HONG SENG CONSOLIDATED BERHAD

Reg No: 200101001581 (537337-M)

Driving Forward

Sustainable Growth

Annual Report **2024**

23RD
ANNUAL GENERAL MEETING

Thursday
29 August 2024, 9.00 am

Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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FINANCIAL

OTHERS

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHRISTOPHER CHAN HOOI GUAN
Executive Director

LESTER CHIN KENT LAKE
Executive Director

LEE LI CHAIN
Executive Director

LEONG SENG WUI
Executive Director
Appointed on 8 April 2024

DATO' KANG CHEZ CHIANG
Independent Non-Executive Director

LEONG KAM SOON
Independent Non-Executive Director

YAP KIEN MING
Independent Non-Executive Director

AUDIT COMMITTEE

Leong Kam Soon *(Chairman)*
Yap Kien Ming
Dato' Kang Chez Chiang

NOMINATION COMMITTEE

Yap Kien Ming *(Chairman)*
Leong Kam Soon
Dato' Kang Chez Chiang

REMUNERATION COMMITTEE

Yap Kien Ming *(Chairman)*
Leong Kam Soon

COMPANY SECRETARIES

Tea Sor Hua *(MACS 01324)*
(SSM PC No. 201908001272)

Lee Xiang Yee *(MAICSA 7068124)*
(SSM PC No. 202408000069)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81,
Jalan SS 21/60, Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan
Tel No. : 03-7725 1777
Fax No. : 03-7722 3668
Email : cms_cospec@yahoo.com

PRINCIPAL PLACE OF BUSINESS

C-01-3, Block C, Plaza Glomac
No. 6, Jalan SS 7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 03-7887 1666
Fax No. : 03-7887 1766
Website : www.hongseng.com.my
Email : bizco@hongseng.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 03-7890 4700
Fax No. : 03-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & AF 0737)
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : 03- 2692 4022
Fax No. : 03- 2732 5119

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Public Bank Berhad
RHB Bank Berhad

SOLICITORS

Peter Ling & Van Geyzel

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock name : HONGSENG
Stock code : 0041

CORPORATE STRUCTURE

HONG SENG CONSOLIDATED BERHAD
Reg No: 200101001581 (537337-M)

HEALTHCARE
- 100% | HS BIO SDN BHD
  - 60% | EMEDASIA SDN BHD
  - 100% | NEOGENIX LABORATOIRE SDN BHD
    - 60% | NEOGENIX (SABAH) SDN BHD
  - 100% | HS CLOUD LAB SDN BHD

GLOVES
- 85% | HKL DYNAMICS SDN BHD *(formerly know as Hong Seng Gloves Sdn Bhd)*
- 100% | HS SYNERGY SDN BHD

NBL & INTERGRATED LOGISTICS RELATED SERVICES
- 100% | HONG SENG INDUSTRIES SDN BHD
- 100% | HS PETCHEM LOGISTICS SDN BHD

FINANCIAL SERVICES
- 100% | HONG SENG CAPITAL SDN BHD

OTHERS
- 100% | HS GREEN VALLEY SDN BHD
  - 100% | PREMIUMWAY DEVELOPMENT SDN BHD
- 100% | CASD SOLUTIONS SDN BHD
- 100% | CBSA BIZHUB SDN BHD
- 100% | VICTORY PE SDN BHD *(formerly know as HS Bio Holdings Sdn Bhd)*

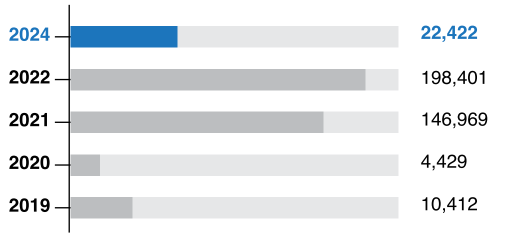
5 YEARS FINANCIAL HIGHTLIGHTS

		2019	2020	2021 #	2022	2024 ##
RESULTS OF OPERATION						
Revenue	RM'000	10,412	4,429	146,969	198,401	22,422
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	RM'000	(11,387)	(7,504)	71,095	129,389	(80,496)
(Loss)/Profit Before Taxation	RM'000	(12,624)	(7,458)	69,848	119,170	(99,365)
(Loss)/Profit After Taxation	RM'000	(13,117)	(7,434)	58,870	102,372	(100,275)
Net (Loss)/Profit Attributable to Equity Holders	RM'000	(13,072)	(7,434)	46,366	97,192	(91,837)
FINANCIAL POSITION						
Total Assets	RM'000	23,047	65,526	336,625	431,939	345,872
Total Borrowings	RM'000	2,164	1,949	16,199	14,543	23,512
Equity Attributable To Owners of the Company	RM'000	16,988	61,328	272,417	388,327	299,272
FINANCIAL INDICATORS						
Return On Equity	%	(77.00)	(12.00)	17.00	25.00	(31.00)
Return On Total Assets	%	(57.00)	(11.00)	14.00	23.00	(27.00)
Gearing Ratio	times	0.13	0.03	0.06	0.04	0.08
Interest Coverage Ratio	times	(50.84)	(46.41)	139.77	204.94	(44.26)
(Loss)/Earnings Per Share	sen	(4.92)	(2.33)	1.82	1.90	(1.80)
Net Assets Per Share	sen	6.40	19.25	10.67	7.60	5.86
Share Price as at The Financial Year/Period End	RM	0.24	0.06	2.42	0.33	0.01

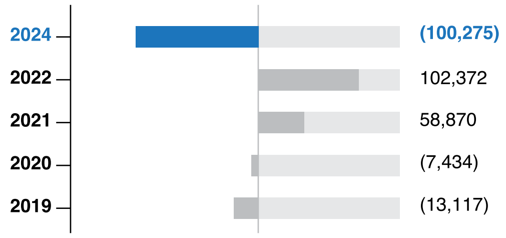
 # 18-month period ended 30 September
18-month period ended 31 March

5 YEARS FINANCIAL HIGHTLIGHTS (CONT'D)

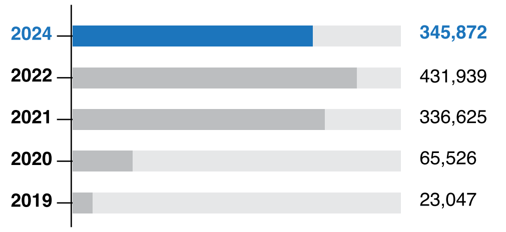
REVENUE
(RM'000)



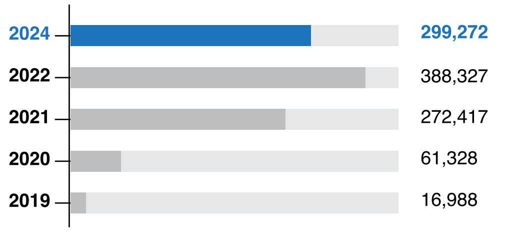
(LOSS)/PROFIT AFTER TAXATION
(RM'000)



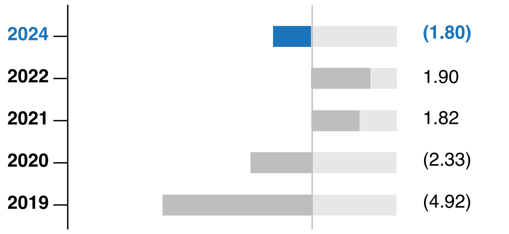
TOTAL ASSETS
(RM'000)



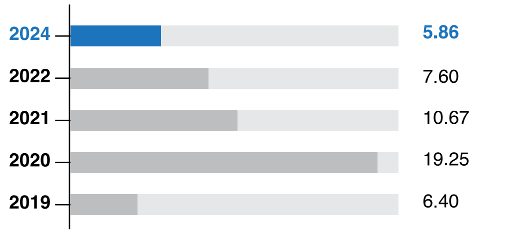
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



(LOSS)/EARNINGS PER SHARE
(SEN)



NET ASSETS PER SHARE
(SEN)



PROFILE OF THE BOARD OF DIRECTORS

LESTER CHIN KENT LAKE

- **Executive Director**

Age
39

Nationality

Gender
Male

Date Appointed to the Board
11 February 2021

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Mr. Lester Chin Kent Lake ("Mr. Lester Chin") started his career in the equity research and corporate finance industry as a Management Associate at RHB Investment Bank where he was promoted to Assistant Manager within two (2) years. During his stint as the Assistant Manager, he was responsible for ensuring the timely preparation of all relevant documents and assisting in reviewing documents to ensure high professional quality is maintained while providing support in initial public offers, merger and acquisition, disposal and other corporate transactions and others.

In 2011, he was appointed as an Equity and Technical Research Analyst at RHB Research Institute gaining experience dealing with both institutional and retail clients. His portfolio included the rubber glove and healthcare companies as well as technical analysis.

