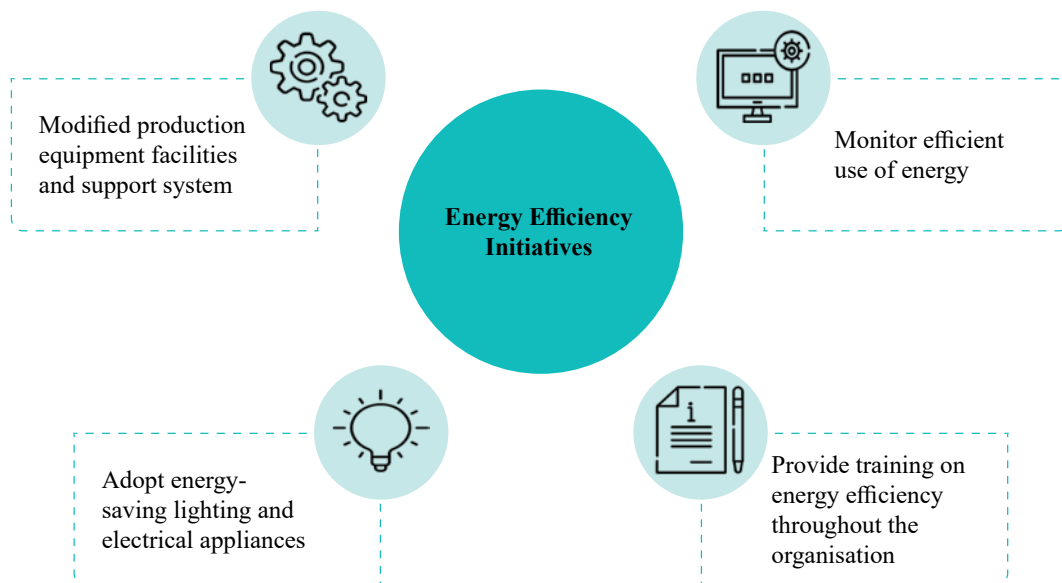
We have established ongoing interaction with the Group's investors through various communication channels. The Company's annual reports, quarterly financial reports and announcements are accessible in the Investor Relations section of the Group's website at <http://www.karyongroup.com.my/>.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP

Energy Management

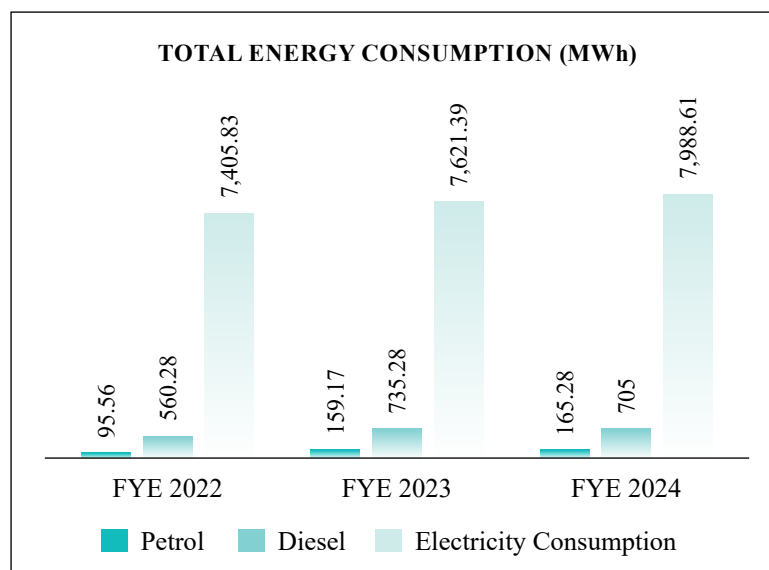
Demonstrating our efforts for environmental stewardship, KIB has adopted a multi-pronged approach to optimise energy efficiency across the Group. We modified our operation facilities and equipment to minimise energy consumption, implemented constant monitoring to identify and address inefficiencies, and provide training on energy-saving best practices.



Our Performance

Total Energy Consumption

In FYE 2024, our total energy consumption amounted to 8,858.89 MWh which encompassed the use of electricity, diesel and petrol. Out of this total, electricity constituted 90.18%, followed by diesel at 7.96% and the remaining 1.86% for petrol.



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

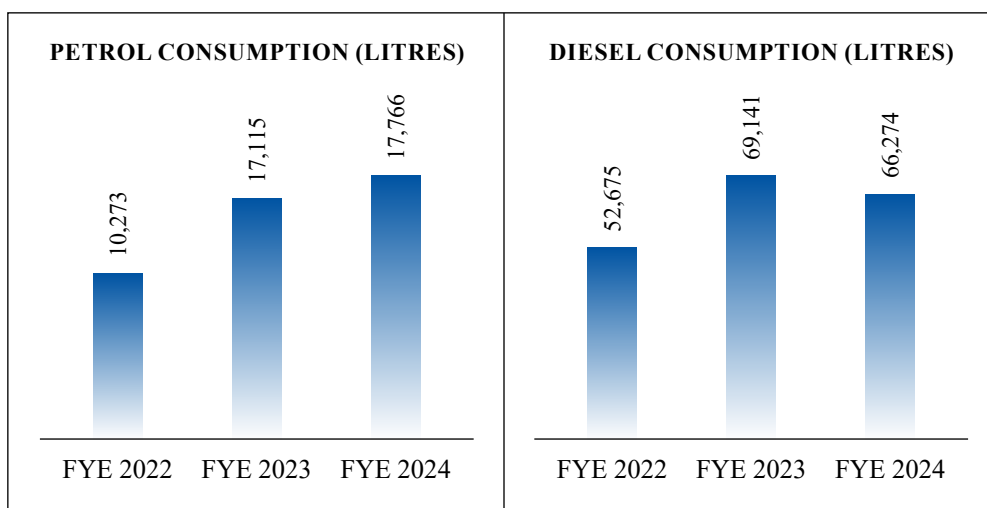
Energy Management (Cont'd)

Our Performance (cont'd)

Fuel Consumption

In FYE 2024, the Group consumed a total of 17,766 litres of petrol. We have included the petrol consumption from KIB Group in determining the fuel consumption for the first time, to provide a holistic view of the overall petrol consumption across the Group.

Fuel is consumed by our forklifts, company vehicles and heating equipment for machinery. Our petrol consumption increased slightly by 3.80% in FYE 2024, from 17,115 litres to 17,766 litres while our diesel consumption decreased by 4.15%, from 69,141 litres to 66,274 litres due to lesser usage for heating equipment.



Electricity Consumption

We use electricity in our production process and office utilities.

Our total electricity consumption for FYE 2024 amounted to 7,988.55 MWh. The overall consumption of electricity increased by 4.82% as compared to FYE 2023, attributed mainly to the increase usage of electricity in production.

	FYE 2022	FYE 2023	FYE 2024
Consumption MWh	7,405.93	7,621.40	7,988.55
Intensity MWh per Mt	0.2466	0.2483	0.2413

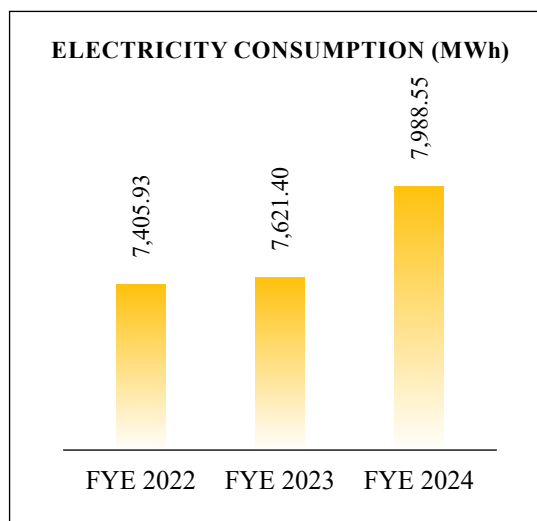
SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Energy Management (Cont'd)

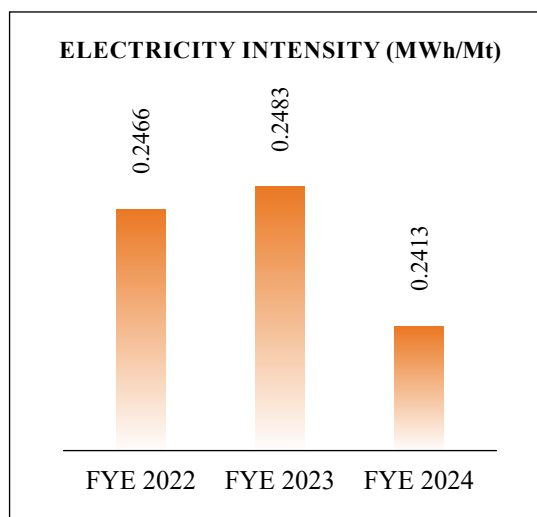
Our Performance (cont'd)

Electricity Consumption (cont'd)



Energy Intensity of Our Product

The energy consumption per tonne of product manufactured by the Group was slightly down to 0.2413 MWh per mt in FYE 2024 representing a decrease of 2.82% as compared to FYE 2023 due mainly to the increase of production output efficiency.



Emission Monitoring

GHG emissions are universally acknowledged as a significant driver of climate change, that is associated with risks such as unpredictable weather events and rising sea levels. These climate-induced phenomena pose tangible threats across supply chains and consequently, impact our day-to-day operations, as well as the health of our employees. As such, the Group is committed to implementing stringent air emission monitoring procedures to ensure compliance with permissible regulatory limits.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Emission Monitoring (Cont'd)

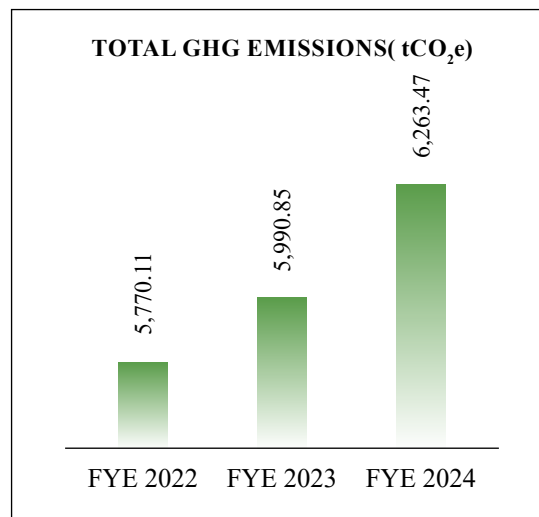
We initiated our inaugural GHG disclosure this fiscal year, covering Scope 1 and Scope 2 emissions. Scope 1 accounts for direct emissions from fuel combustion and Scope 2 encompasses indirect emissions from purchased electricity.

Aside from this, KIB actively monitors stack emissions from our operations to ensure the concentration of dark smoke, non-methane volatile organic compounds (“NMVOCs”) and particulate matter meet the emissions limits of the Environmental Quality (Clean Air) Regulation 2014.

Total GHG Emissions

FYE 2024 marks our initial step towards detailed GHG accounting disclosures. The Group’s combined emissions for FYE 2024 amounted to 6,263.47 tCO₂e. The breakdown includes 208.15 tCO₂e carbon emission under Scope 1 and 6,055.32 tCO₂e carbon emission under Scope 2.

	FYE 2022	FYE 2023	FYE 2024
GHG Emissions from Scope 1 (tCO ₂ e)	156.42	213.83	208.15
GHG Emissions from Scope 2 (tCO ₂ e)	5,613.69	5,777.02	6,055.32
Total Emissions (tCO ₂ e)	5,770.11	5,990.85	6,263.47



Notes:

- Included Scope 1 emissions from KIB Group for our reporting in FYE 2024.
- Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard.
- Scope 1 emissions factors were sourced from the UK Government’s GHG Conversion Factors 2023.
- Scope 2 emissions factors were sourced from the National Energy Commission: Grid Emissions Factors (GEF) in Malaysia in 2021.

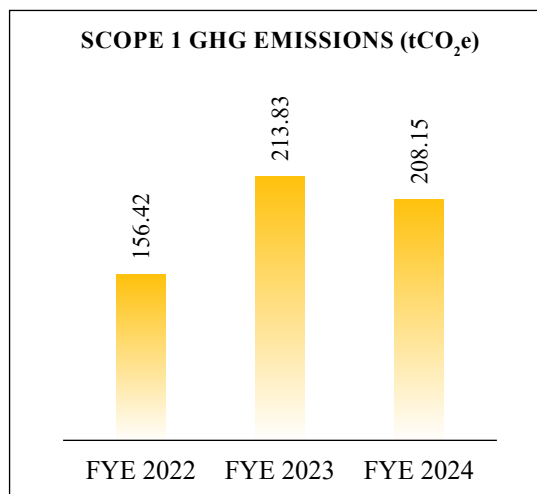
SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Emission Monitoring (Cont'd)

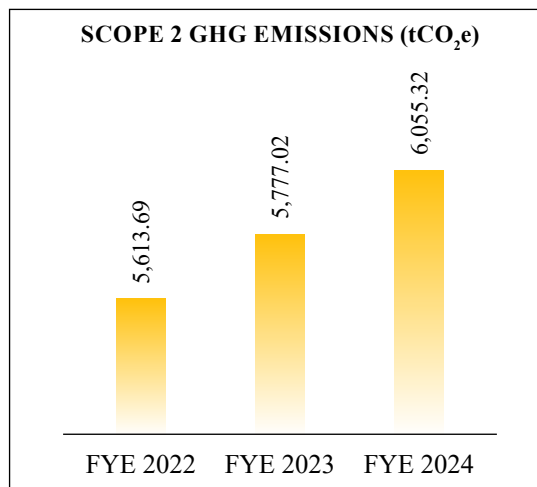
Scope 1 Emissions

Our Scope 1 GHG emissions encompasses emissions generated from our usage of petrol and diesel. Petrol is used by vehicles of the Group traveling outstation for sales and marketing purpose, while diesel is used by the forklifts in factory for daily operation as well as for the fuel of heating equipment. In FYE 2024, our Scope 1 emissions amounted to 208.15 tCO₂e.



Scope 2 Emissions

Our Scope 2 emissions consist of indirect emissions stemming from the use of electricity. For the FYE 2024, our Group generated a total of 6,055.32 tCO₂e. Electricity is primarily used for production machinery and office utilities. Increasing production output will lead to increase in electricity usage.



Stack Monitoring Performance

We monitor 3 pollutants in the flue gases emitted from chimneys, particulate matter for both companies, NMVOCs specifically for HLSB and dark smoke for AISB.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Emission Monitoring (Cont'd)

Stack Monitoring Performance (cont'd)

A comprehensive maintenance program had been scheduled on regular inspections to keep the system run smoothly.

The concentration of particulate matter emitted from both facilities consistently met the limits specified by the Malaysian Clean Air Regulations 2014. Further to this, the concentration of NMVOCs in HLSB has been recorded well below the stipulated limits for both halogenated and non-halogenated hydrocarbons.

KIB also carry out Local Exhaust Ventilation (“LEV”) system inspection by Hygiene Technician with the Department of Occupational Safety and Health registration annually. The LEV was accepted and effective in its performance based on overall system measurement which complied with the Occupational Safety and Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulations 2000.

Waste Management

Appropriate waste management initiatives stand as a cornerstone of our environmental management efforts. As we rely heavily on raw materials, our operational processes inherently generate waste. Hence, we are committed to minimising waste disposal at landfills and by embracing circular economy principles in our operations. Through this, it also underscores our resolve to implementing the 3Rs (Reuse, Recycle and Reduce) within our operations.

The Group manages wastes, also referred to as scheduled wastes, by practising strict protocols in compliance with the waste guidelines set forth by the Environmental Quality (Schedule Wastes) Regulation 2005 and the Environmental Act 1974 (EQA 1974). These protocols encompass engaging contractors licensed by the Department of Environment to manage the scheduled waste generated at our manufacturing facilities. All generated scheduled waste undergoes recording and reporting procedures before being stored in specially designated storage warehouses.

Our Performance

Total Scheduled Waste Generated (mt)

	FYE 2022	FYE 2023	FYE 2024
Total Schedule Waste Generated (Mt)	28.85	38.35	32.43

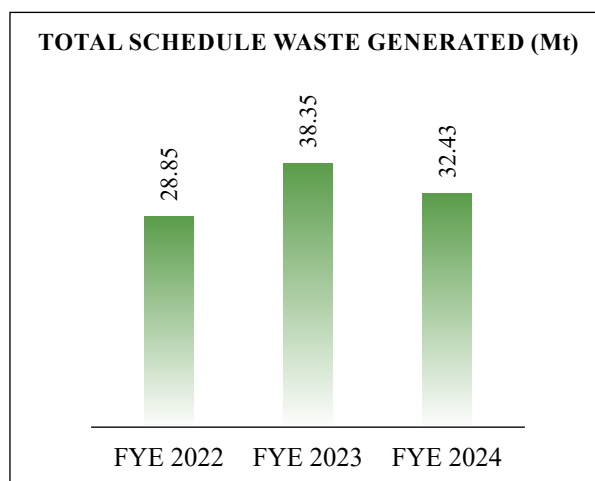
We observed a decrease in total scheduled waste generated by 5.92 mt in FYE 2024 compared to FYE 2023, which represent decrease of 15.44% compared to FYE 2023. The decrease in schedule waste generated is due to our effort in implementing the 3Rs by reusing and recycling to reuse and recycle our packing materials (paper bags, plastic bag, jumbo bags etc) and storage containers (metal and plastic drums, IBC tank etc). Our production team also strives to minimise and recycled the daily production waste. As a result, our waste has been reduced, and production efficiency has increase.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Waste Management (Cont'd)

Our Performance (cont'd)



Water Consumption

The significance of water footprint as a driving force to water conservation is spotlighted with water scarcity. SDGs proposed by the UN are focused on creating sustainable way of life to reduce the impacts on ecology and achieve economic and social benefits.

It is paramount importance for the Group to conserve the water usage with implementing water conservation strategies to enhance close loop water recycle, promptly attending the pipes leakage issues and increase water-use efficiency in the manufacturing plants.

Our Performance

In FYE 2024, tracking revealed that our total water consumption was 12.65 Megalitres (“MI”), representing a 5.74% decrease as compared to FYE 2023.