Subsequently, he joined UOB Kay Hian as the Head of Retail Research/ Senior Analyst from 2013 until 2017. He was tasked to conduct detailed equity research, including analysing and forecasting industry trends and articulating recommendations on sectors and stocks in designated segments, overseeing production and coordination of retail research reports and events, overseeing educational seminars and presentations for retail investors, active monitoring of the micro and macro factors affecting the sectors and companies under coverage, etc.

In October 2020, Mr. Lester Chin departed from UOB Kay Hian as the Associate Director of Equity Capital Markets, a position he held since 2017. In this role, he was responsible to oversee equity underwriting and placement activities of the company, accessing requirements, examining strategies, and proposing solutions for the capital raising needs of corporate clientele, conduct roadshows and presentations to enhance and improve issuers access to capital markets among others.

With over twelve (12) years of experience in the finance industry, Mr. Lester Chin is currently in the midst of establishing his own business venture.

Mr. Lester Chin is a substantial shareholder of the Company by virtue of his direct interest in Radiance Dynasty Sdn. Bhd., a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016, and his father's shareholdings in the Company.

Currently, he is also the Non-Independent Non-Executive Director of Classita Holdings Berhad. He also holds directorships in several private limited companies.

Mr. Lester Chin does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

CHRISTOPHER CHAN HOOI GUAN

- **Executive Director**

Age
57

Nationality

Gender
Male

Date Appointed to the Board
16 March 2021

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Mr. Christopher Chan Hooi Guan ("Mr. Christopher Chan") graduated from the University of Central Arkansas, United States of America, with a Bachelor of Music (Piano) degree in 1993. Following this, he served as a business consultant at Axiom Corporation in the United States of America before returning to Malaysia in 1996.

Upon his return, Mr. Christopher Chan established his own company and eventually expanded the business into a public listed company known as The Media Shoppe Berhad. With over twenty-five (25) years of experience in the IT industry, Mr. Christopher Chan was involved in the overall management and develop the strategic direction of the said listed company group. His responsibilities included fund raising exercises, managing the initial public offering process, acquiring new companies, making strategic investments as well as developing new local and global business partnerships. He retired as Group Chief Executive Officer in 2015.

Mr. Christopher Chan is also a Director and a substantial shareholder of TMS Software Sdn. Bhd. and Open Dynamics Sdn. Bhd. Additionally, he co-founded and held a significant stake in Joget Inc., a US-based software company, until 2020.

In 2001, Mr. Christopher Chan won the PIKOM-Computimes ICT Award for ICT Entrepreneur of the Year. He was also the finalist at the 2004 Ernst and Young ICT Entrepreneur of the Year Award. He served as President of the Technopreneurs Association of Malaysia (TeAM) between 2003 and 2005. Mr. Christopher Chan had served as the industry representative on Cradle (a venture capital agency under the Ministry of Science and Technology) between 2017 and 2020. He is a member of the Industry Advisory Board of Help University College.

Mr. Christopher Chan is a substantial shareholder of the Company by virtue of his direct interest in Aurora Crest Sdn. Bhd. and Open Dynamics Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Mr. Christopher Chan does not hold any directorship in other public companies and listed issuers but holds directorships in several private limited companies.

He does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

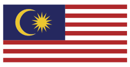
PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

LEE LI CHAIN

- **Executive Director**

Age
49

Nationality



Gender
Female

Date Appointed to the Board
1 September 2022

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Ms. Lee Li Chain ("Ms. Li Chain") graduated from Tunku Abdul Rahman College with an Advanced Diploma in Commerce (Financial Accounting) in 1999. She is a Chartered Accountant with the Malaysian Institute of Accountants and is a member of the Association of Chartered Certified Accountants.

She started her career in 2000 as a tax assistant in a medium-sized tax firm. During her tenure in tax, she was in charge of ensuring tax compliance by individuals, medium to large private companies and public listed companies, while also providing strategic tax advisory services to optimize operational structures. Additionally, she contributed her expertise to special ad-hoc assignments.

Ms. Li Chain joined a medium-sized audit firm in 2001 and left in 2010 as a Senior Manager. She was responsible for the planning and reviewing of the audits of public listed companies, private limited companies and foreign owned entities involved in a wide range of industries. She also led special assignments such as reporting accountants' work in initial public offerings and financial due diligence reviews.

She then joined a joint venture company between a Malaysian Government-Linked Company (GLC) and a Middle East company in 2011 as its Group Finance Manager, and subsequently a Malaysian public listed company as its Senior Group Finance Manager.

Prior to her appointment as an Executive Director of Hong Seng Consolidated Berhad, she was the Finance Director/Executive Director of a listed company in ACE Market where she led the finance team and oversees the financial aspects of the said listed company.

Ms. Li Chain does not hold any directorship in other public companies and listed issuers.

She does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. She does not hold any shares in the Company and its subsidiary companies. She has not been convicted of any offences within the past five (5) years other than traffic offence, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

LEONG SENG WUI

- **Executive Director**

Age
44

Nationality

Gender
Male

Date Appointed to the Board
8 April 2024

Attendance at Board meetings held during the financial period ended 31 March 2024
N/A

Mr. Leong Seng Wui ("Mr. Francis Leong"), has been an entrepreneur in Information and Communications Technology ("ICT") industry for over 24 years, currently serves as the Executive Director of Revenue Group Berhad. His journey began post-graduation from Binary Business School, where he entered the ICT retail sector and quickly became a pioneering Malaysian technopreneur. His early ventures focused on telco and mobile retailing, earning him several accolades, including the Golden Bull award and recognition as a leading retailer in the ICT sector.

Before assuming his current role at Revenue Group Berhad, Mr. Francis Leong made impactful strides in the ICT product distribution sector, leading to the successful acquisition of his company by a listed group. His profound expertise was further acknowledged during his tenure with 1 Utopia Berhad Group, now known as XOX Networks Berhad, where he significantly boosted their market presence and provided strategic advice on ICT product strategies. Additionally, Mr. Francis Leong's versatile experience extends to manufacturing, property development, and food and beverage segments showcasing his diverse skill set in various industry domains.

At Revenue Group Berhad, Mr. Francis Leong leverages his extensive background to steer the companys strategic direction and growth. His leadership is pivotal in shaping the company's advancements in the ICT sector, underscoring his integral role in its executive management. His tenure reflects a commitment to innovation and excellence in the ever-evolving ICT landscape.

Mr. Francis Leong is a substantial shareholder of the Company. Currently, he is also the Executive Director of Revenue Group Berhad. He also holds directorships in several private limited companies.

He does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years other than traffic offence, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

YAP KIEN MING

- Independent Non-Executive Director
- Audit Committee *(Member)*
- Nomination Committee *(Chairman)*
- Remuneration Committee *(Chairman)*

Age
59

Nationality

Gender
Male

Date Appointed to the Board
19 September 2018

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Mr. Yap Kien Ming ("Mr. Yap") graduated with a Bachelor Degree of Arts in Economics and Marketing from the University of Brock, Canada.

He began his career as a Strategic Management Executive with Kein Hing Industries Sdn. Bhd., where he served for five (5) years. During this time, he had started and headed the Purchasing Department. In addition, Mr. Yap had also put in place a stock system besides heading the Purchasing Department. He was also responsible for an integrated stamping, machining and surface grinding line and Sales and Marketing with clients that included Sanden, Sharp, Nippondenso, Matsushita, Clipsal and PDL Switch Gear Manufacturers. He was also responsible for a Licensed Manufacturing Warehouse, a joint venture between three (3) Japanese manufacturers, namely Tomen, Matsushita, Meiwa and Kein Hing Industries Sdn. Bhd.

Subsequently, he joined Polychem Sdn. Bhd. as its Regional Product Manager which is a manufacturers agent for hand tools, cutting tools and non-ferrous materials from the United Kingdom, Europe and Australia, where he had served a wide range of industries from automotive, mould and die, oil and gas and electrical, electronics manufacturers.

In the last decade, he was appointed as the Regional Sales Manager for Garryson (now under ATA Tools.), and responsible for the Sales and Marketing for China, Indonesia, Malaysia, Singapore and Thailand. During his tenure, he was involved in Business Development, Sales and Distribution channels, Technical Training and Support to dealers around the region.

Mr. Yap has vast experience in Technical Sales and Cross Cultural marketing in Asia and his primary focus was in the oil and gas, aerospace and shipping industry and is now the Director in Takaso Trading Sdn. Bhd.

Mr. Yap does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offences within the past five (5) years other than traffic offence, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

LEONG KAM SOON

- **Independent Non-Executive Director**
- **Audit Committee *(Chairman)***
- **Nomination Committee *(Member)***
- **Remuneration Committee *(Member)***

Age
66

Nationality

Gender
Male

Date Appointed to the Board
26 August 2021

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Mr. Leong Kam Soon ("Mr. Leong") is a fellow member of both the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants. He is also a member of the Malaysian Institute of Accountants.

Mr. Leong was the Deputy Director of Finance of Stamford College Berhad from 2001 before being promoted as the Chief Financial Officer in October 2007. He held the position till September 2014 having served in Stamford College Berhad for well over thirteen (13) years before deciding to pursue a career as a freelance Financial Consultant. He has retired since 2020.

Prior to joining Stamford College Berhad, he worked as a Finance Manager for a multi-national company specialising in the manufacture of packaging material for beverages and was posted to the People's Republic of China ("PRC") for seven (7) years. He returned to Malaysia in July 2001 and joined Stamford College Berhad on 20 August 2001 as its Deputy Director of Finance. Prior to the PRC employment, he was the accountant for a subsidiary of a listed plantation group for three (3) years.

Mr. Leong does not hold any directorship in other public companies and listed issuers.

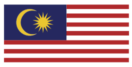
He does not have any family relationship with any Director and/or major shareholder nor any conflict of interest with the Company. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offences within the past five (5) years other than traffic offence, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

DATO' KANG CHEZ CHIANG

- **Independent Non-Executive Director**
- **Audit Committee *(Member)***
- **Nomination Committee *(Member)***

Age
66

Nationality


Gender
Male

Date Appointed to the Board
1 September 2022

Attendance at Board meetings held during the financial period ended 31 March 2024
7/7

Dato' Kang Chez Chiang ("Dato' Kang") graduated with a Diploma in Police Science from the University of Kebangsaan Malaysia. He is a retired Deputy Commissioner of Police of the Royal Malaysia Police where he had served the Police Force for 39 years and 6 months.

He joined the Royal Malaysia Police in 1979 and served under General Operation Force Department and Narcotics Crime Investigation Department ("NCID"). He has held several posts in NCID, among those are Head of the Intelligence Section, Head of Narcotics Crime Investigation Department Kuala Lumpur Police Contingent, Principal Assistant Director of Intelligence and Operations, Deputy Director of Intelligence and Operations.

Dato' Kang's experience in intelligence investigation, human management and operational skills in the field of NCID works has enabled him to act at an advisory level on drug matters to Police Directors.

Currently, he is also an Independent Non-Executive Director of Velocity Capital Partner Berhad *(formerly known as CSH Alliance Berhad)*.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offences within the past five (5) years other than traffic offence, if any, as well as any public sanctions or penalties imposed by the relevant regulatory bodies.

PROFILE OF KEY MANAGEMENT PERSONNEL

LEE LI CHAIN
Executive Director

CHRISTOPHER CHAN HOOI GUAN
Executive Director

LESTER CHIN KENT LAKE
Executive Director

LEONG SENG WUI
Executive Director

The profiles of the Key Senior Management are set out in their respective profile on pages 6 to 9 of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS DISCLOSURES

The global economy continued to experience considerable challenges and macroeconomic divergences. While remaining resilient, its growth momentum has moderated and is uneven across countries and regions amid the ongoing impact of tighter global monetary conditions, persistent underlying inflationary pressures, as well as heightened geopolitical uncertainty and geoeconomic fragmentation.

The Malaysian economy continued to grow in 2023, albeit at a moderate pace, underpinned by resilient domestic private sector activities against the backdrop of challenging global trade. Despite a challenging external environment, Malaysia's economy grew by 3.7% on the back of slower global trade and tighter monetary policies. The moderate growth was in line with expectations following the reopening of the economy and sizeable policy measures that bolstered growth in 2022.

In spite of this unprecedented upheaval in the markets we operate in, the Group foresees that the economic and business risks are relatively short-term in nature, where we remain confident that demand for the Group's services and products will normalise in the mid-to-long term. While acknowledging the hurdles faced, we remain committed to continuous improvement and sustained growth, guided by a steadfast dedication to our objectives and stakeholders.

In navigating the headwinds above, we are taking a cautious and measured approach while ensuring that we have the right strategies, talents and resources to navigate any economic scenarios which we may encounter.

GROUP'S BUSINESS AND OPERATIONS OVERVIEW

Hong Seng Consolidated Berhad ("Hong Seng" or "the Company") is an investment holding company. Together with its subsidiaries ("the Group"), the Group is principally involved in the business of gloves manufacturing and trading, financial services and healthcare, amongst others providing diagnostics and health screening laboratory services and wholesale of pharmaceutical, medical and healthcare products via a digital healthcare platform.

The escalating cost of raw materials, turbulence of supply and demand as well as heightened competition continued to persist in 2024. Amidst macroeconomic and operational challenges, we remained dedicated to growth, innovation, and the long term success of the Group. We strived to uphold excellence in every aspect of our operations, ensuring that our offerings consistently met and exceeded the expectations of our clients.

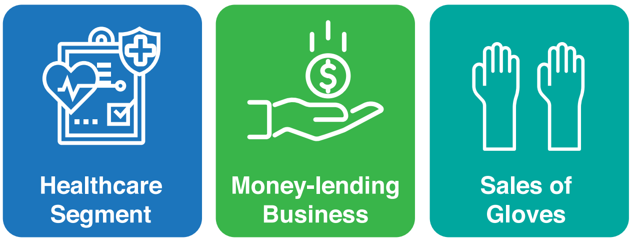
Throughout the financial period, the Group continues to prioritise on the following core areas:

- improving the operational efficiency as well as revamping its non-profitable business lines;
- continued cost optimisation through digitalisation and automation;
- improving revenue and profitability through innovative solutions that align with the evolving needs of the market; and
- new investments or business opportunities to increase our revenue base and earnings.

Continuing our quest for expansion, the Group maintains a vigilant stance in pinpointing fresh investment and business prospects that adhere to its fundamental investment benchmarks. Our relentless pursuit aims to broaden income streams and bolster earnings through new business opportunities and ventures.

FINANCIAL RESULTS HIGHLIGHTS

For the financial period ended 31 March 2024 ("FPE 2024"), the Group's revenue was recorded at RM22.42 million. This was mainly contributed by:



Due to the change of financial period end of the Group from 30 September 2022 to 31 March 2024 with an 18-month financial period, there is no comparative financial information available for the FPE 2024. Overall, the Group incurred loss before tax ("LBT") of RM99.36 million and loss after tax attributable to the owners of the Company of RM91.84 million for the FPE 2024.

In the meantime, the Group also incurred operating expenses of RM67.30 million which consisted of selling and distribution expenses, administration expenses, other expenses and finance costs.

The total assets of the Group as at 31 March 2024 stood at RM345.87 million in comparison to RM431.94 million as at 30 September 2022, representing a decrease of 19.93%.

The non-current assets of the Group as at 31 March 2024 stood at RM218.85 million in comparison to RM151.63 million as at 30 September 2022, representing an increase of 44.33%. The increase was mainly due to the acquisition of 32.61% equity interest in Classita Holdings Berhad ("Classita"), a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), which principally engaged in the businesses of property development and construction, manufacturing and sales of undergarments as well as direct selling and retail of ladies undergarment, childcare and maternity products and other consumer products, and other investments in quoted securities during the financial period.

The overall decrease in current assets was mainly due to the collection from trade receivables as well as the used of funds for investment activities of the Group.

For FPE 2024, the Group's total liabilities stood at RM40.94 million from RM40.82 million while the Group's non-current liabilities was higher at RM21.16 million from RM13.81 million in the 12-month financial year ended 30 September 2022 ("FYE 2022") due to the increase in lease liabilities during the financial period as a result of the lease of gloves factory.

Next, the Group has lowered its current liabilities to RM19.79 million for the FPE 2024 from RM27.01 million recorded in the FYE 2022 mainly due to the decreases in trade payables and tax payables, which stood at RM2.59 million and RM0.2 million, respectively, at 31 March 2024.

SEGMENTAL RESULTS HIGHLIGHTS

The Group's healthcare segment contributed approximately RM8.44 million in revenue and LBT of RM18.31 million respectively. The loss was mainly due to impairment of goodwill and plant and equipment and inventory written-off resulting from the weak performance in the healthcare segment.

The Group's financial services segment is primarily the provision of moneylending through its wholly-owned subsidiary, Hong Seng Capital Sdn. Bhd. ("Hong Seng Capital"). During the FPE 2024, the financial services segment generated RM7.92 million in revenue and a profit before tax of RM4.66 million. The moneylending business has extended RM97.18 million of loans to third party corporate and individual loan debtors in the ordinary course of its business as a licensed moneylender at the financial period end.

Moving on, the Group's glove manufacturing business based in Kedah has recorded a revenue of RM6.02 million and a LBT of RM73.55 million respectively. The revenue was derived from the sales of the gloves. The loss was mainly due to stiff competition resulting in lower revenue coupled with fixed and rising labour and overhead costs as well as the financial period end's impairment assessments on plant and equipment and receivables. The impairment on plant and equipment was resulting from the loss encountered in the gloves segment. Whereas, the impairment of receivables was mainly due to the soft market demand over the gloves products has caused the saleability of products purchased by customers affecting the recoverability.