Our water intensity was recorded at 0.00038 MI/mt in FYE 2024 indicates a 13.64% decrease compared to FYE 2023.

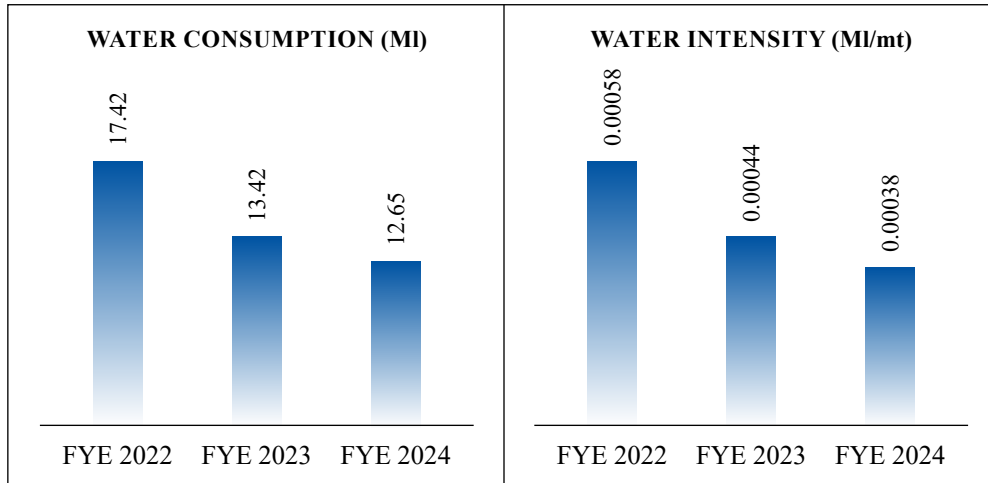
	FYE 2022	FYE 2023	FYE 2024
Consumption (MI)	17.42	13.42	12.65
Intensity (MI /mt)	0.00058	0.00044	0.00038

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

Water Consumption (Cont'd)

Our Performance (cont'd)



SOCIAL RESPONSIBILITY

Labour Practices and Standards

The Group focuses on exemplary labour practises to address issues such as discrimination, violence and harassment. We uphold stringent standards and ethical practises to safeguard the social security rights of our migrant employees while preserving the dignity and well-being of all staff, regardless of their origin.

We believe that providing employee benefits improves the well-being and quality of life for all of our full-time employees. These benefits encompass various types of leaves, outstation meal allowance and opportunities for professional development, all aimed at enhancing the welfare of our employees. Benefits for employees such as:

- Annual leave
- Medical claim and leave
- Parental leave
- Outstation meal and accommodation allowance
- Retirement Provision (KWSP)
- Disability and invalidity coverage (SOCISO)

Our labour standard principles are outlined with respect to compliance with local labour and employment laws as well as international labour laws.

Respect of Labour and Human Rights

At KIB, we maintain a zero-tolerance policy against any form of discrimination and promptly investigate any allegations to foster a diverse working environment. Gender equality consideration is integrated into our decision-making, recruitment and appraisal process across our operations with fair and equitable compensation. Our goal is to cultivate an inclusive environment that supports the diversity within the Group.

We reported zero substantiated incidents of discrimination or harassment as well as zero substantiated instances of human rights violations across our value chain throughout FYE 2022, FYE 2023 and FYE 2024.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Capacity Building

KIB is committed to retaining talented employees and providing career development opportunities to our employees.

The Group has emphasized strongly on human capital investment and development. We believe that providing continuous training and professional development programs will improve the technical knowledge and soft skills of our employees and at the same time, positioning them in good stead to elevate the performance standard quality, which is necessary for the Group to meet the ever-changing needs of our customers.

In FYE 2024, the Group has invested 2,135 training hours comprising various programs covering soft skills, as well as functional or technical skills, safety and others. Each employee having an average of 2.98 training hours.

	FYE 2022	FYE 2023	FYE 2024
Average training hours per employee	2.52	6.31	2.98
Total training hours by category			
Senior Management	15	42	40
Management	58	308	222
Executive	11	305	172
Non-executive	326	2,139	1,701

The Group recorded 66 new hires and 24 turnovers in FYE 2024, demonstrating the Group's ability to offer employment opportunities to qualified individuals and maintain a high retention rate.

	FYE 2022	FYE 2023	FYE 2024
Senior Management	0	0	0
Management	1	2	0
Executive	2	0	2
Non-executive	43	56	22

Workforce Diversity and Equal Opportunity

Workforce diversity and equal opportunity have been the core elements to our business strategies.

The Group believes that diverse workforce and culture are vital to foster efficiency and work place innovation in achieving our corporate goals and objectives.

For the FYE 2024, the Group has a total number of 287 employees, which comprised of 131 local employees and 156 non-local employees. None of the employees are contractor or temporary staff.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Workforce Diversity and Equal Opportunity (Cont'd)

Employee diversity data

Age Diversity by Employee Category (%)				
Employee Category	Age	FYE 2022	FYE 2023	FYE 2024
Senior Management	<30	0.00	0.00	0.00
	30-50	69.23	69.23	57.14
	>50	30.77	30.77	42.86

Age Diversity by Employee Category (%)				
Employee Category	Age	FYE 2022	FYE 2023	FYE 2024
Management	<30	0.00	0.00	0.00
	30-50	73.33	66.67	72.22
	>50	26.67	33.33	27.78
Executive	<30	32.73	35.29	21.95
	30-50	60.00	52.95	68.29
	>50	7.27	11.76	9.76
Non-Executive	<30	46.35	47.31	42.51
	30-50	53.65	52.15	57.01
	>50	0.00	0.54	0.48

Gender Diversity by Employee Category (%)				
Employee Category	Gender	FYE 2022	FYE 2023	FYE 2024
Senior Management	Male	76.92	76.92	78.57
	Female	23.08	23.08	21.43
Management	Male	46.67	40.00	44.44
	Female	53.33	60.00	55.56
Executive	Male	54.55	41.18	48.78
	Female	45.45	58.82	51.22
Non-Executive	Male	91.88	91.04	93.46
	Female	8.12	8.96	6.54

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Workforce Diversity and Equal Opportunity (Cont'd)

Director diversity data

Directors by Gender and Age Group (%)			
	FYE 2022	FYE 2023	FYE 2024
Male	72.73	72.73	72.73
Female	27.27	27.27	27.27
<30	0.00	0.00	0.00
30-50	81.82	81.82	72.73
>50	18.18	18.18	27.27

Occupational Health and Safety

The dynamic nature of our work environment which involves heavy machinery, equipment and potentially hazardous substances, requires us to maintain the highest standard of safety. To accomplish this, we have established the Safety and Health Committee aimed at fostering a work environment that upholds health and safety best practices for our employees.

Our focus on cultivating a safety-conscious work environment is evident through the implementation of various training programmes during the financial year under review. We have also established a Safety and Health Committee to ensure each of our employees have the opportunity to actively participate in areas related to safety issues in the workplace. Premised of the aforesaid, our employees are able to safeguard, manage, discuss and report issues in relation to safety and health freely with our Management team.

Our Performance

In KIB, we practice safety and health induction awareness training for every worker in regular basis. In FYE 2024, we have 214 of workers trained under Occupational, Safety and Health programs which include:

- Implementing and monitoring the effectiveness of safety and health programs;
- Coordinating the development of safety and health rules and the safety protocols of works;
- Ensuring compliance with relevant laws and regulations, consisting of Factories and Machinery Act and Regulation 1967;
- Studying the accidents, near miss accidents, dangerous occurrences and any occupational diseases occurring at the place of work; and
- Reporting any unsafe or unhealthy working conditions or practices at the work place and recommend remedy actions.

We achieved our zero-fatality objective for the current financial reporting year. Nonetheless, both HLSB and AISB reported a total of 4 lost-time injuries which resulted in the Group's Lost Time Injury Rate ("LTIR") decrease from 1.29 for FYE 2023 to 1.10 for FYE 2024.

In order to prevent workplace accidents and ensure optimal safety management, we uphold the highest safety and health standards. We conduct quarterly HSE observations and audits involving all levels of the organization. We also upgrade our safety equipment and PPE for our workers and contractors to ensure that all work activities carried out are safely implemented.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Occupational Health and Safety (Cont'd)

	FYE 2022	FYE 2023	FYE 2024
Total number of hours worked	608,609	622,236	728,047
Number of lost-time injuries	2	4	4
Number of fatalities as a result of work-related injuries or ill health	0	0	0
LTIR	0.66	1.29	1.10
Number of workers trained on health and safety standards	160	186	214

* LTIR is calculated as per Bursa Securities' Sustainability Reporting Guide (3rd Edition), per 200,000 hours worked per year.

Community Engagement

We cultivate a collaborative and inclusive environment by implementing engaging programmes tailored to address specific community needs. These initiatives focus on vital areas like addressing the needs of underprivileged families in which we extend our support for the community through meaningful ways.

Our Performance

Summary of contributions and donations made from FYE 2022 to FYE 2024 are as follows:

FYE	RM	Number of Beneficiaries*
2022	7,000.00	4
2023	10,000.00	4
2024	9,465.60	6

* The number of beneficiaries refer to the number of communities and not the total number of individual benefiting

In FYE 2024, we contributed RM9,465.60 worth of donations towards 6 communities as follows:

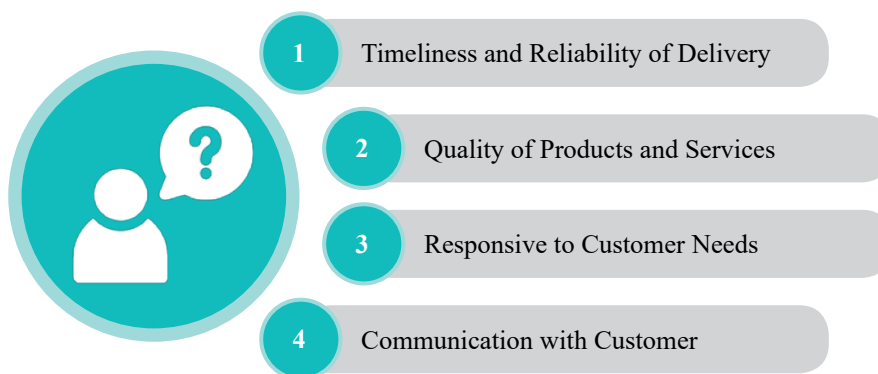
	Organisation	Description	Amount (RM)
1	Persatuan Kebajikan Masyarakat OKU, Johor Bahru	Monetary aid for the disabled person	1,500.00
2	Persatuan Kebajikan Orang Kurang Upaya Xi Le Er Malaysia	Monetary aid for the disabled person	1,500.00
3	United Nations Children's Fund (UNICEF)	Monetary aid for children	3,000.00
4	Pertubuhan Kebajikan dan Penjagaan Kanak-Kanak Kurang Upaya	Monetary aid for the disabled person	1,500.00
5	SJK (C) Chien Chi, Plentong	Donation of insect and mosquito repellent	982.80
6	SJK (C) Pei Hwa 2, Bandar Permas Jaya	Donation of insect and mosquito repellent	982.80

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Customer Satisfaction

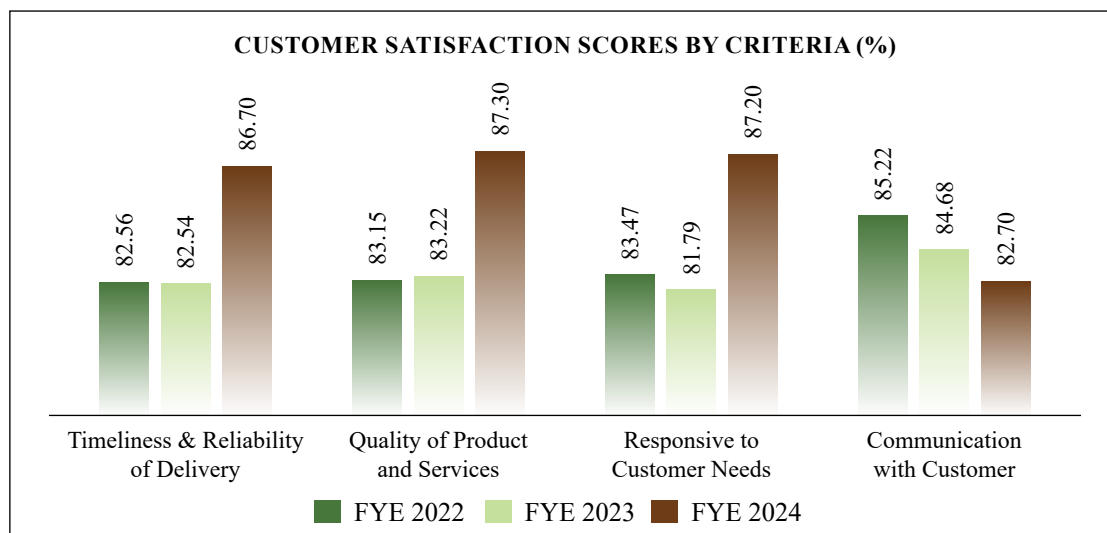
In order to understand the needs of our customers, we have conducted customer satisfaction surveys with our local and overseas customers annually to understand their insights. The survey topics covers the following:



Our Performance

At KIB, we consistently maintain high standards for the quality of our products, as evidenced by our customer satisfaction ratings. Notably, “Quality of Products and Services” scores the highest at 87.30%, followed by “Responsive to Customer Needs” at 87.20%. The scores for “Timeliness and Reliability of Delivery” and “Communication with Customer” were 86.70% and 82.70%, respectively.

We have seen a great improvement in our “Responsive to Customer Needs” as the ratings has increased by 5.41% as compared to FYE 2023.



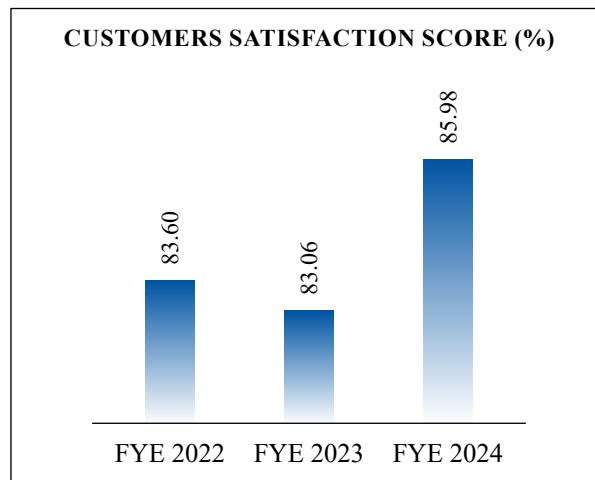
SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY (CONT'D)

Customer Satisfaction (Cont'd)

Our Performance (cont'd)

Our overall customer satisfaction was 85.98% in FYE 2024, representing an increase of 3.52% as compared to the score of 83.06% in FYE 2023.



Product Quality and Innovation

The Group focuses on consistency in the quality of our products and services, along with the reliability of our production and deliverables to our customers.

Both of our subsidiaries, HLSB and AISB are ISO 9001: 2015 Quality Management Systems certified. Guided by the quality objectives of this standard, we focus on the consistency in the quality of products and services, and reliability of our production and deliverable to our customers. We build a successful culture by providing clear principles, unified standards and guidance for our processes and activities. This empowers our employees to take ownership and drive results through commitment and competency.

CONCLUDING OUR SUSTAINABILITY ODYSSEY

Driven by KIB's dedication towards positive environmental and social impact, we prioritise energy efficiency and uphold worker's health and safety standards across all operations. Building on this foundation, we strive to establish new sustainability benchmarks and embrace industry-leading practices to create long-term value, in alignment with our vision: 'To be the preferred supplier of polymeric products in the industry and enhance shareholders' values.'

Looking ahead, sustainability remains the core of our vision, providing stability in the dynamic industry of polymeric products. As such, we are driven to foster innovation and maintain high standards to support our long-term growth and success.

SUSTAINABILITY STATEMENT

(CONT'D)

GRI CONTENT INDEX

Statement of use	Karyon Industries Berhad has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	19
	2-2 Entities included in the organisation's sustainability reporting	19
	2-3 Reporting period, frequency and contact point	19
	2-5 External assurance	20
	2-6 Activities, value chain and other business relationships	19
	2-7 Employees	47-51
	2-9 Governance structure and composition	27
	2-10 Nomination and selection of the highest governance body	27
	2-11 Chair of the highest governance body	27
	2-12 Role of the highest governance body in overseeing the management of impacts	27
	2-13 Delegation of responsibility for managing impacts	27
	2-14 Role of the highest governance body in sustainability reporting	27
	2-22 Statement on sustainable development strategy	23-24
	2-23 Policy commitments	35-36
	2-24 Embedding policy commitments	35-36
	2-27 Compliance with laws and regulations	35
	2-29 Approach to stakeholder engagement	28-30
GRI 3: Material Topics 2021	3-1 Process to determine material topics	31
	3-2 List of material topics	32
	3-3 Management of material topics	Throughout
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	38-39
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	36-37
	205-2 Communication and training about anti-corruption policies and procedures	36-37
	205-3 Confirmed incidents of corruption and actions taken	36-37

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	40
	302-3 Energy intensity	42
	302-4 Reduction of energy consumption	40-42
	302-5 Reductions in energy requirements of products and services	40-42
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	46
	303-5 Water consumption	46-47
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	44
	305-2 Energy indirect (Scope 2) GHG emissions	44
	305-5 Reduction of GHG emissions	43
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	45
	306-2 Management of significant waste-related impacts	45
	306-3 Waste generated	45-46
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47
	401-3 Parental leave	47
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	49-50
	403-2 Hazard identification, risk assessment, and incident investigation	49-50
	403-4 Worker participation, consultation, and communication on occupational health and safety	49-50
	403-5 Worker training on occupational health and safety	49-50
	403-9 Work-related injuries	50
	403-10 Work-related ill health	50
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	48
	404-2 Programmes for upgrading employee skills and transition assistance programs	48
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	48-49
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	50
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	51
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive	Percentage	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	44.83	40.14	45.42
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	8,061.67	8,515.84	8,858.89
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	28.85	38.35	32.43
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	17.420000	13.420000	12.650000
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	15	42	40
Management	Hours	58	308	222
Executive	Hours	11	305	172
Non-Executive	Hours	326	2,139	1,701
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	1	2	0
Executive	Number	2	0	2
Non-Executive	Number	43	56	22
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
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	0.00	0.00
Senior Management Between 30-50	Percentage	69.23	69.23	57.14
Senior Management Above 50	Percentage	30.77	30.77	42.86
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	73.33	66.67	72.22
Management Above 50	Percentage	26.67	33.33	27.78
Executive Under 30	Percentage	32.73	35.29	21.95
Executive Between 30-50	Percentage	60.00	52.95	68.29
Executive Above 50	Percentage	7.27	11.76	9.76
Non-Executive Under 30	Percentage	46.35	47.31	42.51
Non-Executive Between 30-50	Percentage	53.65	52.15	57.01
Non-Executive Above 50	Percentage	0.00	0.54	0.48
Gender Group by Employee Category				
Senior Management Male	Percentage	76.92	76.92	78.57
Senior Management Female	Percentage	23.08	23.08	21.43
Management Male	Percentage	46.67	40.00	44.44
Management Female	Percentage	53.33	60.00	55.56
Executive Male	Percentage	54.55	41.18	48.78
Executive Female	Percentage	45.45	58.82	51.22

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Non-Executive Male	Percentage	91.88	91.04	93.46
Non-Executive Female	Percentage	8.12	8.96	6.54
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	72.73	72.73	72.73
Female	Percentage	27.27	27.27	27.27
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	81.82	81.82	72.73
Above 50	Percentage	18.18	18.18	27.27
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.66	1.29	1.10
Bursa C5(c) Number of employees trained on health and safety standards	Number	160	186	214
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,000.00	10,000.00	9,465.60
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	4	6

Internal assurance External assurance No assurance (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Karyon Industries Berhad (“KIB” or “Company”) (“Board”) is pleased to present this statement to provide an overview of the application by the Company and its subsidiaries (collectively referred as “Group”) of the good corporate governance practices and principles set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021 (“MCCG”) for the financial year under review and up to the date of this Statement.