MANAGEMENT DISCUSSION & ANALYSIS DISCLOSURES (CONT'D)

OPERATIONS REVIEW

Gloves Manufacturing Business

The Group is constantly seeking opportunities to expand in our chosen category and diversify our customer base. The Group is optimistic about the substantial untapped potential within our business, recognising the potential for growth and profitability in this market and are committed to leveraging its strengths to capitalise them.

Our strategic priorities involve improving our product offerings, onboarding new customers, and formulating a comprehensive long-term growth plan to seize potential business opportunities. Through the above, the Group aims to accelerate time-to-market for products to broaden our revenue base, alongside with our other existing businesses.

With this in mind, the Group plans to capitalise on the existing gloves market by including the production of natural rubber gloves moving forward. The Group currently consists of total 8 production lines producing Nitrile Butadiene Rubber ("NBR") gloves. The Group is in the midst of modifying its 2 production lines to diversify from NBR gloves production into natural rubber glovers production. The shift to natural rubber gloves production is part of the Group's strategy to overcome current challenges in the nitrile glove market, such as oversupply and intense competition. By diversifying the Group's product offerings and tapping into new target markets in Asia, the Middle East, and South America with high demand for natural rubber gloves, the Group aims to align its production capabilities with market needs. Leveraging its geographic advantage, due to its close proximity to Thailand, the largest rubber producer in the world, the Group aims to enhance its cost-effectiveness, competitiveness, and ensure sustainable growth. The Group expects to commission the 2 natural rubber gloves production lines in the 3rd quarter of Year 2024.

The availability of raw materials from neighbouring country in Thailand has enabled the Group to tap into the strategic supply network whereby close proximity would mean lower shipping costs and faster delivery times which enhances the overall supply chain efficiency, allowing for quicker adjustments to production schedules, and thus helping the Group to respond swiftly to market demands.

The natural rubber gloves segment also allows for better price recovery as there are lesser competition in this segment both locally and globally. The rubber glove industry is also poised for significant shifts in market dynamics, following the United States' decision to increase tariffs on Chinese medical and surgical gloves from 7.5% to 25% in 2026. This tariff change could further strengthen Malaysian glove manufacturers position in the US market, providing a significant boost to the industry.

According to a report by MarketWatch: Rubber Gloves Market-Global Outlook and Forecast 2024-2029, the global rubber gloves market size by revenue was valued at USD 46.04 billion in 2023 and is expected to reach USD 105.51 billion by 2029, growing at a CAGR of 14.82% during the forecast period[1].

With viable alternative options for the above industry, this bodes well for the Group's strategic plan due to vast untapped market moving forward.

Note:

1 – Businesswire: Global Rubber Gloves Market-Outlook & Forecast 2024-2029

Financial Services Business

Medium to long term growth of alternative lending in Malaysia remains strong. According to data published in the Malaysia Alternative Lending Market Business and Investment Opportunities Databook, alternative lending market in Malaysia is expected to grow from US$349.4 million in 2022 to reach US$ 1.03 billion by 2027. Alternative lending adoption is expected to grow steadily over the forecast period, recording a CAGR of 21.5% during 2023-2027.

According to RAM Rating Services Berhad, loan growth is projected to moderate at 5% in 2024, in line with the anticipated gradual economic recovery. The growth prospects of the lending market in Malaysia, particularly in the alternative lending market are therefore encouraging, partly due to the strict lending requirements imposed by licensed financial institutions.

The moneylending arm of the Group, Hong Seng Capital currently and/or plan to extend its moneylending services to, amongst others, investment holding companies, small and medium enterprises and start-up entrepreneurs of all business segments which it perceives to be underserved by licensed financial institutions for various purposes such as personal financing, working capital, investment, business start-up and expansion, project financing and others, with or without secured collaterals of customers.

In view of the above, the Group foresees further growth opportunities for its moneylending business, especially with the hike in the Overnight Policy Rate in year 2022 and 2023.

OPERATIONS REVIEW (CONT'D)

Healthcare Business

The growth prospects of the healthcare sector over the longer term will continue to be underpinned by an ageing population, rising affluence and rising cases of chronic diseases globally. According to a local research house, global healthcare expenditures are projected to reach USD 10 trillion by 2026, rising from USD 8.4 trillion in 2022[2]. On the local front, the Government has allocated a total of RM41.2 billion to the Health Ministry under its Budget 2024. This represents a significant increase of about 13.5 per cent from its previous year of RM36.3 billion, which augurs well for the sector as consumers take a more proactive stance towards their health and well-being especially in the aftermath of the Covid-19 pandemic.

According to a report published by Vision Research Reports in March 2024, the global diagnostic testing market size was estimated at USD 210.58 billion in 2023 and is expected to be worth around USD 284.38 billion by 2033 with a compound annual growth rate ("CAGR") of 3.05% from 2024 to 2033. Malaysia diagnostic labs market is anticipated to reach USD1,643.30 million by 2027 based on a report by TechSci Research published in July 2022.

The rise in non-communicable diseases ("NCDs") such as heart disease, cancer, chronic respiratory disease, and diabetes which are the leading causes of death worldwide is increasing the demand for regular check-ups and multiple tests. In Malaysia, the prevalence of NCDs has increased during the last two decade[3]. People with NCDs are more likely to experience additional consequences that can dramatically deteriorate their health.

As such, the growing aging population and the rise of NCDs in the country will lead to more visits to diagnostic centers for disease diagnosis before hospitalisation, enhancing the growth of the Malaysia diagnostic labs market.

The expanding interest in genetic testing also drives the market. Genetic testing helps patients make significant choices in the treatment or early discovery of genetic problems. The high occurrence rate of irresistible illnesses in Malaysia, as well as developing attention to the significance of early diagnosis and accuracy in test analysis, is expanding the patients' visits to diagnostic laboratories for testing.

Meanwhile, the Digital Health data by Statista which was recently updated in June 2024 highlighted that the revenue in the Digital Health market is projected to reach USD 171.90 billion in the year 2024.

The Digital Health market encompasses a broad scope of technologies that range from mobile health apps to connect wearable devices to telemedicine. The ubiquitous use of the internet and smartphones along with the shifting tendency towards healthier lifestyles and increased well-being have sparked significant growth in this market. The COVID-19 pandemic has positively accelerated growth in the Digital Health market by making healthcare and self-monitoring of health conditions more accessible to the public.

The projected revenue in the Digital Health market in Malaysia according to data by Statista is estimated to reach US$534.10m in 2024. It is expected to experience an annual growth rate of 9.89% (CAGR 2024-2029), leading to a projected market volume of US$855.70m by 2029. The average revenue per user ("ARPU") is forecasted to be US$43.96.

At present, the Group is dedicated to amplifying sales for the array of products and services in this segment. This encompasses a diversified range of general healthcare-related offerings which include laboratory diagnostic services, genomics and biochemistry screening and distribution of other healthcare and pharmaceutical products via digital healthcare platform solutions connecting consumers, health practitioners and e-marketplace.

Notes:

2 – Research by Kenanga, Sector Update, 7 March 2024

3 – National Library of Medicine, 20 June 2014

MANAGEMENT DISCUSSION & ANALYSIS DISCLOSURES (CONT'D)

OPERATIONS REVIEW (CONT'D)

Strategic Investment

The Group consistently seeks promising business ventures and opportunities to enhance its current portfolio. As part of its investment approach, the Group intends to strategically hold stakes in publicly listed companies. Investments made are considered to have synergistic potential that can be realised through innovative approaches and collaborative efforts.

On 14 July 2023, the Group acquired a substantial stake in Classita, representing 32.61% equity interest in Classita for a total cash purchase consideration of RM60.32 million. Classita is a public company listed on the Main Market of Bursa Securities. Classita and its subsidiaries ("Classita Group") are principally engaged in the businesses of property development and construction, manufacturing and sales of undergarments as well as direct selling and retail of ladies undergarment, childcare and maternity products and other consumer products.

The investment is viewed as an opportunity for Hong Seng to invest in Classita Group's undergarments manufacturing and property development and construction businesses.

For undergarments manufacturing business, Classita Group has been continuously seeking to penetrate into new export markets, while optimising operational costs through the strategic partnerships in Myanmar and Indonesia. Classita aims to enhance its presence beyond Europe, Canada, USA, and Hong Kong markets to expand its business and customer base. Classita Group's manufacturing business has been the major contributor to its revenue, accounting for more than 85% of its total revenue for the past 3 years. This business is expected to remain as the major contributor to its revenue. Classita Group has been exporting lingerie to amongst others, Germany, Canada, United States of America, and Hong Kong and is continuously seeking to penetrate other countries. To date, Classita Group has received enquiries to manufacture OEM products from Turkey and France.