The Board recognises the importance of implementing high standards of corporate governance in the Group, for the purposes of discharging the directors’ responsibilities and safeguarding the stakeholders’ interest and assets of the Group. In adopting corporate governance practices, the Board has instilled good corporate governance practice and considered the pillars of effective corporate governance which comprises of transparency, accountability, ethical behaviour, and sustainability.

As such, the Board seeks to embed in the Group a culture that is aimed at delivering balance between conformance requirements with the need to deliver long-term strategic imperatives through performance, without compromising on personal or corporate ethics and integrity.

With the MCCG, the Board is cognizant of the growing level of expectation for proper corporate governance and is taking necessary steps to strengthen and ensure such level of governance is adopted throughout the Group.

This statement is to provide the shareholders and other stakeholders with an overview of the Group’s application of the following three (3) Principles set out in the MCCG and it should be read together with the Corporate Governance Report 2024 of KIB (“CG Report”) which is accessible on the Company’s website at <http://www.karyongroup.com.my> or the announcement made on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”).

- a) Principle A : Board Leadership and Effectiveness;
- b) Principle B : Effective Audit and Risk Management; and
- c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Report provides the details on how KIB has applied each of the practices as set out in the MCCG for the financial year ended (“FYE”) 31 March 2024.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Company is led by a Board who is responsible for the overall business direction of the Group. The Board is made up of Directors who have extensive range of skills, experiences and knowledge. In essence, the Directors are responsible for the provision of stewardship and oversees the conduct of the business affairs of the Group’s business operations and performance in achieving long term values to shareholders as well as other stakeholders of the Group. The Board is responsible for the governance of the Group as well as the conduct of the Group’s overall strategic direction.

The Board is guided by its Board Charter which outlines the roles, functions, compositions, operations and processes of the Board and seeks to ensure that all Board members are aware of their duties and responsibilities. Further, the Board Charter has delineated clear functions reserved to enable the Board to function effectively with proper accountability.

The Board Charter is available on the Company’s website at <http://www.karyongroup.com.my/about/corporate-governance/board-charter/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

In order to assist the Board discharge its stewardship role effectively, the Board has delegated and conferred some of its authorities and powers to its Committees. The demarcation of roles and responsibilities of the Board, Board Committees, Board Chairman, Deputy Board Chairman and Chief Executive Officer, are summarised as follows:

- Board of Directors: Responsible for the overall business direction and oversight the conduct of the business affairs;
- Board Committees
 - o the Audit Committee (“AC”) oversees matters relating to financial reporting, external audit, internal audit, related party transactions, conflict of interests, compliance with the Main Market Listing Requirements of Bursa Securities (“MMLR”) and applicable laws and regulations, business practices of the Company and assessment carried out on the independence, performance and objectivity of the external auditors and internal auditors;
 - o the Nominating Committee (“NC”) oversees matters pertaining to the structure, size and composition of the Board and other Board Committees, including identifying and nominating candidates to fill Board and Board committee vacancies, as well as carry out annual assessment of the effectiveness of the Board, committees of the Board and evaluate the contribution of each individual Director;
 - o the Remuneration Committee (“RC”) establishes and reviews the remuneration policy as well as the Director’s and Key Senior Management’s remuneration package and other benefits;
 - o the Risk Management Committee (“RMC”) ensures there is a sound framework and policy for risk management in managing the principal risks of the Group;
 - o the Employees’ Share Option Scheme (“ESOS”) Committee administer future ESOS proposals, if any, including determining participation eligibility, share allocation and option offers;
 - o the Board Chairman is responsible for leadership of the Board and ensuring effective conduct of the Board as well as ensuring effective communication with shareholders and stakeholders. The Board Chairman is also responsible to ensure that Board Committee meetings are held separately and not combined with the main Board meeting to enable objective and independent discussion during the meeting;
 - o the Deputy Board Chairman is responsible for supporting and assisting the Chairman of the Board in delivering his/her responsibilities and ensuring the smooth functioning of the Board; and
 - o the Chief Executive Officer (“CEO”) who holds ultimate executive power, is responsible, amongst others, in ensuring the efficiency and effectiveness of the operations of the Group, implementing policies, strategies and decisions adopted by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The roles of the Chairman, Mr Loh Chen Yook, a Non-Independent Non-Executive Director, and the Chief Executive Officer, Mr Chua Ling Hong are distinct and separate with clear scope of duties and responsibilities, this is to ensure a balance of power and authority as well as to ensure no one individual can influence the Board's discussions and has unfettered decision-making powers in the Board.

Whilst Mr Loh Chen Yook focuses on providing overall leadership to the Board and is responsible for ensuring effectiveness of the Board's performance, Mr Phang Kok Kwen, the Independent Non-Executive Director and AC Chairman, provides checks and balances by leading the AC to independently scrutinises the financial matters, related party transactions and internal control system. The Board Chairman is not a member of the AC, NC and RC as per recommendations under the MCCG.

The NC is chaired by an Independent Non-Executive Director, Ms Tay Hui-Hui, who leads the NC to objectively and independently perform its duties, including effectively carrying out the annual assessment of the Board, Board Committees and individual Directors as well as identifying areas that requires enhancement.

The Board is committed to conducting its business in accordance with the highest standards of business ethics and complying with the relevant laws, rules and regulations. The Company has put in place a Code of Conduct and Ethics for its employees and Directors, to ensure an ethical culture and high standards of behaviour permeate all levels of the Group.

To fortify the Group's governance framework, a Whistleblowing Policy has been implemented and a Whistleblowing Channel has been set up to enable internal and external stakeholders of the Group to raise concerns in confidentiality. Further details on the Whistleblowing Policy and relevant channels are accessible via: <http://www.karyongroup.com.my/whistleblowing-policy/>.

The Group has also administered an Anti-Bribery and Corruption Policy ("ABC Policy") to set out the core principles in relation to anti-bribery and anti-corruption whereby the Group upholds highest standards of integrity in all business interactions and a zero-tolerance on any and all forms of bribery and corruption (including but not limited to, the acts to promise, offer, give, accept or obtain any bribery and corruption and any attempt thereof). All business dealings should be transparently performed and accurately reflected on records with monitoring and enforcement procedures implemented to ensure compliance with anti-corruption laws and best practices. Further details on the ABC Policy via: <https://www.karyongroup.com.my/anti-bribery-corruption-policy/>.

The Board members are entitled to unlimited and unrestricted access to the Company Secretaries who provides professional advice and services to the Board, particularly on Corporate Governance issues and compliance with the relevant policies and procedures, laws and regulatory requirements, in addition to the administrative matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The attendance of the Board meetings during the FYE 31 March 2024 are as follows:

Name of Director	Attendance				
	Board	AC	RMC	NC	RC
Loh Chen Yook	5/5	—	—	—	—
Yeoh Chin Kiang	5/5	—	—	—	—
Chua Ling Hong	4/5	—	3/3	—	—
Loh Fatt Chong	5/5	—	3/3	—	—
Kok Lee Nee	5/5	—	3/3	—	—
Yeoh Eng How	5/5	—	—	—	—
Tay Hui-Hui	5/5	5/5	—	1/1	—
Phang Kok Kwen	5/5	5/5	—	—	4/4
Chua Shing Yong	5/5	—	—	—	4/4
Low Chiun Yik	5/5	—	3/3	1/1	4/4
Lee Kian Hu (Appointed on 10 July 2024)	—	—	—	—	—
See Hock Chuan (Resigned on 10 July 2024)	5/5	5/5	—	1/1	—

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities and to be apprised on the changes to regulatory requirements and the impact of such regulatory requirements have on the Group. The Company Secretaries would often circulate the relevant guidelines on statutory and regulatory requirements from time to time to keep the Board regularly updated on new regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Training and Development of Directors

All Directors of the Company have attended the Mandatory Accreditation Programme (“MAP”) in compliance with the MMLR.

Every Directors of the Company undergoes continuous training as an on-going process to equip himself/herself to effectively discharge his/her duties as a Director of the Company. The Directors are also encouraged to attend courses and seminars that are relevant to the Group’s operations and businesses conducted by professionals. During the FYE 31 March 2024, the Directors have attended the following training programmes:

Name of Directors	Conducted by	Training Programmes	Date
Loh Chen Yook	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Yeoh Chin Kiang	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Chua Ling Hong	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Loh Fatt Chong	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Yeoh Eng How	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Kok Lee Nee	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023
Low Chiun Yik	The Institute of Internal Auditors Malaysia	Networking Session CAE Roundtable 2023.	25/10/2023
	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa’s Listing Requirements.	01/12/2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Training and Development of Directors (Cont'd)

Name of Directors	Conducted by	Training Programmes	Date
Tay Hui-Hui	Malaysian Association of Company Secretaries (MACS)	Practical Guide for the Company Secretaries – Share Capital in Private Companies and Its Practice. Embracing the Malaysian Code on Corporate Governance.	15/04/2023
	Malaysian Association of Company Secretaries (MACS)	Share and Capital Maintenance with Illustration for Ordinary and Preference Shares.	07/10/2023
	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa's Listing Requirements.	01/12/2023
	Malaysian Association of Company Secretaries (MACS)	Right and Liabilities of Members.	09/12/2023
Phang Kok Kwen	Malaysia Institute of Accountants	MIA Webinar Series : Auditing of Construction Contracts & Property Development Activities.	17/05/2023 to 18/05/2023
	The Malaysian Institute of Certified Public Accountants (MICPA)	ISQM1 Guide and Illustrative Manual (IGIM).	15/06/2023
	Malaysia Institute of Accountants	MIA Webinar Series : Practical Guidance and Implementation Workshop on ISQM 1.	20/06/2023 to 21/06/2023
	Lembaga Hasil Dalam Negeri Malaysia	Seminar Percukaian Kebangsaan 2023.	18/10/2023
	Malaysia Institute of Accountants & Malaysia Accountant Tax Association	2024 Budget Seminar.	23/10/2023
	Malaysia Institute of Accountants	MIA Webinar Series : ISQM 1 & 2 Monitoring and Remediation Procedures.	09/11/2023
	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa's Listing Requirements.	01/12/2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Training and Development of Directors (Cont'd)

Name of Directors	Conducted by	Training Programmes	Date
See Hock Chuan (Resigned on 10 July 2024)	Malaysia Institute of Accountants	MIA Webinar Series : Practical Auditing Methodology for SMPS	17/04/2023 to 19/04/2023
	Chartered Tax Institute of Malaysia (CTIM)	National Tax Conference 2023	01/08/2023 to 02/08/2023
	Lembaga Hasil Dalam Negeri Malaysia	Seminar Percukaian Kebangsaan 2023.	18/10/2023
	Chartered Tax Institute of Malaysia (CTIM)	2024 Budget Seminar	30/10/2023
	Malaysia Institute of Accountants	2024 Budget Seminar	14/11/2023
	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa's Listing Requirements.	01/12/2023
Chua Shing Yong	Malaysia Institute of Accountants	MIA Webinar Series: Tax Audits and Investigations Framework – The Latest Practical Procedures and Challenges.	23/09/2023
	Malaysia Institute of Accountants	MIA Webinar Series: The Company Secretary – Managing Practice and Compliance issues under the Companies Act 16.	25/09/2023
	Lee Min On Trainer, CA(M), CPA(M), CFIIA	Conflict of Interest Situations - Unpacking the disclosure obligations of Directors & Key Officer of the Group under Bursa's Listing Requirements.	01/12/2023

Following the resignation of Mr See Hock Chuan as the Independent Non-Executive Director of the Company on 10 July 2024, the Board has appointed Mr Lee Kian Hu as the new Independent Non-Executive Director of the Company on the even date. Mr Lee Kian Hu has attended the MAP in compliance with the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

The Board currently consists of eleven (11) members, comprising of five (5) Independent Non-Executive Directors, four (4) Executive Directors (including the Chief Executive Officer and Chief Financial Officer) and two (2) Non-Independent Non-Executive Directors (including the Chairman). The current Board composition is in compliance with Paragraph 15.02 of the MMLR, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, to be independent. Further details of the profiles of the Directors are set out in the Directors' Profile of this Annual Report.

Tenure of Independent Directors

The Independent Directors provide the necessary checks and balances on the Board's functions by independently evaluating the Board's decision and decision-making process. The presence of the Independent Directors is essential in providing unbiased and impartial opinions, judgments and advices to ensure that the interests of the Group, shareholders and other stakeholders are well represented. The Independent Directors therefore play a key role in corporate accountability.

The Board is mindful of Practice 5.3 of the MCCG, in which, the tenure of an independent director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain the independent director that had served beyond the tenure of nine (9) years, the Board will need to provide justifications and seek annual shareholders' approval through a two-tier voting process. The maximum tenure for an Independent Director shall not be more than twelve (12) years from the date of his/her first appointment as an Independent Director in accordance with the definition of an Independent Director under MMLR.

As at 10 July 2024, none of the Independent Directors has exceeded a cumulative term limit of nine (9) years in the Company.

The assessment of the independence of each of the Independent Directors is undertaken annually according to the criteria as prescribed by the MCCG and the MMLR. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgement.

Board Diversity Policy

The Board recognises that diverse professional backgrounds, skills and extensive experience and knowledge are vital in contributing to the successful direction of the Group. The current Board members possess a fair range of experience in the areas of accountancy, business, chemistry, general management and strategy.

The current Board consist of three (3) female directors, namely Ms Tay Hui-Hui, Ms Kok Lee Nee and Ms Chua Shing Yong, representing 27% of the total Board composition which complies with Paragraph 15.02(1)(b) of the MMLR. The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG to have 30% women directors. Nevertheless, the Board will ensure the Board composition and Senior Management comprise at least one (1) woman member respectively and shall endeavour to increase women representation on the Board to 30% upon identifying suitable candidates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Appointment to the Board

The Company has in place formal and transparent procedures for the appointment of new directors and had established a Fit and Proper Person Policy and Declaration Assessment Form which were adopted on 26 May 2022. These procedures ensure that all candidates recommended to the Board, are first considered by the NC after taking into account of the required mix of skills and experiences as well as other qualities and proper procedures as set out in the Fit and Proper Person Policy, before making recommendation to the Board.

In identifying candidates for the appointment to the Board, the NC does not solely rely on the recommendations of fellow Directors, management or major shareholders, but also utilise independent sources to identify qualified candidates.

Director's Retirement

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

The Constitution of the Company provides that one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3), shall retire from office at the conclusion of the Annual General Meeting ("AGM") in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The above provisions are adhered to by the Board in every AGM. Information on Directors standing for re-election are outlined in the respective Profile of Directors covering their details of profession, directorships in other public companies and shareholdings in the Company and their attendance of the Board meetings are set forth on pages 9, 11 and 61 of this Annual Report.

At the forthcoming AGM, the following Directors are due to retire by rotation under Clause 76(3) of the Constitution and being eligible have offered themselves for re-election. Following the reviewed and assessments carried out by the NC on the performance of the Directors and having noted their significant and valued contributions to the Board, the NC had recommended their re-election to the Board and the Board had concurred with such recommendation and are recommending the shareholders to re-elect the said Directors at the forthcoming AGM:

- a) Ms Kok Lee Nee
- b) Mr Yeoh Eng How
- c) Mr Yeoh Chin Kiang

The NC had also reviewed their Declarations made in accordance to the Fit and Proper Person Policy and concluded that they have fulfilled with the fit and proper person criteria relating to their probity, personal integrity, reputation, competency and capability, time commitment and financial integrity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Director's Retirement (Cont'd)

Ms Tay Hui-Hui who also due to retire as a Director by rotation pursuant to Clause 76(3) of the Company's Constitution, has expressed her intention not to seek for re-election at the forthcoming 21st AGM. Hence, she will retain office until the close of the 21st AGM.

On 10 July 2024, Mr Lee Kian Hu was appointed as a Director of the Company. Prior to his appointment the Board had through the NC carried out the necessary assessment and took into consideration the qualification, character, experience, integrity, competencies, time commitment, independence and declaration pursuant to the Fit and Proper Person Policy. The NC had concluded that he fulfilled the fit and proper person criteria relating to probity, personal integrity, reputation, competency and capability, time commitment and financial integrity. Pursuant to Clause 78 of the Company's Constitution, Mr Lee Kian Hu as a newly appointed Directors is required to retire at the forthcoming 21st AGM. The NC and the Board are recommending that shareholders to re-elect Mr. Lee Kian Hu at the forthcoming 21st AGM on the basis of the assessment carried out on Mr Lee prior to his appointment as a Director.

Subsequent to FYE 31 March 2024, the NC had carried out assessments on the Board, the Board Committees and the contribution of each individual Director based on the approved process. Evaluations on the performance of Chairman of the Board, the Chairman of the AC, RMC, RC and NC have also been conducted by the NC.

Through this process, the NC and the Board had concluded that the Board's dynamics were healthy and effective.

Nominating Committee

The Board had established a NC that comprised exclusively of Non-Executive Directors, all of whom are Independent Directors as follows:

Tay Hui-Hui	(Chairman, Independent Non-Executive Director)
Low Chiun Yik	(Member, Independent Non-Executive Director)
Lee Kian Hu	(Member, Independent Non-Executive Director) (Appointed as a member of NC on 10 July 2024)
See Hock Chuan	(Member, Independent Non-Executive Director) (Resigned as a Director and ceased to be a member of NC with effect from 10 July 2024)

The composition of the NC complies with Paragraph 15.08A(1) of the MMLR and Practice 5.8 of the MCCG.

The Terms of Reference of the NC are published on the Company's website at <http://www.karyongroup.com.my/about/corporate-governance/terms-reference/nomination-committee/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Nominating Committee (Cont'd)

In compliance with the provision of Paragraph 15.08A(3) of the MMLR, the activities of the NC for the FYE 31 March 2024 are set out below:

Activities of NC

A summary of key activities undertaken by the NC in discharging its duties during the financial year under review is set out below:

1. Carried out the Board assessment based on the approved process comprising of evaluations of the Board, the Board Committees and the contribution of each individual Director, in the form of annual evaluation questionnaires which were then reviewed and deliberated by the NC before its findings and recommendations were tabled to the Board.

The evaluations of the performance of Chairman of the Board, the Chairman of the AC, RMC, NC and RC were also conducted during the scheduled meeting of NC. Each Director had abstained from the deliberation of their own evaluation.

2. Reviewed the appropriateness of structure, size, composition and balance of the Board, and the required mix of skills and experiences, as well as gender diversity.

The NC had concluded that the Board's dynamics are healthy and effective. The present members of the Board possess appropriate skills, experience and qualities to steer the Company forward. The NC was also satisfied that the existing structure, size, composition, current mix of skills, competences, knowledge, experiences and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

The NC also concluded that the Board Committees were functioning effectively, meeting the objective as set out in its Terms of Reference and assisting the Board in fulfilling its statutory and fiduciary responsibilities adequately.

3. Reviewed the performance of the relevant Directors and proposed their re-election as Directors in accordance to Clause 76(3) of the Company's Constitution.

Reviewed the Declarations in accordance to the Fit and Proper Person Policy of the Directors that are subject to retirement have completed their respective to affirm that they have fulfilled the fit and proper person criteria relating to their probity, personal integrity, reputation, competency and capability, time commitment and financial integrity.

Information of the Directors standing for re-election is outlined in the Profile of Directors covering the details of their profession, directorships in other public companies and listed issuers, family relationship with any director and/or major shareholder of the Company, nature and extent of any conflict of interest or potential conflict of interest, shareholdings in the Company and their attendance of the Board meetings are set forth on page 9, 11, 14 and 61 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Nominating Committee (Cont'd)

Activities of NC (Cont'd)

A summary of key activities undertaken by the NC in discharging its duties during the financial year under review is set out below (Cont'd):

4. Reviewed the independence of Independent Directors and their length of tenure in office through Evaluation Questionnaires. The Board had adopted the evaluation procedures for assessment of the independence of the Independent Directors and where applicable, any impairment arising from a long tenure in office (9 years as prescribed by MCCG).

The evaluation was carried out, reviewed and deliberated and duly recommended and tabled to the Board. Each independent director had abstained in the deliberation of their own independence during the evaluation. It was concluded that the independence of all Independent Directors was not compromised or impaired after considering the following factors:

- The Independent Directors fulfilled the criteria and definition of an independent director as set out under Paragraph 1.01 of the MMLR;
 - The Independent Directors have not developed, established or maintained any significant personal or social relationship with the Executive Directors, major shareholders or management of the company;
 - The Independent Directors have never transacted or entered into any transactions with, nor provided any service to the Company and its subsidiaries, the Executive Directors, major shareholders or management of the company;
 - The Independent Directors have not been offered or granted any options by the Company. No other incentives or benefits of whatsoever nature had been paid to them by the Company; and
 - The Independent Directors have attended training programs and keep abreast with development in corporate governance and corporate development, brought objective insight to all aspect of monitoring and oversight activities of the Board and devoted sufficient time commitment and desire to serve.
5. Reviewed the NC's Terms of Reference as part of the process for periodic review, updating and improving clarity.
 6. Reviewed the profile of candidate for the proposed appointment as Independent Non-Executive Director. The profile of the candidate was reviewed and deliberated by the NC which took note of the candidates' qualification, character, experience, integrity, competencies, time commitment and his declaration of independence.

The NC had reviewed the calibre, reputation, background and experience of Mr Lee Kian Hu and had recommended his appointment as a Director to the Board for consideration. The NC had also recommended to the Board for the appointment of Mr Lee Kian Hu as a member of the AC and NC and re-election of Mr Lee Kian Hu pursuant to Clause 78 of the Company's Constitution.

7. Reviewed on the structure of the Board Committee and recommended to the Board to restructure the Board Committee subsequent to the appointment and resignation of Independent Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration

The RC comprised exclusively of Independent Non-Executive Directors as follows:

Mr Low Chiun Yik (Chairman, Independent Non-Executive Director)

Mr Phang Kok Kwen (Member, Independent Non-Executive Director)

Ms Chua Shing Yong (Member, Independent Non-Executive Director)

The Board has in place a Remuneration Policy which contains the guiding principles for determining the remuneration for Key Senior Management and Directors, including Executive and Non-Executive Directors.

The Board ensures that the remuneration for Independent Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings. The respective Directors are required to abstain from deliberation and voting on their own remuneration at Board Meetings.

The aggregate Directors' remuneration of Directors received/receivable from the Company, on Group basis, for the FYE 31 March 2024 are as follows:

Directors	Fees	Salaries	Allowances	Bonuses	Other emoluments	Benefit in-kind	Total
Group	RM						
Non-Executive Director							
Loh Chen Yook <i>Board Chairman</i>	76,000	—	4,800	—	—	—	80,800
Tay Hui-Hui	61,000	—	4,800	—	—	—	65,800
Loh Fatt Chong	49,000	—	4,800	—	—	—	53,800
Phang Kok Kwen	67,000	—	4,800	—	—	—	71,800
See Hock Chuan <i>(Resigned on 10 July 2024)</i>	54,000	—	4,800	—	—	—	58,800
Low Chiun Yik	63,000	—	4,800	—	—	—	67,800
Chua Shing Yong	45,000	—	4,800	—	—	—	49,800
Lee Kian Hu <i>(Appointed on 10 July 2024)</i>	—	—	—	—	—	—	—
Executive Director							
Yeoh Chin Kiang <i>Deputy Chairman</i>	35,000	200,630	3,600	71,625	10,743	—	321,598
Chua Ling Hong <i>CEO</i>	48,000	718,202	3,600	575,567	176,017	17,400	1,538,786
Kok Lee Nee	42,000	437,060	3,600	202,468	100,511	5,300	790,939
Yeoh Eng How	35,000	293,188	3,600	107,287	56,068	5,300	500,443

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

The aggregate Directors' remuneration of Directors received/receivable from the Company, on Group basis, for the FYE 31 March 2024 are as follows (Cont'd):

Directors	Fees	Salaries	Allowances	Bonuses	Other emoluments	Benefit in-kind	Total
Company	RM						
Non-Executive Director							
Loh Chen Yook <i>Board Chairman</i>	76,000	—	4,800	—	—	—	80,800
Tay Hui-Hui	61,000	—	4,800	—	—	—	65,800
Loh Fatt Chong	49,000	—	4,800	—	—	—	53,800
Phang Kok Kwen	67,000	—	4,800	—	—	—	71,800
See Hock Chuan <i>(Resigned on 10 July 2024)</i>	54,000	—	4,800	—	—	—	58,800
Low Chiun Yik	63,000	—	4,800	—	—	—	67,800
Chua Shing Yong	45,000	—	4,800	—	—	—	49,800
Lee Kian Hu <i>(Appointed on 10 July 2024)</i>	—	—	—	—	—	—	—
Executive Director							
Yeoh Chin Kiang <i>Deputy Chairman</i>	35,000	200,630	3,600	71,625	10,743	—	321,598
Chua Ling Hong <i>CEO</i>	48,000	718,202	3,600	575,567	176,017	—	1,521,386
Kok Lee Nee	42,000	437,060	3,600	202,468	100,511	—	785,639
Yeoh Eng How	35,000	293,188	3,600	107,287	56,068	—	495,143

The Board is of the view that disclosing the detailed remuneration packages of its top five (5) Senior Management on a named basis would pose security issues to the Group, for example vulnerability of these personnel being poached by competitor companies as well as potential disgruntlement amongst the personnel concerned if the personnel concerned are aware of how much their fellow colleagues are drawing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

As an alternative, the remunerations of the top five (5) Senior Management were disclosed in bands of RM50,000 received from the Group for the financial year under review on an unnamed basis, is set out below:

Salaries, Bonuses, Defined Contribution Plan and Benefit-in-kind (RM)	No. of Senior Management of the Group
150,001-200,000	2
200,001-250,000	1
400,001-450,000	1
450,001-500,000	1

The RC had reviewed the remuneration of the Executive Directors and the Key Senior Management for the FYE 31 March 2024 and recommended to the Board for approval whereas the Board as a whole had reviewed the Directors' Fees for the FYE 31 March 2024 payable to the Directors and had resolved to recommend to the shareholders for consideration and approval at the forthcoming AGM.

The Remuneration Policy of Directors and Key Senior Management is available for reference at the Company's website at <https://www.karyongroup.com.my/remuneration-policy/>.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board has established an AC which is tasked to oversee matters relating to financial reporting, auditing, internal controls, related party transactions, conflicts of interest situation and assessment carried out on the independence performance and objectivity of the External Auditors and Internal Auditors. In this respect, the members of the AC are expected to be financially literate, possess sufficient understanding of the Group's business, and are able to understand matters under the purview of the AC including the financial reporting process.

The AC comprises three (3) Independent Non-Executive Directors. The requirements for the AC to consist of at least three (3) members, all of whom shall be non-executive with majority being Independent Directors and the requirement for the AC Chairman to be an Independent Director were articulated in the AC's Terms of Reference.

The AC brings to the Board an independent and objective approach that safeguards the integrity of the Company's financial reporting, which includes ensuring the independence and quality of audit activities which are important in providing necessary assurance to the AC in forming its basis for recommendation to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee (Cont'd)

The AC has adopted a policy that requires a former partner of the external audit firm and/or the affiliate firm of the Company or any entity within the Group to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and such policy had been incorporated in the Terms of Reference of the AC.

The Terms of Reference of the Audit Committee are published on the Company's website at <http://www.karyongroup.com.my/about/corporate-governance/terms-reference/audit-committee/>.

In the annual assessment on the suitability, objectivity and independence of the External Auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR. The AC has obtained assurance from the External Auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC has assessed and is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors for the financial year ending 31 March 2025 to the Board. The Board supported AC's recommendation on the re-appointment of the External Auditors, which is subject to shareholders' approval at the forthcoming AGM.

II. Risk Management and Internal Control Framework

The Board has overall responsible for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance on the effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Board, through the RMC, oversees the risk management matters of the Group, which include identifying, analysing, evaluating, managing, monitoring, treating and mitigating significant risk across the Group. The RMC assists the Board in fulfilling its responsibilities in setting the framework for risk governance and risk management, by providing necessary guidance and direction to Senior Management in their implementation. On the other hand, the adequacy and effectiveness of the internal control framework which supports the risk management framework are reviewed by the RMC, via the deployment of an independent internal audit function.

In determining the effectiveness and adequacy of the risk management and internal control system of the Group, the Board monitoring the works of the RMC and AC, which include obtaining assurance from the CEO and the Chief Financial Officer.

For the financial year under review, the Board is satisfied with the performance of the RMC and AC and their respective Chairmen in discharging their responsibilities, based on the evaluation results of the Board Committees' effectiveness as facilitated by the NC.

Further information on the Group's risk management and internal control framework, reporting processes as well as activities carried out for the financial year under review are made available on the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges the continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures the supply of clear, comprehensive and timely information to stakeholders via various disclosures and announcements, including quarterly and annual financial results which provide investors with up-to-date financial information of the Group. All these announcements and other information about the Company are available on the Company's website which shareholders, investors and public may access.

The Company's AGM serves as a forum for dialogue with shareholders. At the AGM, shareholders are encouraged to participate in the question and answer session during the AGM to better understand their needs and obtain their feedback.

II. Conduct of General Meetings

The Board recognises the importance of communications with its shareholders and will take appropriate measures to encourage shareholders' participation at general meetings as recommended by the MCCG.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during AGMs.

To ensure effective participation of and engagement with shareholders at the AGM, all Directors, including members of AC, RMC, NC and RC, attended and participated at the AGM.

The Notice of the forthcoming AGM and Annual Report are sent out to shareholders at least 21 days prior to the date of the meeting in accordance with the provision of the Constitution and Companies Act 2016. The Board is of the opinion that sufficient time was provided to the shareholders to consider the proposed resolutions to be tabled at the forthcoming AGM.

Compliance Statement

The Board recognises and views that Corporate Governance is an ongoing process and is of the view that the Company has substantially complied with the recommendations of the MCCG and will take appropriate steps towards embracing the Principles and Recommendations under the MCCG at a pace and time frame consistent with the size, priority and dynamics of the Group.

This Corporate Governance Overview Statement was approved by the Board of Directors on 10 July 2024.

AUDIT COMMITTEE REPORT

This Report has been reviewed by the Audit Committee (“AC”) and approved by the Board of Directors of Karyon Industries Berhad (“KIB” or “Company”) (“Board”) for inclusion in this Annual Report.

The AC assists our Board in fulfilling its primary responsibilities with respect to its oversight of the financial reporting process, engagement with auditors and related party transactions (“RPT”), including conflict of interest. The AC is committed to its role in ensuring the integrity of the Group’s financial reporting process, internal control system, external and internal audit processes and such other matters that may be specifically delegated to the AC by our Board.

The AC is guided by written Terms of Reference which deal with the AC’s authorities and duties. The Terms of Reference of the AC are made available on the Company’s website at <http://www.karyongroup.com.my/about/corporate-governance/terms-reference/audit-committee/>.

Composition and meetings

The AC comprises solely of Independent Non-Executive Directors as follows:

1. Phang Kok Kwen – Chairman
Independent Non-Executive Director
2. Tay Hui-Hui – Member
Independent Non-Executive Director
3. Lee Kian Hu – Member
Independent Non-Executive Director
(Appointed as a member of AC on 10 July 2024)
4. See Hock Chuan – Member
Independent Non-Executive Director
(Resigned as a Director and ceased to be a member of AC with effect from 10 July 2024)

The composition of the AC complies with Paragraphs 15.09 and 15.10 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), as well as Practices 9.1 and 9.4 of the Malaysian Code On Corporate Governance 2021 as follows:

- All three (3) members are Independent Non-Executive Directors, including the AC Chairman and none of them are alternate Directors; and
- The AC Chairman, Mr Phang Kok Kwen, is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and a Chartered Tax Practitioner with Chartered Tax Institute of Malaysia. He is also an ASEAN Chartered Professional Accountant. Mr Phang Kok Kwen is not the Chairman of the Board.

AUDIT COMMITTEE REPORT

(CONT'D)

Composition and meetings (Cont'd)

The attendance of each AC member at the AC meetings convened during the financial year ended (“FYE”) 31 March 2024 are set out below:

Directors	Meetings attended
Phang Kok Kwen – Chairman	5/5
Tay Hui-Hui – Member	5/5
Lee Kian Hu – Member (Appointed as a member of AC on 10 July 2024)	–
See Hock Chuan – Member (Resigned as a Director and ceased to be a member of AC with effect from 10 July 2024)	5/5

The AC meetings are structured through the use of agendas, and relevant meeting papers are distributed by the Company Secretary, who is the Committee Secretary, prior to such meetings. This enables the AC members to study the items on the agenda, including relevant materials that support the items, and where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

The quorum for meeting is a majority of members who are Independent Directors and, in the case where only two (2) members are present, both shall be Independent Directors. Meetings are chaired by the AC Chairman and in his absence, by an Independent Director elected from those members who are present.

In order for the AC to discharge its work effectively, the AC will engage on a continuous basis with the Management and external auditors, in order to keep abreast of matters and issues affecting our Group.

During the financial year, the Nominating Committee has reviewed on the performance of the AC, including each of the individual AC members. The Board, with the concurrence of the Nominating Committee, has determined that the AC and its members have carried out their duties in accordance with their Terms of Reference.

Summary of works of the AC during the FYE 31 March 2024

The Chairman of the AC reports to the Board at each Board meeting on the activities carried out by the AC in the discharge of its duties and responsibilities. The major works undertaken by the AC during the financial year under review were as follows:

1. Financial reporting

- Reviewed all the four (4) quarters’ unaudited financial results of the Group, focusing on significant matters, and ensured the disclosures were in compliance with regulatory requirements such as the Malaysian Financial Reporting Standards, International Financial Reporting Standards and MMLR, before recommending the same to the Board for approval to release the quarterly financial results to Bursa Malaysia Securities Berhad; and
- Reviewed the annual audited financial statements of the Company and the Group, together with the external auditors, before recommending the same to the Board for approval.