The Malaysia lingerie market is anticipated to witness a CAGR of 4.2% during the forecast period, 2020-2026. The rising demand for fashionable, comfortable and stylish lingerie products across Malaysia due to growing awareness about fashion trends among women is driving the growth of the Malaysia lingerie market. Additionally, increasing disposable incomes coupled with changing lifestyles are some other factors that have led to an increase in spending power on consumer goods like lingerie items in Malaysia. Furthermore, easy availability of various products through online retail channels has further encouraged consumers inclination towards purchasing branded and fashionable innerwear garments from renowned local as well as international e-commerce players operating in Malaysia.

Moreover, manufacturers are focusing on developing new designs by incorporating modern technology like seamless manufacturing processes which can offer better comfort along with more aesthetic appeal for customers at competitive prices. All these factors are expected to bolster the growth of the Malaysia lingerie market during 2020-2026[4].

Additionally, Classita Group has realigned its property business following the gradual recovery of the property sector and is actively seeking for potential development projects to expand its footprint. Based on the State of Pahang Structure Plan 2050 as prepared by the Pahang State Government, the demand for housing is projected to increase by an average of 7% to 8% in the Bentong District[5].

Thus, Classita Group's ongoing development project in Bentong, Pahang, which focuses on healthy living themes aligns with current market demand, indicating growth potential. Classita Group's strategic land banks with potential high development value are also expected to further contribute to its promising prospects in the property industry.

Classita Group also intends to expand its property development and construction segment via various other initiatives such as acquisition of companies involved in the property development and construction segment as well as acquisition of investment properties in strategic locations or acquire land banks for potential development.

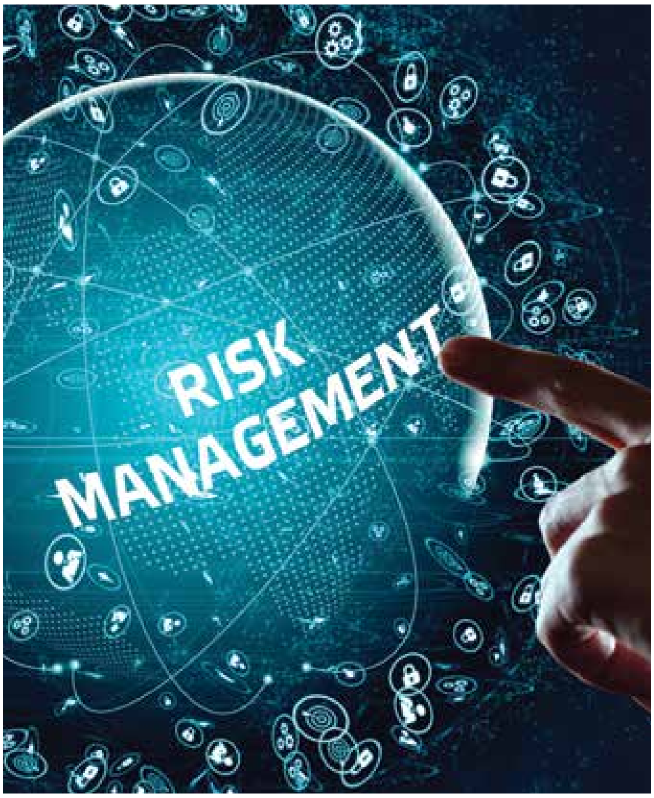
Hong Seng believes that the investment will bring sustainable value and benefits to the Group, considering Classita Group's aforementioned potential and its prospects. Classita Goup's existing property development projects and strategic land banks with potential high development value, as well as its healthy cash flow position after the completion of rights issue exercise are expected to contribute to Classita's future performance and value, which in turn is expected to enhance the value of the investment made by the Company.

Note:

4 – 6Wresearch:Malaysia Lingerie Market (2024-2030)- Growth, Analysis, Outlook, Companies, Value, Forecast, Share, Size, Industry, Revenue & Trends

5 – Abridged Prospectus dated 14 June 2023, Classita Holdings Berhad

RISK MANAGEMENT



Credit Risk

The Group's exposure to credit risk arises primarily from our financial services segment. The loans provided range from secured and unsecured loans, individual loans, to enterprise loans. Due to financial difficulties and limited cash flow, there is a chance that the borrower will postpone or default on the repayment scheduled.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, and credit checks using a more stringent process of vetting customer's profiles. The Group will request for collateral from the borrower if the Group assesses the borrower to be of higher risk.

The uncertain global and modest domestic economies potentially pose a challenge to the Group's credit risk in relation to longer collection periods and potentially lead to loss arising from irrecoverable trade receivables. The Group seeks to limit this credit risk through prudent management policies, continuous review and evaluation of the credit status of trade receivables and working closely with the Group's partners.

Fluctuation in the Market Value of Quoted Equity Securities

With the latest investment in quoted securities, the Group finds itself susceptible to the uncertainties and fluctuations in both local and global economies, which directly impact our capital markets. The profitability of the Group is highly dependent on the market price performance of quoted equity securities which lead to fluctuations in the fair value of the Group's investments. In addition to market volatility, our exposure to liquidity risks has increased due to our substantial holdings in publicly traded securities.

However, these risks can be partially alleviated through effective portfolio management and forward-thinking initiatives led by our Board, which are entrusted with the responsibility of ensuring that strategies are executed in alignment with the Group's best interest, thereby contributing to risk mitigation.

Risks Relating to the Supply and Demand of Rubber Gloves

As glove industry leaders continue to close up obsolete or inefficient production lines or decommission plants, the demand for gloves remains sluggish, as consumers are in the midst of depleting their existing inventory reserves. Additionally, the average selling price has remained low and stagnant. Compounding this, long sales cycles with major customers have resulted in the challenge of a sudden influx of numerous large orders simultaneously.

On the flip side, as consumers continue using up their inventories, the demand for gloves are slowly increasing. According to a local research house, the demand-supply situation of gloves will only start to head towards equilibrium in 2025, when there is virtually no more new capacity coming on stream, while global demand for gloves continues to rise by 15% per annum underpinned by rising hygiene awareness.[6].

Note:
6 – Research by Kenanga, Sector Update, 6 January 2023

MANAGEMENT DISCUSSION & ANALYSIS DISCLOSURES (CONT'D)

RISK MANAGEMENT (CONT'D)

Competition Risk

Similar to many businesses, the Group faces intense competition from existing competitors and new entrants. These competitions may impact the Group's market share, revenue, and profitability. The Group's ability to compete depends on many factors, amongst others, the principal elements of competition include quality, innovation in products and technologies, expertise, pricing, reliability, reputation, brand name, and customer service.

Although, there can be no assurance that the Group would be able to sustain its competitiveness against current and future competitors, the Board and the management are constantly devising strategies and plans to mitigate the impact of the competition on our businesses through various initiatives such as sales and marketing efforts, partnerships and government's support or endorsement.

Political, Economic and Regulatory Risk

The Group remains exposed to external risks brought upon by changes in the economic, political, and regulatory environments. Changes in interest rates, inflation rates, employment regulations, fiscal and monetary policies and regulations relating to taxation, licensing or business permits relating to our Group's business as well as other uncertainties may affect our financial condition and results of operations.

In the past, the COVID-19 pandemic and its resultant impact on the global economy, had temporarily impacted the Group's operations and financial performance. While we will continue to take measures to undertake careful financial planning and ensure efficient operating procedures, there is no assurance that adverse political and economic conditions will not materially affect our business. However, with our continuous effort to diversify and expand our customer base and business, we could reduce the susceptibility of our financial performance to any political, economic and regulatory changes.

FUTURE PLANS AND PROSPECTS

In navigating the complex economic and business landscape, Hong Seng is determined to bolster our strategic efforts while remaining attuned to prevailing market conditions. This approach serves as a cushion against potential adverse outcomes, at the same time creating the opportunity for the Group to deliver higher returns to our investors and shareholders.

While the overall impact remains to be seen, it is crucial to acknowledge the prevailing uncertainty and fragility in the global and domestic economic landscape. Various challenges, including inflationary pressures, currency depreciation, supply disruptions, and labour shortages, continue to contribute to a volatile and unpredictable business environment. However, we remain vigilant and are implementing strategies to mitigate potential risks, ensuring the resilience and adaptability of our operations.

The Board is cautious of the above and has since embarked on multiple initiatives in an effort to contain both the direct and indirect cost, as well as conducting strategic review on its business model and group structure in order to allow the Group to remain competitive.

To this end, the Group is continually in pursuit of potential business ventures and opportunities to increase our income streams while exercising due care in considering the potential risks and benefits associated with such venture and investments, and any undertakings of the above will be valued accretive to the Group. The Group is also actively exploring opportunities in other markets that offer potential for collaboration and cross-selling of products and services. Our proactive approach and vigilance will ensure that we maintain a strong and resilient stance, safeguarding the interests of our stakeholders.

DIVIDEND POLICY

The Board has not adopted a dividend policy. The Board does not recommend any payment of dividend for the FPE 2024.

ABOUT THIS STATEMENT

Hong Seng Consolidated Berhad ("**Hong Seng**" or "**the Company**") is proud to present its Sustainability Statement ("**Statement**") for the financial period ended 31 March 2024 ("**FPE 2024**").