AUDIT COMMITTEE REPORT (CONT'D)

Summary of works of the AC during the FYE 31 March 2024 (Cont'd)

2. External Audit

- Discussed with the external auditors on their audit plan, the nature, scope, including the audit report and any significant problems that may be foreseen in the audit, as well as to ensure adequate test to verify the accounts and procedures of the Company;
- Held independent meeting with the external auditors without the presence of Executive Directors and Management. This session allowed the AC and the external auditors to focus on areas that might not have been specifically addressed as part of the audit and where the external auditors could have the chance to provide additional comments to the AC without the presence of the Management. The matters discussed reflect the results of the audit, extent of cooperation provided by the Company, competency of finance team, and any other observations that they might have during the annual audit;
- Considered and recommended to the Board on the reappointment of external auditors and to fix their fees (audit and non-audit), after assessing their independence and capabilities as well as the effectiveness of the external audit process;
- Reviewed the independence, objectivity and suitability of the external auditors upon consideration of:
 - (i) the assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit. The assessment also considered the information presented in the Annual Transparency Report of the audit firm, which include the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks as well as corporate liabilities risks;
 - (ii) the appropriateness of audit fees to support a quality audit;
 - (iii) the requirement for non-audit service;
 - (iv) the conduct of an annual evaluation on the performance of the external auditors; and
 - (v) the written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.
- The AC has also reviewed the audit services and non-audit services provided by the external auditors and the fees paid/payable for the respective types of services for the FYE 31 March 2024 as follows:

Fees	Company (RM)	Group (RM)
Audit services	39,000	100,000
Non-audit services	3,000	3,000

The non-audit services provided by external auditors is related to the review of Statement on Risk Management and Internal Control.

The AC determined that Messrs BDO PLT are competent in carrying out their work and they have the necessary audit experience in the industry in which KIB Group operates. The AC also concluded that Messrs BDO PLT remained independent and, together with the Board, are satisfied with their services and performance and thereby recommended them for re-appointment as the external auditors at the forthcoming Annual General Meeting ("AGM"). The Board accepted the AC's recommendation on the re-appointment of Messrs BDO PLT as the external auditors at the forthcoming AGM to be held on 10 September 2024.

AUDIT COMMITTEE REPORT (CONT'D)

Summary of works of the AC during the FYE 31 March 2024 (Cont'd)

3. Internal Audit

- Discussed with the internal auditors and reviewed the overall adequacy and effectiveness of the internal control system;
- Reviewed and approved the Internal Audit Plan for the financial year to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks;
- Reviewed the outcomes and results of internal audit addressing internal controls over operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan;
- Discussed and reviewed the major findings, areas requiring improvements and significant internal audit matters raised by internal auditors and Management's response, including follow-up actions. Management were requested to rectify and improve internal control procedures and workflow processes deficiencies based on the internal auditors' recommendation; and
- Reviewed adequacy of resources, performance, competence and effectiveness of the internal audit function. Based on their findings, the AC was satisfied with the internal audit functions' performance.

For more details of the internal audit function, including the scope of work and activities carried out for the financial year under review, kindly refer to the Statement on Risk Management and Internal Control included in this Annual Report.

4. Other Matters

- Reviewed the Statement on Risk Management and Internal Control as well as AC Report to ensure that the statements were prepared in compliance with the regulatory requirements for inclusion in the Annual Report;
- Reviewed the AC's Terms of Reference for its publication on KIB's website;
- Reviewed the RPTs entered into by the Group to ensure that the procedures for the monitoring of RPTs have been complied with;
- Reviewed any conflict of interest situations that may arise within the Group, including any transaction, procedure or course of conduct that raises questions on management integrity;
- Reviewed the Declaration/Disclosure of Conflict of Interest/Potential Conflict of Interest of respective Director and Key Senior Management; and
- Reviewed and taken note on the rotation of audit partner who had acted as the audit partner for the Group for a period of 7 years after completion of audit review for FYE 31 March 2023. A new audit partner has subsequently been assigned for the audit review for FYE 31 March 2024.

This report was approved by the Board of Directors on 10 July 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the Board has prepared the following Statement on Risk Management and Internal Control which provides an overview of the nature and scope of risk management and internal control of the Group during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report 2024 of the Company.

BOARD RESPONSIBILITY

The Board recognises the immense importance of, and acknowledges its responsibility in, maintaining a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets. The Board, with the assistance of the Risk Management Committee (“RMC”), ensures an Enterprise Risk Management (“ERM”) Framework and Policy is in place to identify, analyse, evaluate, manage and monitor key risks that may impact KIB’s business as a group. This includes setting of risk appetite articulated through the metrics used in quantifying the impact and likelihood of risks. The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in reporting, evaluating and resolving the key risks associated with the operations of the Group. In addition, the Group has also adopted Anti-Bribery and Corruption Policy to prevent the occurrence of corruption and bribery practice in relation to its business.

The Board of KIB is committed to embed risk management to form an integral part of the Group’s business management and to have comprehensive internal control and assurance processes in managing key and critical risks, which are updated to the Board regularly.

The Group’s risk management and internal control system is designed to safeguard the assets of the Group, ensure the maintenance of proper accounting records, and to provide reliable financial information. Due to the limitations inherent in any risk management and internal control system, the Board is aware that the system is meant to manage, rather than to eliminate risks, and therefore can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraud.

RISK MANAGEMENT

The Board is assisted by the RMC, a Board Committee, formed on 26 August 2016, to oversee and monitor the effectiveness of the Group’s risk management system. The RMC bears the responsibilities for ensuring the suitability and sufficiency of the Group’s risk management framework, policies and strategies, and oversees adherence to the ERM Framework and Policy. In support of the Board, the RMC also obtains assurance from Management and Internal Auditors review on the adequacy and effectiveness of the Group’s risk management and internal control system.

- **Enterprise Risk Management Framework and Policy**

The Board has established an ERM Framework and Policy for the purpose of identifying and managing any significant risks likely to occur when conducting business as well as to safeguard shareholders’ investments and the Group’s assets. The Group’s ERM Framework is guided by ISO31000. The ERM processes are as follows:

1. Risk Identification

This process involves the identification of key risks that may have a material negative impact on KIB’s ability to achieve its objectives. During this process, risks are considered from strategic, operational, financial, compliance, information technology and sustainability perspectives, as well as through various sources such as business operations, internal and external audit findings, customer complaints and incidents occurred.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

- **Enterprise Risk Management Framework and Policy (Cont'd)**

The Board has established an ERM Framework and Policy for the purpose of identifying and managing any significant risks likely to occur when conducting business as well as to safeguard shareholders' investments and the Group's assets. The Group's ERM Framework is guided by ISO31000. The ERM processes are as follows (Cont'd):

2. Risk Analysis and Evaluation

Risks identified are then assessed and ranked based on the severity of consequences and likelihood of occurrence according to risk parameters, giving different risk rating to each identified risk. This allows risks to be prioritised and resources to be effectively used in managing key risks identified.

3. Control Assessment

Control assessment process involves the identification of existing key controls and assessment on the effectiveness level which shall define the rating of risks after existing control being implemented.

4. Risk Treatment

Risk treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable level. For the identified key risks, the Board had set the risk appetite which specifies the amount of risk the Group is willing to seek or accept and indicate the parameters within which the Group would prefer to conduct its activities. Risk treatment will be required for risk that exceeds the Board's risk appetite as part of the risk control process. The implementation of risk controls/mitigation plans is generally the responsibility of the risk owners and risk delegates.

5. Risk Monitoring

Key risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans devised with a view to realign the risk rating to an acceptable level.

Through the ERM processes, the identified key risks will be entered into the risk register, which details description of the risks, impact and its causes, rating based on the risk parameters, details of the controls in place, as well as the risk owners and risk delegates involved to manage the risks will be reviewed on a regular basis to monitor and mitigate the identified risks.

- **Risk Assessment Review**

For the financial year ended ("FYE") 31 March 2024, the internal auditor had conducted a review on the Group's risk management system, including the risk management framework and policy, ERM risk registers and risk mitigation approaches in addressing key business risks. The findings of the review were reported to the RMC. The RMC concluded that the key risks and the Group's risk management system were adequately managed which were then reported to the Board for deliberation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

- **Material Key Risks of the Group**

The primary risks that the Group is currently facing in its business operations are, among others, market competition and material supply. The mitigation plan for the key material risks are listed below:

1. **Market competition**

Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability. To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. The Group is also working on expanding its customer base, including a focus on the export market, in order to entrench its position as one of the largest market players in the industry.

2. **Material Supply**

The risk to material supply arises from the unforeseen shortage or lack of raw materials which may cause disruption to the production and delivery schedule. To prevent this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers and managing its inventory stringently.

INTERNAL CONTROL

Internal control is widely regarded as an integral part of the Group's business management processes. Some of the key elements of the Group's internal control system are as follows:

- **Organisation Structure**

The Group has established an organisation structure which defines clear lines of responsibility and delegation of authority, established through relevant terms of references and authority limits. The organisation structure enables each department/function to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Code of Conduct and Ethics**

The Group has formalised a Code of Conduct and Ethics to provide a behavioural framework which sets out the Group's standards of integrity, acceptable conduct and behaviour. The Code of Conduct and Ethics is communicated to all directors and employees of the Group and is made available on KIB's website.

- **Policies and Procedures**

The Group has established policies and procedures for the Group's core business units, which are clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL (CONT'D)

Internal control is widely regarded as an integral part of the Group's business management processes. Some of the key elements of the Group's internal control system are as follows (Cont'd):

- **Internal Audit and Audit Committee**

The internal audit function of the Group is outsourced to an independent consulting firm, namely Secret Corporate Sdn Bhd. The outsourced internal audit function is responsible to perform annual review and assess the adequacy of the Group's internal control system. The internal audit function reports directly to the Audit Committee and provides reasonable assurance through its internal audit works, which include the audit activities, presenting findings and recommendation, and action plans devised to address any weaknesses in the internal control system, as agreed by Management. In carrying out its audit activities, the internal audit function has unrestricted access to relevant records, personnel and physical properties.

The outsourced internal audit function conducts its audit work based on internal audit plan approved by the Audit Committee. The internal audit function is adequately staffed and is led by Lui Chui Yui, who is a Chartered Accountant and a member of Institute of Internal Auditors Malaysia. The outsourced internal audit function, including the professionals conducting the audit works, is independent, objective and free from any relationships or conflicts of interest which could impair their objectivity and independence. All internal audit work is guided by the International Professional Practice Framework promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

For the FYE 31 March 2024, the internal audit function had assessed the adequacy and operating effectiveness of internal control system deployed by Management for the Group's key processes, which covers the store management and production process of the Group.

Following the completion of its work, the internal audit function reported directly to the Audit Committee on findings from the audit works, including recommendations for improvement measures and Management's responses on the corrective actions to be undertaken. The Audit Committee Chairman thereafter reported the outcome of work conducted by the internal audit function, including the internal audit plan, to the Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement for inclusion in the Annual Report for the FYE 31 March 2024. The review was performed 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. The external auditors reported that nothing has come to their attention that caused them to believe that the Statement on Risk Management and Internal Control, 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 & Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the 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 views by the Board and Management thereon.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

Based on the findings and procedures performed by the relevant parties, the Board is of the view that the risk management and internal control system in place for the financial year under review has operated satisfactorily and is sufficient to safeguard shareholders' investment and the Group's assets. The Board has received written assurance from the Chief Executive Officer and Chief Financial Officer of the Company that the Group's risk management and internal control system are operating adequately and effectively in all material aspects based on the risk management and internal control system adopted by the Group. The Group had incurred a total cost of RM31,111 for the internal audit of internal control and RM41,022 for the assessment of risk management respectively for the FYE 31 March 2024.

There are no material internal control failures that have directly resulted in any material loss to the Group for the FYE 31 March 2024 and the Board and Management will continue to take appropriate measures to improve and strengthen the ERM Framework and Policy, as well as internal control framework of the Group.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 10 July 2024.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided:

1. Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no recurrent related party transaction of a revenue or trading nature during the financial year.

2. Material Contracts Involving Directors, Chief Executive and Substantial Shareholders' Interest

There were no material contracts entered into by the Company or its subsidiaries involving the interest of directors, chief executive and substantial shareholders, either subsisting at the end of the financial year ended 31 March 2024 or entered into since the end of the previous financial year.

3. Audit and Non-Audit Fees

Details of the audit and non-audit fees for services rendered by the external auditors to the Group and Company for the financial year ended 31 March 2024 are disclosed on page 77 of the Audit Committee Report and Note 18 of the Financial Statements on page 122 of this Annual Report.

4. Utilisation of Proceeds

There were no proceeds raised from any proposal during the financial year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements which reflect true and fair view of the financial position of the Group and of their financial performance and cash flows for the financial year ended 31 March 2024. In preparing those financial statements, the Directors are required to:

- Prepare the financial statements on a going concern basis unless otherwise included;
- State whether the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016;
- Select suitable accounting policies and apply them consistently; and
- Make reasonable judgement and prudent estimates.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the KIB Group to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 as well as the applicable Financial Reporting Standards in Malaysia. They are responsible for taking reasonable steps to safeguard the assets of the KIB Group, for prevention and detection of fraud and other irregularities.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are mainly manufacturing and trading of plastic additives, industrial chemical products, Polyvinyl Chloride ("PVC") compound and industrial chemical products. Further details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	6,408,964	1,562,181
Profit attributable to owners of the parent	6,408,964	1,562,181

DIVIDEND

Dividend paid, declared or proposed by the Company since the end of the previous financial year were as follows:

RM

In respect of financial year ended 31 March 2024:

First single tier interim dividend of 0.35 sen per ordinary share, paid on 26 September 2023	1,664,998
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The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new issues of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Karyon Industries Berhad

Loh Chen Yook	
Chua Ling Hong	
Tay Hui-Hui (f)	
Loh Fatt Chong	
Phang Kok Kwen	
Chua Shing Yong (f)	
Low Chiun Yik	
Kok Lee Nee (f)	
Yeoh Eng How	
Yeoh Chin Kiang	
Lee Kian Hu	(Appointed on 10 July 2024)
See Hock Chuan	(Resigned on 10 July 2024)

Subsidiaries of Karyon Industries Berhad, excluding those who are already Directors of the Company

Chua Seng Lee
Pueng Chin Thong @ Fang Chin Tong
Loo Yee Yong

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	----- Number of ordinary shares -----			
	Balance as at 1.4.2023	Bought	Sold	Balance as at 31.3.2024
Shares in the Company				
Direct interests:				
Loh Chen Yook	16,419,816	—	—	16,419,816
Chua Ling Hong	27,425,525	1,070,000	—	28,495,525
Loh Fatt Chong	17,425,850	—	—	17,425,850
Kok Lee Nee (f)	157,500	—	—	157,500
Yeoh Chin Kiang	14,433,580	—	—	14,433,580
Indirect interests:				
Loh Chen Yook	17,425,850	—	—	17,425,850
Chua Ling Hong	41,830,643	—	—	41,830,643
Loh Fatt Chong	16,419,816	—	—	16,419,816
Yeoh Eng How	48,519,031	—	—	48,519,031
Yeoh Chin Kiang	14,264,873	—	—	14,264,873

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interest in the ordinary shares of the Company, the above Directors are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Other than that, none of the other Directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

During the financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors) 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.

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

DIRECTORS' REMUNERATION

The remuneration of Directors of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Fees	615,000	575,000
Other emoluments	3,431,161	2,997,366
	4,046,161	3,572,366

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The total amount of insurance premium effected for any Director of the Group and of the Company for the financial year 2024 was RM7,046.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts inadequate to any material extent or necessitate the making of provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.



DIRECTORS' REPORT

(CONT'D)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 9 May 2023, Promaz Plastic Sdn. Bhd. ("PPSB"), a wholly-owned subsidiary of the Company, increased its paid-up capital for an additional 1,999,998 ordinary shares and the Company made full subscription for a total cash consideration of RM1,999,998. Consequently, there was no changes in the effective equity interest held by the Company in PPBSB.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 4 April 2024, Allbright Industries (M) Sdn. Bhd. ("AISB"), a wholly-owned subsidiary of the Company, increased its paid-up capital for an additional 3,000,000 ordinary shares and the Company made full subscription for a total cash consideration of RM3,000,000. Consequently, there was no changes in the effective equity interest held by the Company in AISB.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Statutory audit	100,000	39,000
Other assurance services	3,000	3,000
	103,000	42,000

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

Yeoh Chin Kiang
Director

Chua Ling Hong
Director

Johor Bahru
10 July 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 136 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Yeoh Chin Kiang
Director

Johor Bahru
10 July 2024

Chua Ling Hong
Director

STATUTORY DECLARATION

I, Kok Lee Nee (CA 25123), being the Director primarily responsible for the financial management of Karyon Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 96 to 136 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by)
the abovenamed at Johor Bahru, Johor Darul Takzim)
this 10 July 2024)

Kok Lee Nee
Director

Before me:

Serena Kaur A/P Gubachem Singh
No. J252,
Commissioner for Oaths
Johor Bahru

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KARYON INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Karyon Industries Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 96 to 136.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter of the Group

Carrying amount of inventories at lower of cost and net realisable value

The carrying amount of inventories of the Group was RM28,578,922 as disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in assessing the level of allowance for inventories write down required.

Audit response

Our audit procedures included the following:

- a) obtained an understanding of the process implemented by management over the determination of the lower of cost and net realisable value used in the valuation of inventories;
- b) analysed the inventories turnover period by comparing that to the assessment of management on the identification of slow moving and obsolete inventories; and
- c) inspected sales invoices issued subsequent to the end of the reporting period to determine whether these were sold at above their costs.

Key Audit Matter of the Company

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

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 or 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.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 (Cont'd):

- (e) 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.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lu Yan Fen
03803/11/2025 J
Chartered Accountant

Kuala Lumpur
10 July 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	51,550,306	40,586,116	745,297	785,105
Right-of-use assets	6	161,810	393,585	—	—
Investments in subsidiaries	7	—	—	46,518,202	44,518,204
		51,712,116	40,979,701	47,263,499	45,303,309
Current assets					
Inventories	8	28,578,922	24,269,074	—	—
Trade and other receivables	9	34,604,023	28,523,661	151,393	135,211
Current tax assets		848,018	1,141,098	—	71,151
Cash and bank balances	10	36,220,427	47,868,433	3,000,694	4,836,961
		100,251,390	101,802,266	3,152,087	5,043,323
TOTAL ASSETS		151,963,506	142,781,967	50,415,586	50,346,632
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	47,608,271	47,608,271	47,608,271	47,608,271
Retained earnings		72,608,693	67,864,727	1,400,241	1,503,058
TOTAL EQUITY		120,216,964	115,472,998	49,008,512	49,111,329
LIABILITIES					
Non-current liabilities					
Borrowings	12	8,190,417	5,079,195	—	—
Lease liabilities	6	36,283	100,826	—	—
Deferred tax liabilities	13	3,549,000	3,327,000	13,000	17,000
		11,775,700	8,507,021	13,000	17,000
Current liabilities					
Trade and other payables	14	18,892,635	17,907,578	1,371,175	1,218,303
Borrowings	12	926,169	754,549	—	—
Lease liabilities	6	129,139	139,821	—	—
Current tax liabilities		22,899	—	22,899	—
		19,970,842	18,801,948	1,394,074	1,218,303
TOTAL LIABILITIES		31,746,542	27,308,969	1,407,074	1,235,303
TOTAL EQUITY AND LIABILITIES		151,963,506	142,781,967	50,415,586	50,346,632

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	16	166,382,415	186,892,572	6,647,987	6,063,305
Cost of sales		(143,438,951)	(162,678,527)	—	—
Gross profit		22,943,464	24,214,045	6,647,987	6,063,305
Other operating income		1,392,553	923,947	589	—
Distribution expenses		(3,916,918)	(4,551,335)	—	—
Administrative expenses		(10,892,608)	(10,735,287)	(4,703,285)	(4,572,616)
Other operating expenses		(61,801)	(589,202)	—	—
Finance costs	17	(281,636)	(252,915)	—	—
Profit before tax	18	9,183,054	9,009,253	1,945,291	1,490,689
Tax expense	19	(2,774,090)	(3,002,165)	(383,110)	(338,928)
Profit for the financial year		6,408,964	6,007,088	1,562,181	1,151,761
Other comprehensive income, net of tax		—	—	—	—
Total comprehensive income		6,408,964	6,007,088	1,562,181	1,151,761
Profit attributable to owners of the parent		6,408,964	6,007,088	1,562,181	1,151,761
Total comprehensive income attributable to owners of the parent		6,408,964	6,007,088	1,562,181	1,151,761
Earnings per ordinary share attributable to owners of the parent (sen per share):					
- Basic and diluted	20	1.35	1.26		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Note	Share capital RM	Retained earnings RM	Total RM
Balance as at 1 April 2022		47,608,271	63,284,778	110,893,049
Profit for the financial year		—	6,007,088	6,007,088
Other comprehensive income, net of tax		—	—	—
Total comprehensive income		—	6,007,088	6,007,088
Transaction with owners				
Dividend paid	21	—	(1,427,139)	(1,427,139)
Balance as at 31 March 2023/Balance as at 1 April 2023		47,608,271	67,864,727	115,472,998
Profit for the financial year		—	6,408,964	6,408,964
Other comprehensive income, net of tax		—	—	—
Total comprehensive income		—	6,408,964	6,408,964
Transaction with owners				
Dividend paid	21	—	(1,664,998)	(1,664,998)
Balance as at 31 March 2024		47,608,271	72,608,693	120,216,964

Company				
Balance as at 1 April 2022		47,608,271	1,778,436	49,386,707
Profit for the financial year		—	1,151,761	1,151,761
Other comprehensive income, net of tax		—	—	—
Total comprehensive income		—	1,151,761	1,151,761
Transaction with owners				
Dividend paid	21	—	(1,427,139)	(1,427,139)
Balance as at 31 March 2023/Balance as at 1 April 2024		47,608,271	1,503,058	49,111,329
Profit for the financial year		—	1,562,181	1,562,181
Other comprehensive income, net of tax		—	—	—
Total comprehensive income		—	1,562,181	1,562,181
Transaction with owners				
Dividend paid	21	—	(1,664,998)	(1,664,998)
Balance as at 31 March 2024		47,608,271	1,400,241	49,008,512

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		9,183,054	9,009,253	1,945,291	1,490,689
Adjustments for:					
Bad debts written off		6,471	—	—	—
Depreciation of:					
- property, plant and equipment	5	1,570,884	1,447,748	51,990	49,344
- right-of-use assets	6	164,922	125,963	—	—
Dividend income from subsidiaries	16	—	—	(2,000,000)	(1,560,000)
Gain on lease termination (Reversal of impairment)		(1,939)	(457)	—	—
/Impairment on a trade receivable	9(g)	(60,000)	552,448	—	—
Interest income		(1,110,111)	(506,863)	(87,987)	(93,305)
Interest expense	17	281,636	252,915	—	—
Property, plant and equipment written off	5	6,013	16,388	—	—
Net unrealised loss/(gain) on foreign exchange		31,303	(30,589)	—	—
Operating profit/(loss) before changes in working capital		10,072,233	10,866,806	(90,706)	(113,272)
Changes in working capital:					
Inventories		(4,309,848)	9,749,126	—	—
Trade and other receivables		(6,030,329)	8,675,859	(42,627)	246
Trade and other payables		938,339	(3,789,924)	152,872	(130,488)
Cash generated from/(used in) operations		670,395	25,501,867	19,539	(243,514)
Interest received		87,987	93,305	87,987	93,305
Tax paid		(2,650,480)	(3,054,440)	(330,500)	(316,501)
Tax refunded		414,369	—	37,440	—
Net cash (used in)/from operating activities		(1,477,729)	22,540,732	(185,534)	(466,710)

STATEMENTS OF CASH FLOWS
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of ordinary shares in a subsidiary	7	—	—	(1,999,998)	—
Repayments from/(Advances to) subsidiaries		—	—	26,445	(13,082)
Dividends received from subsidiaries	16	—	—	2,000,000	1,560,000
Interest received		1,022,124	413,558	—	—
Purchase of property, plant and equipment (Placements)/Withdrawal of deposits with licensed banks with original maturity of more than three (3) months	5(c)	(8,373,231)	(1,857,950)	(12,182)	(26,373)
		(486,581)	(9,277,616)	(826,639)	1,259,593
Net cash (used in)/from investing activities		(7,837,688)	(10,722,008)	(812,374)	2,780,138
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of bankers' acceptances		—	461,000	—	—
Dividend paid	21	(1,664,998)	(1,427,139)	(1,664,998)	(1,427,139)
Interest paid		(271,738)	(244,891)	—	—
Repayments of:					
- bankers' acceptances		—	(1,861,000)	—	—
- lease liabilities		(184,187)	(154,195)	—	—
- term loans		(717,158)	(701,873)	—	—
Net cash used in financing activities		(2,838,081)	(3,928,098)	(1,664,998)	(1,427,139)
Net (decrease)/increase in cash and cash equivalents		(12,153,498)	7,890,626	(2,662,906)	886,289
Effect of exchange rate changes on cash and cash equivalents		18,911	(57,590)	—	—
Cash and cash equivalents at beginning of financial year		36,807,371	28,974,335	4,836,961	3,950,672
Cash and cash equivalents at end of financial year	10(c)	24,672,784	36,807,371	2,174,055	4,836,961

STATEMENTS OF CASH FLOWS

(CONT'D)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Borrowings (Note 12) RM	Lease liabilities (Note 6) RM	Total RM
Balance as at 1 April 2023	5,833,744	240,647	6,074,391
Cash flows			
- Net repayment	(717,158)	—	(717,158)
- Payment of lease liabilities	—	(174,289)	(174,289)
- Payment of lease interests	—	(9,898)	(9,898)
Non-cash flows			
- Additions	4,000,000	151,349	4,151,349
- Termination	—	(52,285)	(52,285)
- Unwinding of interest	—	9,898	9,898
Balance as at 31 March 2024	9,116,586	165,422	9,282,008
Balance as at 1 April 2022	7,935,617	218,883	8,154,500
Cash flows			
- Net repayment	(2,101,873)	—	(2,101,873)
- Payment of lease liabilities	—	(146,171)	(146,171)
- Payment of lease interests	—	(8,024)	(8,024)
Non-cash flows			
- Additions	—	185,654	185,654
- Termination	—	(17,719)	(17,719)
- Unwinding of interest	—	8,024	8,024
Balance as at 31 March 2023	5,833,744	240,647	6,074,391

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No.9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor Darul Takzim.

The principal place of business of the Company is located at No. 1, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim.

The consolidated financial statements for the financial year ended 31 March 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 July 2024.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are mainly manufacturing and trading of plastic additives, industrial chemical products, Polyvinyl Chloride ("PVC") compound and industrial chemical products. Further details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 4.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standard and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company, except for the following:

Amendments to MFRS 101 Disclosure of Accounting Policies

The Amendments require the disclosures of 'material', rather than 'significant', accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

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

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments, since the effects would only be observable for the future financial years.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Balance as at 1.4.2023 RM	Additions RM	Written off RM	Reclassification from right-of- use assets (Note 6) RM	Depreciation charge for the financial year RM	Balance as at 31.3.2024 RM
Carrying amount						
Freehold land	11,698,925	3,100,000	—	—	—	14,798,925
Buildings	12,888,715	4,953,027	—	—	(245,113)	17,596,629
Apartments	502,063	—	—	—	(8,379)	493,684
Electrical installation	305,544	54,500	—	—	(51,230)	308,814
Factory equipment	1,596,015	332,078	—	—	(149,818)	1,774,932
Motor vehicles	1,006,084	582,053	(3,343)	167,856	(195,889)	1,560,104
Office equipment and furniture	331,144	117,747	—	—	(127,095)	320,751
Plant and machineries	10,709,154	1,172,403	(1,625)	—	(533,683)	11,346,249
Renovations	1,548,472	286,023	—	—	(259,677)	1,574,818
Construction in progress	—	1,775,400	—	—	—	1,775,400
	40,586,116	12,373,231	(6,013)	167,856	(1,570,884)	51,550,306
Group 2024					As at 31.3.2024	Carrying amount RM
Freehold land						14,798,925
Buildings					(2,871,745)	17,596,629
Apartments					(64,939)	493,684
Electrical installation					(596,728)	308,814
Factory equipment					(1,651,949)	1,774,932
Motor vehicles					(1,977,393)	1,560,104
Office equipment and furniture					(1,661,386)	320,751
Plant and machineries					(6,303,638)	11,346,249
Renovations					(2,285,673)	1,574,818
Construction in progress					—	1,775,400
				68,963,757	(17,413,451)	51,550,306

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2023	Balance as at 1.4.2022 RM	Additions RM	Written off RM	from right-of- use assets (Note 6) RM	charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount						
Freehold land	11,698,925	—	—	—	—	11,698,925
Buildings	13,121,445	—	—	—	(232,730)	12,888,715
Apartments	510,442	—	—	—	(8,379)	502,063
Electrical installation	326,122	29,800	—	—	(50,378)	305,544
Factory equipment	1,522,862	227,102	(5,829)	—	(148,120)	1,596,015
Motor vehicles	892,811	168,000	—	108,039	(162,766)	1,006,084
Office equipment and furniture	256,596	189,163	(1,453)	—	(113,162)	331,144
Plant and machineries	10,410,497	806,885	(9,106)	—	(499,122)	10,709,154
Renovations	1,344,563	437,000	—	—	(233,091)	1,548,472
	40,084,263	1,857,950	(16,388)	108,039	(1,447,748)	40,586,116

Group
2023

	-----As at 31.3.2023-----		
Group	Cost	Accumulated	Carrying
2023	RM	depreciation	amount
		RM	RM
Freehold land	11,698,925	-	11,698,925
Buildings	15,515,347	(2,626,632)	12,888,715
Apartments	558,623	(56,560)	502,063
Electrical installation	851,042	(545,498)	305,544
Factory equipment	3,101,603	(1,505,588)	1,596,015
Motor vehicles	2,646,031	(1,639,947)	1,006,084
Office equipment and furniture	1,921,418	(1,590,274)	331,144
Plant and machineries	16,483,984	(5,774,830)	10,709,154
Renovations	3,574,468	(2,025,996)	1,548,472
	56,351,441	(15,765,325)	40,586,116

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2024	Balance as at 1.4.2023 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2024 RM
Carrying amount				
Apartments	502,063	—	(8,379)	493,684
Motor vehicle	245,046	—	(29,603)	215,443
Office equipment and furniture	37,996	12,182	(14,008)	36,170
	785,105	12,182	(51,990)	745,297

	As at 31.3.2024		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Apartments	558,623	(64,939)	493,684
Motor vehicle	328,921	(113,478)	215,443
Office equipment and furniture	433,059	(396,889)	36,170
	1,320,603	(575,306)	745,297

Company 2023	Balance as at 1.4.2022 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount				
Apartments	510,442	—	(8,379)	502,063
Motor vehicle	274,649	—	(29,603)	245,046
Office equipment and furniture	22,985	26,373	(11,362)	37,996
	808,076	26,373	(49,344)	785,105

	As at 31.3.2023		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Apartments	558,623	(56,560)	502,063
Motor vehicle	328,921	(83,875)	245,046
Office equipment and furniture	420,877	(382,881)	37,996
	1,308,421	(523,316)	785,105

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation on property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation periods are as follows:

Buildings	50 years
Apartments	50 years
Electrical installation	10 years
Factory equipment	10 years
Motor vehicles	10 years
Office equipment and furniture	5 to 10 years
Plant and machineries	20 years
Renovations	10 years

Freehold land has unlimited useful life and is not depreciated.

Construction in progress represents photovoltaic systems under installation and is stated at cost. Construction in progress is not depreciated until such time when the asset is available for use.

- (c) During the financial year, the Group and the company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Additions of property, plant and equipment	12,373,231	1,857,950	12,182	26,373
Financed by term loan	(4,000,000)	—	—	—
Cash payments on purchase of property, plant and equipment	8,373,231	1,857,950	12,182	26,373

- (d) The carrying amounts of certain freehold land and buildings charged to banks as securities for banking facilities granted to the Group as at the end of the reporting period are as follows:

	Group	
	2024 RM	2023 RM
Freehold land	13,203,222	10,103,222
Buildings	15,374,144	10,622,245
	28,577,366	20,725,467

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(I) Right-of-use assets

Group 2024	Balance as at 1.4.2023 RM	Additions RM	Termination RM	Reclassification* (Note 5) RM	Depreciation RM	Balance as at 31.3.2024 RM
Carrying amount						
Warehouse	90,159	77,856	–	–	(66,250)	101,765
Hostel buildings	114,684	73,493	(50,346)	–	(77,786)	60,045
Motor vehicles	188,742	–	–	(167,856)	(20,886)	–
	393,585	151,349	(50,346)	(167,856)	(164,922)	161,810

Group 2023	Balance as at 1.4.2022 RM	Additions RM	Termination RM	Reclassification* (Note 5) RM	Depreciation RM	Balance as at 31.3.2023 RM
Carrying amount						
Warehouse	–	101,429	–	–	(11,270)	90,159
Hostel buildings	129,606	84,225	(17,262)	–	(81,885)	114,684
Motor vehicles	329,589	–	–	(108,039)	(32,808)	188,742
	459,195	185,654	(17,262)	(108,039)	(125,963)	393,585

* The asset previously acquired under hire purchase arrangement was reclassified to property, plant and equipment as the lease liabilities for the asset has been fully settled during the financial year.

(II) Lease liabilities

	Group	
	2024 RM	2023 RM
Balance as at 1 April	240,647	218,883
Additions	151,349	185,654
Termination	(52,285)	(17,719)
Payment of lease liabilities	(174,289)	(146,171)
Payment of lease interests	(9,898)	(8,024)
Interest expense	9,898	8,024
Balance as at 31 March	165,422	240,647

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(II) Lease liabilities (Cont'd)

	Group	
	2024 RM	2023 RM
Represented by:		
Current liabilities	129,139	139,821
Non-current liabilities	36,283	100,826
	165,422	240,647
Lease liabilities owing to financial institutions	—	32,500
Lease liabilities owing to non-financial institutions	165,422	208,147
	165,422	240,647

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

- (b) 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. The lease terms of right-of-use assets are as follows:

Warehouse	2 to 4 years
Hostel buildings	2 to 4 years
Motor vehicles	5 years

- (c) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Depreciation charges of right-of-use assets (included in cost of sales)	164,922	125,963
Interest expense on lease liabilities (included in finance costs)	9,898	8,024
Gain on lease termination (included in other operating income)	(1,939)	(457)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

- (d) The following are total cash outflows for leases as a lessee:

	Group 2024 RM	2023 RM
Included in net cash used in financing activities:		
Payment of lease liabilities	174,289	146,171
Payment of lease interests	9,898	8,024
Total cash outflows for leases	184,187	154,195

- (e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities:

Group	Incremental borrowing rate %	Within 1 year RM	1 - 5 years RM	Total RM
31.3.2024				
Lease liabilities	3.80% - 4.55%	129,139	36,283	165,422
31.3.2023				
Lease liabilities	3.29% - 4.12%	139,821	100,826	240,647

- (f) Sensitivity analysis of interest rate risk for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.
- (g) The Group have elected to apply the “short-term lease” and “lease of low-value assets” exemptions for short term leases that have a lease term of 12 months or less and leases of low-value assets of RM20,000 and below, if any. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (h) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- (i) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. INVESTMENTS IN SUBSIDIARIES

	Group	
	2024 RM	2023 RM
At cost		
Unquoted shares, at cost		
At beginning of year	44,989,116	44,989,116
Additions (Note 7(c))	1,999,998	—
At end of year	46,989,114	44,989,116
Accumulated impairment loss		
At beginning of year/end of year	(470,912)	(470,912)
	46,518,202	44,518,204

(a) The details of the subsidiaries are as follows:

Name of company	Country of Incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
Allbright Industries (M) Sdn. Bhd. ("AISB")	Malaysia	100	100	Manufacturing and trading of plastic additives and industrial chemical products
Hsing Lung Sdn. Bhd. ("HLSB")	Malaysia	100	100	Manufacturing and trading of Polyvinyl Chloride ("PVC") compound and industrial chemical products
Promaz Plastic Sdn. Bhd. ("PPSB")	Malaysia	100	100	General trading in hardware and building material
Karyon Ventures Sdn. Bhd. ("KVSB")	Malaysia	100	100	In member's voluntary winding up
Karyon (Malaysia) Sdn. Bhd. ("KMSB")	Malaysia	100	100	In member's voluntary winding up

- (b) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.
- (c) On 9 May 2023, PPSB increased its paid-up capital for an additional 1,999,998 ordinary shares and the Company made full subscription for a total cash consideration of RM1,999,998. Consequently, there was no changes in the effective equity interest held by the Company in PPSB.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INVENTORIES