This Statement presents our continued commitment towards sustainability and the impact on economics, environment, social and governance. It presents information and developments related to our practices and performances concerning sustainability matters during the financial period under review.

In this report, we will highlight and discuss Economics, Environmental, Social and Governance ("**EESG**") related matters and our approach and efforts in issues concerning sustainability, particularly, improving and integrating sustainability into our day-to-day operations and business planning.

As a result, this Statement provides a clear and concise account of what sustainability means to us, and how Hong Seng will strive to deliver long-term value to our shareholders and stakeholders, especially our customers, suppliers, regulatory authorities, employees, and communities around us.

We encourage and welcome feedback from stakeholders in relation to our Statement by contacting us at esg@hongseng.com.my

Assurance Statement

The information presented in the Sustainability Statement has not undergone assurance by our internal audit function or any other independent sustainability or ESG assurance provider. The Board has reviewed the information provided herein and is satisfied that the information is supported with underlying records and arrived at based on management's judgement.

Limitations

Hong Seng acknowledges that ongoing challenges in collecting certain data indicators and is actively working towards improving data collection and performance monitoring in relation to our sustainability matters.

SUSTAINABILITY FRAMEWORK AND STANDARDS

Hong Seng develops the Statement according to best practices sustainability framework, standards, and guidelines, such as –

(i) Main Market Listing Requirements, issued by the Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"),
(ii) Sustainability Reporting Guidelines issued by Bursa Malaysia, and
(iii) The United Nation's Sustainable Development Goals ("**UNSDG**").

Compliance with all relevant regulations and legislation and being sustainable is a core part of our business decision-making process, especially in our risk management planning.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY APPROACH

We stress the importance of embedding sustainability into our business and approach towards our shareholders and stakeholders, such as our customers, suppliers, regulatory authorities, employees, and communities around us.

The sustainability approach of Hong Seng is based on the pillars of EESG which form the main pillars of sustainability. The emphasis is equal to incorporate economic, environmental, social and governance factors into our day-to-day operations and decision-making in our business planning.

The negative impact from the Covid-19 pandemic over the last 3 years reminded Hong Seng and its subsidiaries ("**the Group**") of the importance of being sustainable in ensuring our survival during a crisis, enhancing our risk management outlook and the importance of our stakeholders especially in taking care of our employees and communities around us, which will provide us the platform to plan on a sustainable basis.

We ensure all our internal stakeholders are aware of their commitment to sustainability, in terms of the approaches and initiatives. Hence, we continue to encourage our directors and employees especially our Head of Divisions and departments to attend seminars, workshops and talks related to sustainability or EESG matters that are relevant to our business planning, risk management and business operations.

REPORTING SCOPE

This Statement covers the sustainability performance of the Group and all its active ongoing business within Malaysia during FPE 2024, unless stated otherwise.

The core business segments of the Group are as follows:

(i) **Investment Holding Segment**
Investment holding

(ii) **Healthcare Segment**
Marketplace medical diagnostic and research laboratory and wholesale of pharmaceutical and medical goods

(iii) **Financial Services Segment**
Moneylending

(iv) **Glove Segment**
Manufacturing and trading of glove

The functional currency for the Group is in Ringgit Malaysia with "RM" sign. The group structures as shown in page 3 of this Annual Report.

SUSTAINABILITY GOVERNANCE STRUCTURE

Hong Seng believes in the importance of having a proper and functional governance structure. Most importantly, we recognize and conduct our business in a sustainable manner and in accordance with the applicable laws and principles of good governance and highest standards of integrity. We must ensure that the governance structure has transparency and accountability in executing its approach and strategies in sustainability, with clearly defined roles and responsibilities for effective decision-making and implementation.

During FPE 2024, the Board of Directors ("Board") was assisted by the Senior Management and divisional management in the oversight of sustainability practices. The Board carefully evaluated and determined all matters related to sustainability concerning the Group. The Management team was tasked in executing and implementing our sustainability initiatives.

Hong Seng looks to ensure sustainability is embedded across all aspects of its organization, the responsibilities of our Board and its Committees will be broadened to encompass elements of sustainability. The Board is ultimately responsible for the strategic direction of the Group on sustainability while being supported by the respective Committees, by virtue of delegation.

On 29 November 2023, the Board expanded the functions of their Audit Committee ("AC") by incorporating matters concerning sustainability into its functions and duties. The AC will be involved in all sustainability-related matters across the Group, including decision-making process, implementation of actions and strategies, and overseeing ESG-related performance and measurements. The AC will be assisted by a Sustainability Working Group ("SWG").

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

Board of Directors

The Board provides oversight to the sustainability practices across the Group, which is supported by the AC.

Audit Committee

The AC comprising members of the Board, will develop and map out sustainability material matters and issues relevant to the Group and incorporate sustainability practices into the business model, which encompasses risks and opportunities.

Sustainability Working Group

The SWG comprises representatives of divisions and departments and will be tasked to execute policies and practices in respect of sustainability and ESG related matters. SWG also ensures the implementation and execution of sustainability strategies that align to business operations.

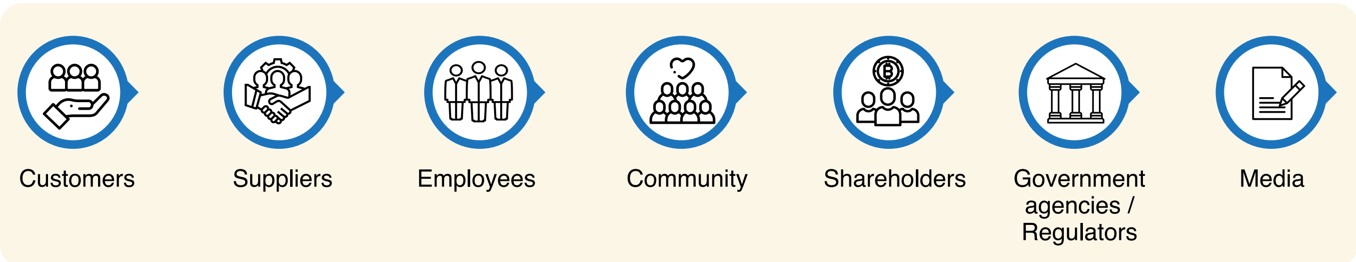
The Board strives to continuously be equipped with the necessary knowledge regarding the management of sustainability to drive informed decision-making by attending training and events on the latest on sustainability. The Board is also cognizant of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen board leadership and oversight of sustainability matters.

STAKEHOLDER ENGAGEMENT

Hong Seng believes in engaging with various groups of stakeholders regularly to provide updates to them on our latest sustainability initiatives and address areas of concern, as well as ensuring the Group conducts sustainable practices and create long-term value for our stakeholders. Most importantly, we aim to achieve a mutually beneficial outcome for the Group and our stakeholders.

Our stakeholders are our business partners and play a key role in providing solutions to our day-to-day business operations and growth amid the challenges in the local and global economy. As such, it is important for us to ensure that all legitimate concerns and expectations from our stakeholders are taken into consideration through established measures and processes.

The Group has a broad range of stakeholder groups that influence or are affected by our activities. Our key stakeholder groups include –



The stakeholder groups were identified on their different levels of influence over and dependence on our business. The Group aims to maintain constructive channels of communication with all our key stakeholder groups. As a result, we conduct regular engagements through formal and informal channels, and through these interactions, we identify relevant material issues and provide insights into emerging opportunities and risks whilst responding to their needs effectively.

Apart from that an open and transparent communication manner is always our key priority to maintaining our stakeholder trust. We operate our business especially in risk management, forcing us to be innovative in the way we conduct our business operations, especially in safeguarding the welfare of our employees.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder	Engagement Channels	Area of Concerns	Our Response
Shareholders / Investors	- Annual general meetings - Annual reports, quarterly report & announcement - Audited financial statement	- Current and projected growth opportunities and threats - Funding needs - Risk management - Corporate governance - Sustainability/ESG-compliant and initiatives - Board representation and diversity - Succession plan	- Timeliness in information updates - Sound investor relation - Uphold good corporate governance - Clear outline sustainability strategies
Board of Directors	- Board meetings - Company organized events - Annual general meetings	- Corporate governance - Company strategy & direction	- Economic sustainability - Corporate governance and ethics
Customers	- Customer Satisfaction Survey ("**CSS**") - Customer Service Channel Regular visits & meetings - Exhibitions	- Products and services quality - On time delivery - Stock availability - Customer relations management	- Quality of product and services - Response to customer service - Update on customer demand - Innovative and ESG driven design without comprising quality and value
Suppliers / Vendors	- Interviews - Feedback survey - Ongoing meetings and interactions - Suppliers/subcontractors' performance evaluation	- Enhancing ethical and fair procurement system - Pricing of services	- Improvement in procurement process and payment - Transparent procurement processes - Clear communication with suppliers
Employees / Management	- Workshop discussions - Induction training - Learning and development programs - Employee performance appraisal - Corporate memos, letters, and emails - Employee meetings - Employee engagement surveys - Computer screensaver - Monthly operation meeting - Weekly coordinating meeting - Ongoing meetings and interactions - Board and Board Committee meetings - Site visits - Job training	- Business growth and strategic direction - Health and safety at workplace - Inclusive work environment - Rewards and recognition for performance - Remuneration and benefits - Career development and upskilling opportunities - Employee satisfaction	- Promote transparent communication - Equal employment opportunities - Promote Diversity, Equity and Inclusion ("**DEI**") - Offer industry-competitive remuneration and compensation package - Ensure compliance with Occupational Safety and Health Act ("**OSHA**")