	2024 RM	Group 2023 RM
At cost		
Raw materials	16,723,010	14,330,599
Packing materials	411,447	374,248
Finished goods	11,444,465	9,564,227
	28,578,922	24,269,074

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the first-in, first-out formula. Cost of raw materials comprises all cost of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.
- (c) During the financial year, inventories of the Group recognised as cost of sales amounted to RM122,273,143 (2023: RM144,474,189).
- (d) The Group writes down its obsolete or slow-moving inventories based on assessment of their product lifecycle and nature. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend when making this judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

9. TRADE AND OTHER RECEIVABLES

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Trade receivables				
Third parties	30,664,360	27,176,808	—	—
Less: Impairment loss	—	(552,448)	—	—
	30,664,360	26,624,360	—	—
Other receivables				
Other receivables	60,321	179,551	—	—
Deposits	174,807	157,097	1,000	1,000
Amounts owing by subsidiaries	—	—	—	26,445
Advance payments to third party suppliers	3,494,597	1,223,888	42,768	—
	3,729,725	1,560,536	43,768	27,445
	34,394,085	28,184,896	43,768	27,445
Prepayments	209,938	338,765	107,625	107,766
	34,604,023	28,523,661	151,393	135,211

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade and other receivables, excluding prepayments are classified as financial assets and measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 30 to 90 days (2023: 30 to 90 days) from the date of invoice. They are recognised at their original invoice amounts, which represent their fair value on initial recognition.
- (c) The currency exposure profile of trade and other receivables (excluding prepayments) is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	26,257,708	22,053,424	43,768	27,445
United States Dollar	5,655,746	3,807,054	—	—
Singapore Dollar	2,221,993	2,289,858	—	—
Chinese Yuan	258,638	34,560	—	—
	34,394,085	28,184,896	43,768	27,445

- (d) Recognition and measurement of impairment loss

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group assesses the expected credit losses of trade receivables using the flow-rate methods based on customer segments and terms of payment. Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors such as production price index, inflation rate, unemployment rate of Malaysia and manufacturing Gross Domestic Product of Malaysia, and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9 TRADE AND OTHER RECEIVABLES (CONT'D)

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

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM	Lifetime expected credit loss RM	Net carrying amount RM
As at 31 March 2024			
Collective assessment			
Not past due	29,016,950	—	29,016,950
Past due:			
1 to 30 days	1,265,374	—	1,265,374
31 to 60 days	298,860	—	298,860
61 to 90 days	55,755	—	55,755
More than 90 days	27,421	—	27,421
	1,647,410	—	1,647,410
Individual assessment	—	—	—
	30,664,360	—	30,664,360
As at 31 March 2023			
Collective assessment			
Not past due	24,962,165	—	24,962,165
Past due:			
1 to 30 days	1,224,211	—	1,224,211
31 to 60 days	412,268	—	412,268
61 to 90 days	—	—	—
More than 90 days	25,716	—	25,716
	1,662,195	—	1,662,195
Individual assessment	552,448	(552,448)	—
	27,176,808	(552,448)	26,624,360

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables. These receivables are not secured by any collateral.

No expected credit losses are recognised in respect of trade receivables in the current financial year as the amount is negligible.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) Trade receivables that are past due and impaired at the end of the reporting period and the reconciliation of movements in allowance for impairment accounts is as follows:

	2024 RM	Group 2023 RM
Trade receivables		
At beginning of financial year	552,448	–
Charge for the financial year	–	552,448
Reversal of impairment loss	(60,000)	–
Written off	(492,448)	–
At end of financial year	–	552,448

- (f) Amounts owing by subsidiaries in the previous financial year represented advances, which was unsecured, interest-free and receivable within the next twelve (12) months.
- (g) Advance payments to third party suppliers of the Group mainly comprise of advance payments for the purchases of raw materials to be delivered in the near future.
- (h) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

The Group and the Company defined significant increase in credit risk based on operating performance of the other receivables, changes to contractual terms, payment delays and past due information.

The probabilities of non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss.

No expected credit losses were recognised arising from other receivables and amounts owing by subsidiaries as the probability of default by other receivables and amounts owing by subsidiaries were negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	20,335,440	20,149,402	840,306	954,843
Deposits with licensed banks	15,884,987	27,719,031	2,160,388	3,882,118
	36,220,427	47,868,433	3,000,694	4,836,961

(a) Cash and bank balances are classified as financial assets and measured at amortised cost.

(b) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	31,745,291	38,968,783	3,000,694	4,836,961
United States Dollar	3,556,504	8,559,035	—	—
Singapore Dollar	812,649	340,615	—	—
Euro	105,983	—	—	—
	36,220,427	47,868,433	3,000,694	4,836,961

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	20,335,440	20,149,402	840,306	954,843
Deposits with licensed banks:				
- with maturity of not more than three (3) months	4,337,344	16,657,969	1,333,749	3,882,118
- with maturity of more than three (3) months	11,547,643	11,061,062	826,639	—
	15,884,987	27,719,031	2,160,388	3,882,118
	36,220,427	47,868,433	3,000,694	4,836,961
Less: Deposits with licensed banks (with maturity of more than three (3) months)	(11,547,643)	(11,061,062)	(826,639)	—
	24,672,784	36,807,371	2,174,055	4,836,961

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. CASH AND BANK BALANCES (CONT'D)

- (d) No expected credit losses are recognised arising from the deposits with licensed banks because the probability of default by these licensed banks is negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 26 to the financial statements.

11. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid with no par value				
At beginning/end of financial year	475,713,257	47,608,271	475,713,257	47,608,271

The owners of the parent are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

12. BORROWINGS

	Group	
	2024 RM	2023 RM
Current liabilities		
Term loans	926,169	754,549
Non-current liabilities		
Term loans	8,190,417	5,079,195
	9,116,586	5,833,744

- (a) Borrowings are classified as financial liabilities and measured at amortised cost.
- (b) The borrowings are secured by:
- (i) legal charges over certain freehold land and buildings of the Group as disclosed in Note 5 to the financial statements; and
 - (ii) corporate guarantee from the Company.
- (c) All borrowings are denominated in Ringgit Malaysia ("RM").
- (d) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities are made up of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Balance as at 1 April	3,327,000	3,061,000	17,000	8,000
Recognised in profit or loss (Note 19)	222,000	266,000	(4,000)	9,000
Balance as at 31 March	3,549,000	3,327,000	13,000	17,000

- (b) The component and movements of deferred tax liabilities during the financial year are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM
Balance as at 1 April 2023	3,327,000
Recognised in profit or loss	222,000
Balance as at 31 March 2024	3,549,000
Balance as at 1 April 2022	3,061,000
Recognised in profit or loss	266,000
Balance as at 31 March 2023	3,327,000

Deferred tax liabilities of the Company

	Property, plant and equipment RM
Balance as at 1 April 2023	17,000
Recognised in profit or loss	(4,000)
Balance as at 31 March 2024	13,000
Balance as at 1 April 2022	8,000
Recognised in profit or loss	9,000
Balance as at 31 March 2023	17,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. DEFERRED TAX LIABILITIES (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2024 RM	2023 RM
Unused tax losses		
- Expires by 31 March 2033	780,315	780,279
- Expires by 31 March 2034	72,568	—
Unabsorbed capital allowances		
- No expiry date	575,873	357,635
	1,428,756	1,137,914

Deferred tax assets have not been recognised in respect of these items as the timing of utilisation against taxable profits of the Group is uncertain in immediate future.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	13,914,560	13,738,503	—	—
Other payables and accruals				
Other payables	1,524,493	1,464,010	45,849	27,456
Accruals	3,453,582	2,705,065	1,325,326	1,190,847
	4,978,075	4,169,075	1,371,175	1,218,303
	18,892,635	17,907,578	1,371,175	1,218,303

- (a) Trade and other payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2023: 30 to 90 days) from the date of invoice.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

14. TRADE AND OTHER PAYABLES (CONT'D)

(c) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	11,324,144	10,061,121	1,371,175	1,218,303
United States Dollar	7,326,951	7,833,675	—	—
Chinese Yuan	241,540	—	—	—
Singapore Dollar	—	12,782	—	—
	18,892,635	17,907,578	1,371,175	1,218,303

(d) Information on financial risks of trade and other payables is disclosed in Note 26 to the financial statements.

15. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Contracted but not provided for - Acquisition of plant and equipments	1,400,000	3,650,000

16. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Recognised at point in time:				
Sale of goods	166,294,428	186,799,267	—	—
Management fees	—	—	4,560,000	4,410,000
Others				
Dividend income from subsidiaries	—	—	2,000,000	1,560,000
Interest income	87,987	93,305	87,987	93,305
	166,382,415	186,892,572	6,647,987	6,063,305

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

16. REVENUE (CONT'D)

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of the products rendered.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

Disaggregation of revenue from contracts with customers are set out in Note 24 to the financial statements, which has been presented based on geographical location from which the sales transactions originated.

(b) Management fees services

Revenue from services rendered is recognised at a point in time when services have been rendered to the customer and coincides with the rendering of services and acceptance by customers.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Interest income

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

17. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest expenses on:		
- bankers' acceptances	—	2,454
- lease liabilities	9,898	8,024
- term loans	271,738	242,437
	281,636	252,915

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration				
- statutory audit	100,000	90,000	39,000	36,000
- other assurance services	3,000	3,000	3,000	3,000
Bad debts written off	6,471	—	—	—
Impairment on a trade receivable	—	552,448	—	—
Net unrealised loss on foreign exchange	31,303	—	—	—
And after crediting:				
Reversal of impairment on a trade receivable	60,000	—	—	—
Net gain on foreign exchange:				
- realised	262,648	307,119	—	—
- unrealised	—	30,589	—	—
Interest income				
- Other income	1,022,124	413,558	—	—

19. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax				
Income tax				
- Current year	2,526,000	2,734,000	391,000	334,000
- Under/(Over) provision in prior years	26,090	2,165	(3,890)	(4,072)
	2,552,090	2,736,165	387,110	329,928
Deferred tax (Note 13)				
- Current year	228,244	250,617	(4,492)	1,811
- (Over)/Under provision in prior years	(6,244)	15,383	492	7,189
	222,000	266,000	(4,000)	9,000
	2,774,090	3,002,165	383,110	338,928

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. TAX EXPENSE (CONT'D)

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	9,183,054	9,009,253	1,945,291	1,490,689
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	2,203,933	2,162,221	466,870	357,765
Tax effects in respect of:				
Non-allowable expenses	480,509	549,297	399,779	352,446
Non-taxable income	—	—	(480,141)	(374,400)
Deferred tax assets not recognised	69,802	273,099	—	—
	2,754,244	2,984,617	386,508	335,811
Under/(Over) provision in prior years				
- current tax	26,090	2,165	(3,890)	(4,072)
- deferred tax	(6,244)	15,383	492	7,189
	2,774,090	3,002,165	383,110	338,928

20. EARNINGS PER ORDINARY SHARE

- (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024 RM	2023 RM
Profit attributable to equity holders of the parent ("RM")	6,408,964	6,007,088
Weighted average number of ordinary shares in issue	475,713,257	475,713,257
Basic earnings per ordinary share (sen)	1.35	1.26

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted

Diluted earnings per ordinary share for the current and previous financial years is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

21. DIVIDEND

	Company			
	2024	2023	2024	2023
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 March				
- First single tier interim dividend	0.35	1,664,998	0.30	1,427,139

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

22. EMPLOYEE BENEFITS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries, bonus and allowances	15,025,973	13,837,671	3,215,727	3,159,803
Defined contribution plan	1,137,495	1,105,398	295,079	289,058
Other benefits	636,141	658,191	6,120	5,603
	16,799,609	15,601,260	3,516,926	3,454,464

Included in the employee benefits of the Group and of the Company are Directors' remuneration (other than fees) amounting to RM3,431,161 and RM2,997,366 (2023: RM3,457,999 and RM2,959,032) respectively.

23. RELATED PARTY DISCLOSURES

(a) Identities 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 operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has related party relationship with its subsidiaries, and companies which Directors have substantial direct/indirect financial interests.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

23. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with the related parties during the financial year:

	Company	
	2024	2023
	RM	RM
Subsidiaries		
Management fees received	(4,560,000)	(4,410,000)
Dividend received	(2,000,000)	(1,560,000)

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with the related parties.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company				
Salaries, bonus and allowances	2,708,277	2,675,451	2,708,277	2,675,451
Defined contribution plan	284,871	279,719	284,871	279,719
Other benefits	4,218	3,862	4,218	3,862
	2,997,366	2,959,032	2,997,366	2,959,032
Directors of subsidiaries				
Salaries, bonus and allowances	409,456	444,725	—	—
Defined contribution plan	22,645	52,121	—	—
Other benefits	1,694	2,121	—	—
	433,795	498,967	—	—
	3,431,161	3,457,999	2,997,366	2,959,032
Fees				
- Directors of the Company	575,000	528,500	575,000	528,500
- Directors of subsidiaries	40,000	40,000	—	—

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

The remuneration of key management personnel during the financial year was as follows (Cont'd):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Key management personnel				
Salaries, bonus and allowances	422,500	406,565	422,500	406,565
Other benefits	743	680	743	680
	423,243	407,245	423,243	407,245
Estimated monetary value of benefit-in-kind	50,700	50,700	17,400	17,400
	4,520,104	4,484,444	4,013,009	3,912,177

24. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services, which requires different business and marketing strategies and has two (2) reportable segments. The reportable segments are as follows:

- (i) Investment holding division
- (ii) Manufacturing and trading of polymeric products

Manufacturing and trading of Polyvinyl Chloride ("PVC") compound, plastic additives and industrial chemical products.

- (iii) Others

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements. The Group evaluates performance on the basis of profit or loss from operations before taxation that are reviewed by the chief operating decision maker, who is the Chief Executive Officer of the Group. These policies have been applied consistently throughout the current and previous financial years.

The inter-segment revenue is carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and is eliminated on the consolidated financial statements.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the consolidated statement of financial position.

The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

Revenue from a customer of the Group amounted to RM22,418,891 (2023: RM23,440,377) contributed to more than 10% of the Group revenue.

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group. All the assets and capital expenditure of the Group are located within Malaysia.

2024	Investment holding RM	Manufacturing and trading of polymeric products RM	Others RM	Total RM
Revenue				
Total revenue	6,647,987	173,255,817	—	179,903,804
Inter-segment revenue	(6,560,000)	(6,961,389)	—	(13,521,389)
Revenue from external customers	87,987	166,294,428	—	166,382,415
Results				
Segmental (loss)/profit	(4,614,054)	14,103,815	(25,071)	9,464,690
Finance costs	—	(281,636)	—	(281,636)
(Loss)/Profit before tax	(4,614,054)	13,822,179	(25,071)	9,183,054
Tax expense	(383,110)	(2,390,980)	—	(2,774,090)
(Loss)/Profit for the year	(4,997,164)	11,431,199	(25,071)	6,408,964
Assets				
Segment assets	50,415,586	150,156,998	67,179	200,639,763
Inter-segment eliminations	(46,518,202)	(2,158,055)	—	(48,676,257)
	3,897,384	147,998,943	67,179	151,963,506
Liabilities				
Segment liabilities	1,407,074	32,513,023	—	33,920,097
Inter-segment eliminations	—	(2,173,555)	—	(2,173,555)
	1,407,074	30,339,468	—	31,746,542
Other information				
Reversal of impairment on a trade receivable	—	(60,000)	—	(60,000)
Bad debts written off	—	6,471	—	6,471
Capital expenditure	12,182	8,361,049	—	8,373,231
Depreciation of property plant and equipment	51,990	1,518,894	—	1,570,884
Depreciation of right-of-use assets	—	164,922	—	164,922

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

2023	Investment holding RM	Manufacturing and trading of polymeric products RM	Others RM	Total RM
Revenue				
Total revenue	6,063,305	193,093,294	–	199,156,599
Inter-segment revenue	(5,970,000)	(6,294,027)	–	(12,264,027)
Revenue from external customers	93,305	186,799,267	–	186,892,572
Results				
Segmental (loss)/profit	(4,479,311)	13,746,094	(4,615)	9,262,168
Finance costs	–	(252,915)	–	(252,915)
(Loss)/Profit before tax	(4,479,311)	13,493,179	(4,615)	9,009,253
Tax expense	(338,928)	(2,663,095)	(142)	(3,002,165)
(Loss)/Profit for the year	(4,818,239)	10,830,084	(4,757)	6,007,088
Assets				
Segment assets	50,346,632	138,140,887	103,424	188,590,943
Inter-segment eliminations	(44,544,649)	(1,264,327)	–	(45,808,976)
	5,801,983	136,876,560	103,424	142,781,967
Liabilities				
Segment liabilities	1,235,303	27,350,789	11,174	28,597,266
Inter-segment eliminations	–	(1,283,965)	(4,332)	(1,288,297)
	1,235,303	26,066,824	6,842	27,308,969
Other information				
Capital expenditure	26,373	1,831,577	–	1,857,950
Depreciation of property plant and equipment	49,344	1,398,404	–	1,447,748
Depreciation of right-of-use assets	–	125,963	–	125,963
Impairment on a trade receivable	–	552,448	–	552,448

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OPERATING SEGMENTS (CONT'D)

Geographical information

The revenue disclosed in geographical segments is based on the geographical location of its customers. The following table provides an analysis of the Group's revenue by geographical segments:

	2024 RM	Group 2023 RM
Malaysia	127,645,488	140,875,145
Asia	31,448,577	34,868,881
Others	7,288,350	11,148,546
	166,382,415	186,892,572

25. FINANCIAL INSTRUMENTS

(a) Capital management

The objective of the Group's capital management is to ensure that it maintains healthy ratios in order to support its business operation and to provide fair returns for shareholders and benefits for other stakeholders. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Board of Directors monitor the return on capital, which the Group defines as profit attributable to owners of the Company divided by total shareholders' equity. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

The gearing ratio of the Group and the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings (Note 12)	9,116,586	5,833,744	—	—
Lease liabilities owing to financial institutions (Note 6)	—	32,500	—	—
Total debt	9,116,586	5,866,244	—	—
Total equity	120,216,964	115,472,998	49,008,512	49,111,329
Gearing ratio	0.08	0.05	—	—

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Financial guarantees

The Company provides corporate guarantees to licensed bank for banking facilities granted to certain subsidiaries and financial guarantees to third parties for supply of goods and services to a subsidiary. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries as disclosed in Note 12 to the financial statements.