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder	Engagement Channels	Area of Concerns	Our Response
Community	- Corporate volunteering programs - Contributions and donations - Public community events	- Corporate social responsibility - Impact on community	- Budget and annual plan for CSR programs - Adoption of welfare programs
Government Agencies / Regulators	- Participation in government and regulatory events/ briefings/ dialogues - Inspections by local authorities and regulators - Audit and verification - Approvals and permits - Occupational safety and health - Environmental management and compliance - Training programs for employees - Meetings with employees - Meetings with management team responsible for compliance	- Regulatory compliance - Approvals and permits - Occupational safety and health - Environmental management and compliance - Tax transparency - Anti-Bribery & Anti-Corruption	- Regular review and monitoring of compliance requirements - Adoption of practices outlined in the Malaysian Code of Corporate Governance ("**MCCG**") - Show of support for government initiatives
Media	- Press releases - Press conferences - Media center official website	- Company's reputation - Business continuity - Transparency of the business	- Transparent ad timeliness reporting - Strong rapport

SUSTAINABILITY THEMES

In our efforts to achieve a sustainable growth, we constantly monitor and deliberate on the industry trends, challenges faced in our business operations and stakeholder expectations, to produce sustainable long-term value to shareholders and stakeholders, especially the community around us.

We segmentized sustainability management into three themes:

ECONOMICS	ENVIRONMENTAL	SOCIAL AND GOVERNANCE
Customers Vendors/ suppliers/ Contractors Investors/ shareholders	Waste Energy	Employees/ Management/ Directors Community Authorities Media
• Creating economic value for our stakeholders • Prioritising safety and productivity • Offering innovative solutions to our customers	• Respecting the environment • Consistently striving to lower our energy consumption and carbon emissions • Efficiently managing our wastage	• Prioritizing the safety and well-being of our people • Conducting business ethically and with transparency • Engaging with and supporting our communities • Compliance of all requirements from local councils and authorities

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT

The Group is cognizant of the fact that our material issues can directly and indirectly impact on our ability to create long-term value for our stakeholders. We believe that conducting a full-scale materiality assessment during the financial period involving our key internal and external stakeholders will ensure that their interests and concerns are addressed.

The materiality assessment is to ensure that material matters are relevant and will remain relevant until the next materiality assessment. This will help in our approach to managing the sustainability risks and opportunities posed to our businesses and help us in ensuring that we prioritise the issues that have the greatest impact on our sustainability strategies and operation.

In the materiality assessment, we concluded that all our identified 15 material matters are aligned with our strategic priorities and stakeholder expectations. These matters were further categorized into sustainability themes, providing us with a focused approach to achieving our sustainability objectives. These were also benchmarked against our local and regional peers as well as considered emerging risks and relevant frameworks.

The result from the materiality assessment is presented in this Sustainability Statement.

Our top 15 material matters are as follows:

Our Business Performance	Our Environmental Management	Our People	Our Outreach
• Supply chain management • Business conduct, ethics & compliance • Financial performance • Product & service quality • Customer satisfaction & relationship • Technology, innovation & development	• Climate change & environmental issue • Material management • Energy management • Waste management	• Attracting, developing, rewarding & retaining employees • Labour practices & rights • Employee well-being, health & safety • Diversity & inclusion	• Local community & social impact

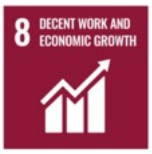
We strongly support the UNSDG's 2030 Global Goals where the 17 identified Goals are to lead communities, corporations, and governments into creating a better world for all of us.

During FPE 2024, we internally selected the relevance of our chose United Nation's SDG by taking into consideration our material matters, business strategies, principal risks, stakeholder influence and effects on our community.

MATERIALITY ASSESSMENT (CONT'D)

The 3 SDGs that were identified as the most relevant are as follows:

HONG SENG'S TOP THREE SDGS

Sustainable Development Goals	Definition	Key Stakeholders Impacted
	Ensure healthy lives and promote wellbeing for all at all ages	• Employees/ Management/ Directors • Community
	Promote sustainable economic growth, full and productive employment, and decent work for all	• Customers • Investors and shareholders • Employees/ Management/ Directors • Community
	Ensure sustainable consumption and production patterns	• Customers • Community • Vendors/suppliers/ Contractors

RISK MANAGEMENT

Hong Seng aligns its risk management process to build readiness and resilience through the identification and management of potential risks encountered by the Group. We have integrated our risk management with sustainability risks, in addition to our corporate, operational and financial risks. The Group ensures all identified risks remain within our capacity, capability and risk appetite through constant revision and monitoring by our designated risk owners and the AC.

Material Matters	Risks	Opportunities
Our Business Performance		
Supply Chain Management	Non-compliance by suppliers, vendors and contractors affects our ethical principles, and safety culture which could expose business to operational disruptions.	Sound procurement governance attracts and retains credible suppliers, vendors and contractors. Regular assessment includes ESG assessment to uphold our commitment and high standards towards ESG aspects.

SUSTAINABILITY STATEMENT (CONT'D)

RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
Our Business Performance (Cont'd)		
Business Conduct, Ethics & Compliance	Poor corporate governance practices tarnish reputation, credibility, and image.	Effective corporate governance practices enhance our reputation as a trustworthy group amongst stakeholders.
Financial Performance	Poor financial performance threatens credit worthiness and business continuity, and loss of investment opportunity.	Sustainable financial performance attracts investors and delivers long-term value for all stakeholders.
Product & Service Quality	Poor product and service quality lead to erosion of customers' confidence and long-term prospects. Reputation risk.	Excellent product and service quality attract long-term business prospects and higher margins.
Customer Satisfaction & Relationship	Inability to meet customers' expectations impacts customers' confidence and loyalty that leads to lower revenue.	Regular and consistent customer engagements facilitate continuous improvement to meet customers' expectations.
Technology, Innovation & Development	Cyber threats including loss of sensitive information such as intellectual property designs and breach of customers' data may lead to loss of customer trust and reputational harm.	Robust cybersecurity and improved data management protects critical internal information and data, such as customer data, and maintains trust in the Group.
Our Environmental Management		
Environmental Issue	Non-compliance with environmental/ climate-related regulations leads to potential financial and trade penalties especially in export markets.	Effective mitigation and adaptation strategy ensures business continuity and potential trade barriers.
Material Management	Failure to meet stakeholders' demand for the use of sustainable materials may result in a loss of sales and/or market share.	Opting for sustainable materials enhances brand image and attracts more sustainably minded customers and investors.
Energy Management	Poor energy management leads to inefficiency, higher costs and potential scarcity of energy resources.	Efficient energy management may reduce operational costs and promote energy conservation behaviors.
Waste Management	Non-compliance with environmental regulations results in consequences from authorities and activists. Reputation risk.	Waste reduction and increased resource efficiency can result in cost savings for operations.
Our People		
Employees	Disengaged and underdeveloped employees contribute to lower productivity and performance. Unattractive remuneration and compensation packages affect employees' motivation.	Effective talent development and upskilling programs with attractive benefits packages enable employee retention and attraction of top-quality talent as well as contribute to a high-performance culture.
Labour Practices & Human Rights	Breaches in labour practices and human rights practices lead to regulatory penalties, damage in reputation, and impact employee retention and culture.	Strong labor practices and human rights practices reinforce reputation as a responsible employer.

RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
Our People (Cont'd)		
Employee Well Being, Health & Safety	Accidents and injuries lead to productivity loss, legal repercussions, and reputational damage.	Solid safety culture with conducive working environment improves employees' well-being and productivity and maintains reputation.
Diversity, Equity & Inclusion	Discriminatory employment practices damage reputation.	Inclusive, diverse, and empowering work culture attracts talents and brin a range of viewpoints that enhances the quality of decision-making.
Our Outreach		
Local Community and Social Impact	Business activities that negatively impact communities affect our social license to operate.	Regular engagements through community impact programs strengthen our relationship with local communities.

MATERIALITY MATRIX

Hong Seng views materiality as a critical part of our corporate sustainability strategy especially when we are in an environment that is volatile and unpredictable. We need to ensure that we can provide our stakeholders with the sustainability information most relevant to them and applicable to our business operations.