(c) Fair value hierarchy

As at the end of reporting period, the Group has no financial instruments that are measured at fair value subsequent to initial recognition hence fair value hierarchy is not presented.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and senior management personnel. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

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

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are licensed financial institutions and creditworthy customers. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The credit risk exposure of the Group is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

The credit risk concentration profile of the trade receivables of the Group by region at the end of each reporting period are as follows:

	Group			
	2024		2023	
	RM	% of total	RM	% of total
Malaysia	25,361,478	82.71%	20,892,510	78.47%
Asia	4,610,239	15.03%	4,813,705	18.08%
Others	692,643	2.26%	918,145	3.45%
	30,664,360	100.00%	26,624,360	100.00%

At the end of reporting date, the Group does not have significant concentration of credit risk.

The Company has significant concentration of credit risk in the form of outstanding balance from a third party supplier, which amounted to RM42,768 representing 28% of trade and other receivables. In the previous financial year, the Company did not have any significant concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (Cont'd)

The maximum exposure to credit risk without taking into consideration any collateral held or other credit enhancement is represented by the carrying amount of financial assets in the financial statements, net of impairment losses and granting of corporate guarantees to certain subsidiaries as follows:

	Company	
	2024	2023
	RM	RM
Corporate guarantees - unsecured		
Limit:		
In favour of licensed banks for banking facilities granted to certain subsidiaries	45,500,000	41,500,000
In favour of third parties for supply of goods and services to certain subsidiaries	500,000	500,000
Amounts utilised:		
In favour of licensed banks for banking facilities granted to certain subsidiaries	10,171,507	6,651,154

The maximum exposure to credit risk in relation to financial guarantee contract provided as credit enhancement to subsidiaries amounted to RM10,171,507 (2023: RM6,651,154) represents the outstanding banking facilities of subsidiaries as at the end of the reporting period.

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

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

The Company determines the probability of default of the subsidiary using internal and external information available. No impairment loss is recognised arising from financial guarantee as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group is unable to service its cash obligations in future. To mitigate this risk, the management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations.

Analysis of financial instruments by remaining contractual maturities

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

Group 2024	On demand or within one year RM	One to two years RM	Two to five years RM	More than five years RM	Total RM
Trade and other payables	18,892,635	—	—	—	18,892,635
Borrowings	1,350,084	1,350,084	3,428,773	5,258,835	11,387,776
Lease liabilities	133,450	36,800	—	—	170,250
	20,376,169	1,386,884	3,428,773	5,258,835	30,450,661
2023					
Trade and other payables	17,907,578	—	—	—	17,907,578
Borrowings	987,948	987,948	2,905,399	2,041,573	6,922,868
Lease liabilities	146,387	79,450	24,000	—	249,837
	19,041,913	1,067,398	2,929,399	2,041,573	25,080,283
Company 2024					
Trade and other payables	1,371,175	—	—	—	1,371,175
Financial guarantees*	46,000,000	—	—	—	46,000,000
	47,371,175	—	—	—	47,371,175
2023					
Trade and other payables	1,218,303	—	—	—	1,218,303
Financial guarantees*	42,000,000	—	—	—	42,000,000
	43,218,303	—	—	—	43,218,303

* Represents maximum corporate guarantee limit.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates. The exposure of the Group and of the Company to interest rates relates primarily to the interest-earning deposits placed with licensed banks and borrowings. The Group and the Company do not use derivative financial instruments to hedge the risk.

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group 2024	Note	Weighted average effective interest rate %	Within one year RM	One to two years RM	Two to five years RM	More than five years RM	Total RM
Fixed rate							
Deposits with licensed banks	10	3.52	15,884,987	—	—	—	15,884,987
Floating rate							
Term loans	12	4.36	(926,169)	(1,019,427)	(2,704,529)	(4,466,461)	(9,116,586)
2023							
Fixed rate							
Deposits with licensed banks	10	3.30	27,719,031	—	—	—	27,719,031
Floating rate							
Term loans	12	4.30	(754,549)	(787,889)	(2,498,365)	(1,792,941)	(5,833,744)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (Cont'd):

Company 2024	Note	Weighted average effective interest rate %	Within one year RM
Fixed rate			
Deposits with a licensed bank	10	3.60	2,160,388

2023

Fixed rate			
Deposits with a licensed bank	10	3.38	3,882,118

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by 100 basis points with all other variables held constant:

	2024 RM	Group 2023 RM
Profit after tax and equity		
- Increase by 1% (2023: 1%)	(69,300)	(44,300)
- Decrease by 1% (2023: 1%)	69,300	44,300

(d) Foreign currency risk

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

The Group is exposed to foreign currency risk on import of raw materials and export of finished goods as well as cash and bank balances that are denominated in foreign currencies.

The Group does not use derivative financial instruments to hedge its risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in Singapore Dollar ("SGD") and United States Dollar ("USD") exchange rate against the Ringgit Malaysia ("RM"), with all other variables held constant:

		Group	
		2024 RM	2023 RM
Profit after tax and equity			
SGD/RM	- strengthen by 5% (2023: 5%)	115,400	99,500
	- weaken by 5% (2023: 5%)	(115,400)	(99,500)
USD/RM	- strengthen by 5% (2023: 5%)	71,700	172,300
	- weaken by 5% (2023: 5%)	(71,700)	(172,300)

Sensitivities of Chinese Yuan and Euro against RM were not presented as these are negligible.

27. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 9 May 2023, Promaz Plastic Sdn. Bhd. ("PPSB"), a wholly-owned subsidiary of the Company, increased its paid-up capital for an additional 1,999,998 ordinary shares and the Company made full subscription for a total cash consideration of RM1,999,998. Consequently, there was no changes in the effective equity interest held by the Company in PPBSB.

28. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 4 April 2024, Allbright Industries (M) Sdn. Bhd. ("AISB"), a wholly-owned subsidiary of the Company, increased its paid-up capital for an additional 3,000,000 ordinary shares and the Company made full subscription for a total cash consideration of RM3,000,000. Consequently, there was no changes in the effective equity interest held by the Company in AISB.

LIST OF PROPERTIES

AS AT 31 MARCH 2024

Postal Address	Title No/ Location	Description	Tenure	Approximate Age of Building (years)	Land Area (square feet)	Built-up Area (square feet)	Audited net carrying amount as at 31 March 2024	Date of Acquisition
No.10, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250458 Lot 182937, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	25	41,801	21,412	RM1,988,030	9 November 2004
No.1, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250480 Lot 182949, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	25	42,270	22,809	RM1,883,028	28 January 2003
No.3, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250482 Lot 182950, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	25	41,979	22,604	RM8,194,731	18 March 2015
No.9, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250486 Lot 182953, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a renovated 1½ storey detached factory erected thereon	Freehold	6	41,355	30,768	RM6,662,245	28 December 2017
No.12, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250459 Lot 182938, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a single storey detached factory annexed with double storey office building erected thereon	Freehold	1	41,355	26,315	RM8,040,644	9 November 2023
No.2, Jalan Sri Plentong 4, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	GN 250531, Lot 182928, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land with a 1½ storey detached factory erected thereon	Freehold	18	57,151	31,780	RM3,298,606	12 December 2005

LIST OF PROPERTIES
(CONT'D)

Postal Address	Title No/ Location	Description	Tenure	Approximate Age of Building (years)	Land Area (square feet)	Built-up Area (square feet)	Audited net carrying amount as at 31 March 2024	Date of Acquisition
No.62, Jalan Sri Plentong 8, Sri Plentong Industrial Park, 81750 Masai, Johor Darul Takzim	H.S (D) 511693 PTD 111423, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Industrial land	Freehold	12	18,160	10,543	RM1,808,688	01 October 2012
No.16, Jalan Rotan Semambu, Taman Ria Plentong, 81750 Masai, Johor Darul Takzim	GN 342208 Lot 21373, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Double storey terrace house	Freehold	12	1,540	2,097	RM208,367	30 September 2012
No.40, Jalan Rotan Lilin, Taman Ria Plentong, 81750 Masai, Johor Darul Takzim	GN 466516 Lot 21254, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Double storey terrace house	Freehold	10	1,540	2,097	RM311,215	29 April 2014
# 05-01, Menara D, Residensi Masai, Jalan Masai Jaya 2, 81750 Masai, Johor	PTD 209317 H.S.(D) 499932, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Apartment	Freehold	8	–	1,010	RM249,625	29 October 2012
# 03-13A, Menara D, Residensi Masai, Jalan Masai Jaya 2, 81750 Masai, Johor	PTD 209317 H.S.(D) 499932, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim	Apartment	Freehold	8	–	1,010	RM244,059	29 October 2012

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 20 JUNE 2024

ISSUED SHARE CAPITAL	:	RM47,608,270.95 comprised of 475,713,257 ordinary shares fully paid
CLASS OF SHARES	:	Ordinary shares
VOTING RIGHTS	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 20 JUNE 2024

No. of shareholders	Size of shareholdings	No. of shares held	%
215	Less than 100 shares	11,088	0.00*
509	100 to 1,000 shares	152,976	0.03
967	1,001 to 10,000 shares	6,504,312	1.37
1,645	10,001 to 100,000 shares	65,519,681	13.77
466	100,001 to less than 5% of issued shares	343,549,685	72.22
2	5% and above of issued shares	59,975,515	12.61
3,804	TOTAL	475,713,257	100.00

Note:

* Less than 0.01%

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 20 JUNE 2024

No.	Name of shareholders	No. of shares held	%
1	TEOH GUAN KOK & CO. SDN. BERHAD	31,479,990	6.62
2	CHUA LING HONG	28,495,525	5.99
3	CHUA LING LEE	19,820,578	4.17
4	PUENG CHIN THONG @ FANG CHIN TONG	18,818,977	3.96
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	17,425,850	3.66
6	CHUA KEE LAM	16,809,543	3.53
7	YEOH CHIN KIANG	14,433,580	3.03
8	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (MY4545)	14,419,000	3.03
9	CENTRAL EQUITY SDN. BHD.	14,264,873	3.00
10	CHAN WAI LING	14,000,000	2.94

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 20 JUNE 2024 (CONT'D)

No.	Name of shareholders	No. of shares held	%
11	ANG KHENG KEONG	12,677,206	2.66
12	TAN YEOW PONG	9,609,061	2.02
13	TEOH KOOI KIM	5,200,522	1.09
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7009564)	4,000,000	0.84
15	TEOH SOON KUAN	3,828,250	0.80
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7004124)	3,500,000	0.74
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUT FOR RAMESH KUMAR A/L NADASON (7005613)	3,500,000	0.74
18	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (MY2065)	3,500,000	0.74
19	RADIANCE PERFECT INTL SDN. BHD.	3,350,000	0.70
20	TEOH YEE PING	3,331,200	0.70
21	LIM AI POH	2,992,911	0.63
22	OOI AI SUAN	2,700,000	0.57
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG THIAN FOOK (7000207)	2,500,000	0.53
24	HO FOOK SENG @ HO POCK SENG	2,248,000	0.47
25	LIYU TECK SHENG	2,046,300	0.43
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (8089132)	2,000,000	0.42
27	GAU NGOO JIN @ GOH NGOO JIN	2,000,000	0.42
28	LEE CHAK SOONG	2,000,000	0.42
29	YEO AIK KHOON	1,936,196	0.41
30	PHOA BEE LAI	1,917,000	0.40

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 20 JUNE 2024

(As per Register of Substantial Shareholders)

No.	Name of shareholder	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1	LOH CHEN YOOK	16,419,816	3.45	17,425,850 ^{*1}	3.66
2	LOH FATT CHONG	17,425,850	3.66	16,419,816 ^{*2}	3.45
3	DR CHUA KEE LAM	16,809,543	3.53	53,516,726 ^{*3}	11.25
4	CHUA LING HONG	28,495,525	5.99	41,830,643 ^{*4}	8.79
5	CHUA LING LEE	19,820,578	4.17	50,505,590 ^{*5}	10.62
6	YEOH ENG HOW	—	—	48,519,031 ^{*6}	10.20
7	TEOH KOOI KIM	5,200,522	1.09	98,088,683 ^{*7}	20.62
8	TEOH GUAN KOK & CO. SDN. BERHAD	31,479,990	6.62	—	—
9	YEOH CHIN KIANG	14,433,580	3.03	14,264,873 ^{*8}	3.00
10	CENTRAL EQUITY SDN. BHD.	14,264,873	3.00	14,433,580 ^{*9}	3.03

Notes:

- Deemed interested by virtue of his son's interest, namely Loh Fatt Chong.
- Deemed interested by virtue of his father's interest, namely Loh Chen Yook.
- Deemed interested by virtue of his wife's interest, namely Teoh Kooi Kim, and his children's interest, namely Chua Ling Hong and Chua Ling Lee and his brother's interest, namely Chua Tiang Chu @ Chua Tiong Choo.
- Deemed interested by virtue of his parent's interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee.
- Deemed interested by virtue of her parents' interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and her brother's interest, namely Chua Ling Hong.
- Deemed interested by virtue of his wife's interest, namely Chua Ling Lee, and his father's interest, namely Yeoh Chin Kiang and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.
- Deemed interested by virtue of her husband's interest, namely Dr Chua Kee Lam, her children's interest, namely Chua Ling Hong and Chua Ling Lee, her brother's interests, namely Teoh Lean Lee and Teoh Liang Huat @ Teoh Lean Huat, and her sister's interest, namely Teoh Tang Kim @ Teoh Tung Kim and deemed interested by virtue of shareholding of Teoh Guan Kok & Co. Sdn. Berhad pursuant to Section 8 of the Companies Act 2016.
- Deemed interested by virtue of his son's interest, namely Yeoh Eng How and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.
- Deemed interested in shares held by Yeoh Chin Kiang and Yeoh Eng How.

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 20 JUNE 2024

(As per Register of Directors' Shareholdings)

No.	Name of Director	No. of shares held in Karyon Industries Berhad			
		Direct Interest	%	Deemed Interest	%
1	LOH CHEN YOOK	16,419,816	3.45	17,425,850 ^{*1}	3.66
2	LOH FATT CHONG	17,425,850	3.66	16,419,816 ^{*2}	3.45
3	CHUA LING HONG	28,495,525	5.99	41,830,643 ^{*3}	8.79
4	KOK LEE NEE	157,500	0.03	—	—
5	YEOH CHIN KIANG	14,433,580	3.03	14,264,873 ^{*4}	3.00
6	YEOH ENG HOW	—	—	48,519,031 ^{*5}	10.20
7	TAY HUI-HUI	—	—	—	—
8	PHANG KOK KWEN	—	—	—	—
9	SEE HOCK CHUAN	—	—	—	—
10	CHUA SHING YONG	—	—	—	—
11	LOW CHIUN YIK	—	—	—	—

Notes:

1. Deemed interested by virtue of his son's interest, namely Loh Fatt Chong.
2. Deemed interested by virtue of his father's interest, namely Loh Chen Yook.
3. Deemed interested by virtue of his parent's interest, namely Dr Chua Kee Lam and Teoh Kooi Kim, and his sister's interest, namely Chua Ling Lee.
4. Deemed interested by virtue of his son's interest, namely Yeoh Eng How and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.
5. Deemed interested by virtue of his wife's interest, namely Chua Ling Lee, and his father's interest, namely Yeoh Chin Kiang and Central Equity Sdn Bhd which is a shareholder of Karyon Industries Berhad.



KARYON INDUSTRIES BERHAD
Registration No. 200301010377 (612797-T)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held:	
CDS Account No.	

I/We _____ (NRIC/Passport/Company No. _____)
of (full address) _____
(email address) _____ and (contact no.) _____ a member / members of
KARYON INDUSTRIES BERHAD hereby appoint

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 7)
Address	Email address	Contact No.

*and/or failing him/her

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 7)
Address	Email address	Contact No.

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 21st Annual General Meeting (“AGM”) of the Company which will be held physically at Ponderosa Golf & Country Resort Berhad, Trading Post, No. 3 Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on **Tuesday, 10 September 2024 at 2.00 p.m.** and at every adjournment thereof to vote as indicated below in respect of the following Resolutions:-

* delete where applicable.

ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	Approval of Directors’ Fees		
Ordinary Resolution 2	Approval of Directors’ Benefits (for the period commencing after the date of this AGM to the date of the next AGM)		
Ordinary Resolution 3	Re-election of Ms. Kok Lee Nee		
Ordinary Resolution 4	Re-election of Mr. Yeoh Eng How		
Ordinary Resolution 5	Re-election of Mr. Yeoh Chin Kiang		
Ordinary Resolution 6	Re-election of Mr. Lee Kian Hu		
Ordinary Resolution 7	Re-appointment of Messrs BDO PLT as the External Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 8	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with a “X” in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

.....
Signature/Common Seal of Member(s) **

Dated this day of 2024

** Manner of execution:

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



NOTES:

1. For the purpose of determining who shall be entitled to attend this AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 2 September 2024. Only members whose names appear in the said Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote:
 - i) In hard copy form
In the case of an appointment made in hard copy form, this Proxy Form must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor.
 - ii) By electronic means via email
In the case of an appointment made via email transmission, this Proxy Form must be received via email at admin@aldpro.com.my.
For option (ii), the Company may request any member to deposit original executed Proxy Form to its Registered Office of the Company before or on the day of meeting for verification purpose.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this Proxy Form are completed, signed and dated accordingly.
11. Last date and time for lodging this Proxy Form is 8 September 2024, Sunday at 2.00 p.m.
12. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian); or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian); or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please submit the Original / Duly Certified certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the Registered Office of the Company earlier. The certificate of appointment of authorised representative should be executed in the following manner:
 - a. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretary

Karyon Industries Berhad

Registration No. 200301010377 (612797-T)

Suite 5.11 & 5.12,

5th Floor, Menara TJB,

No. 9, Jalan Syed Mohd Mufti,

80000 Johor Bahru,

Johor, Malaysia.

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KARYON INDUSTRIES BERHAD
200301010377 (612797-T)

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Taman Perindustrian Sri Plentong,
81750 Masai, Johor, Malaysia.

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