During FPE 2024, we conducted a systematic materiality assessment process, which was guided principally by the Bursa Malaysia Sustainability Reporting Guide and their toolkits, EESG indicators.

Our SWG identified all relevant sustainability aspects for our business, in conjunction with our operating context that was discussed earlier. We considered the following:

i. issues that matter to the Group's business performance;
ii. issues that matter to the Group's stakeholders; and
iii. issues that presently have or could potentially have an impact on the Group.

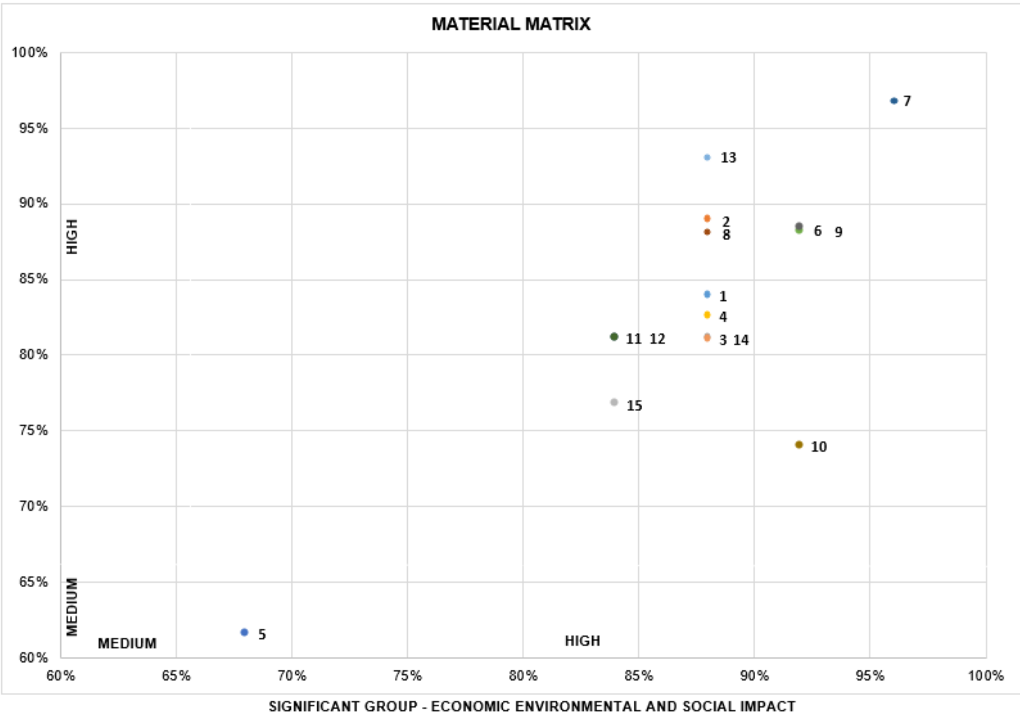
This initial analysis was then refined to identify 'material' sustainability aspects, based on:

i. The significance of their impact on economic, environmental, and social matters; or
ii. The extent of their influence on the assessments and decisions of our stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY MATRIX (CONT'D)

Our materiality matrix for FPE 2024 is shown below:



1 CLIMATE CHANGE & ENVIRONMENTAL ISSUE
2 MATERIAL MANAGEMENT
3 ENERGY MANAGEMENT
4 WASTE MANAGEMENT
5 SUPPLY CHAIN MANAGEMENT
6 BUSINESS CONDUCT, ETHICS & COMPLIANCE
7 FINANCIAL PERFORMANCE
8 PRODUCT & SERVICE QUALITY
9 CUSTOMER SATISFACTION & RELATIONSHIP
10 TECHNOLOGY, INNOVATION & DEVELOPMENT
11 ATTRACTING, DEVELOPING, REWARDING & RETAINING EMPLOYEES
12 LABOUR PRACTICES & RIGHTS
13 EMPLOYEE WELL-BEING, HEALTH AND SAFETY
14 LOCAL COMMUNITY & SOCIAL IMPACT
15 DIVERSITY & INCLUSION

OUR BUSINESS PERFORMANCE

Economic Performance

Hong Seng is steadfast with its primary objective in maintaining ourselves as a major market player in our business segments. We continue to strive to maintain this goal by constantly delivering innovative and cutting-edge solutions to all our business segments.

The financial performance of the Group reflects our commitment to creating long-term value while supporting the sustainability agenda of the Group. We strive to promote economic development within our local communities while providing employment opportunities. As a responsible corporate citizen, Hong Seng wants to ensure long-term sustainable resilience among its stakeholders and itself.

Our approach to sustaining and registering robust economic performance is by ensuring our business strategy stays relevant to the current and foreseeable future trend, supported by the latest in technology advancement and a talented team of human resource, and funded by healthy cash flow and a robust balance sheet. We are also mindful of the identifiable and inherent risks faced by our businesses and take strategic steps in mitigating such risks.

OUR BUSINESS PERFORMANCE (CONT'D)

Financial Performance

	1 Oct 2022 – 31 Mac 2024 (18 months) RM'000	1 Oct 2021 – 30 Sep 2022 (12 months) RM'000	1 Apr 2020 – 30 Sep 2021 (18 months) RM'000
Revenue	22,422	198,401	146,969
Profit Before Tax	(99,365)	119,170	69,848
Profit After Tax	(101,275)	102,372	58,870
Shareholders' Fund	299,272	388,327	272,417
Total assets	345,872	431,939	336,625

The Group changed its financial year end from 30 September 2023 to 31 March 2024, resulting in an 18 months financial period. As a result, there is no comparative figure for the period-to-date.

Product And Service Quality

Hong Seng demonstrates its commitment to delivering high-quality and safe products and services in accordance with the standards upheld by certification bodies. Our products reinforce Hong Seng's presence and branding, encourage customer loyalty and promote business viability. Our customers are the core of our operations, and we work hard to ensure that our products and services remain highly relevant to their requirements and affordable.

We are cognizant that most of our customers are adopting ESG practices in their operations to ensure their businesses are conducted on a sustainable manner. Therefore, Hong Seng is to step up its adoption of ESG to align with the expectations of these major customers.

Healthcare Segment

The Healthcare segment consists of providing diagnostic and health screening laboratory services and wholesale of pharmaceutical medical and healthcare products via a digital healthcare platform. This segment has contributed a cumulative revenue of RM8.4 million but incurred a loss before tax of RM18.3 million during FPE 2024. The loss is mainly due to impairment of goodwill and plant and equipment and inventory written-off resulting from the weak performance in the healthcare segment.

Hong Seng is seeking various channels to increase revenue from its array of products and services.

Financial Services Segment

The Financial Services segment consists of moneylending business that provides loans to third party corporate loan debtors and individual loan debtors.

During the FPE 2024, the financial services segment was profitable by generating a profit before tax of RM4.7 million, on the back of a revenue of RM7.9 million. The moneylending business extended RM97.2 million of loans/advances to during the financial period under review.

Gloves Segment

The gloves segment is involved in the manufacturing and trading of gloves to the local and international markets. This segment contributed a cumulative revenue of RM6.0 million in the financial period-to-date. The gloves segment faced tremendously headwind during the financial period, mainly due to stiff competition from both local and international glove markets, resulting in lower revenue coupled with rise in labour and overhead costs. Higher operating cost and impairment resulted in the glove segment recording a loss before tax of RM73.6 million.

Hong Seng plans to focus on improving the performance of the gloves segment through cost improvement as well as directing efforts toward securing new potential customers.

SUSTAINABILITY STATEMENT (CONT'D)

OUR BUSINESS PERFORMANCE (CONT'D)

Product And Service Quality (Cont'd)

Gloves Segment (Cont'd)

During FPE 2024, the Group performed an impairment assessment on its plant and equipment, receivables, investments and goodwill, and had incurred impairment losses on the following:-

(i) Impairment of goodwill in the healthcare segment because of the weak performance in the healthcare segment,
(ii) Impairment of plant and equipment in the gloves segment,
(iii) Impairment of receivables in the gloves segment, largely due to the soft market demand over gloves products, and
(iv) Impairment of investment in an associate mainly due to unfavourable market sentiments and expectations in the segments in which the associate is operating.

The Group will continue to focus on effective cost management, accelerating the transformation into digitalization and sustainability across its operations to increase productivity and efficiency.

Technology, Innovation & Development

The Group provides a wide range of healthcare-related services such as providing of diagnostic and health screening laboratory services and wholesale of pharmaceutical medical and healthcare products via a digital healthcare platform. Our healthcare segment continues to utilize technology and innovation to develop products and services to cater to the latest demand of the healthcare sector.

We constantly seek technology and innovation on how to improve our delivery in the financial services segment while improving our risk assessment and management of delinquent borrowers and defaulters.

As a result, the Group constantly updates itself with the latest demand from its wide range of customers by incorporating the latest designs, innovations and technologies into our products and services. This is achieved through our periodic engagement with our stakeholders from customers, suppliers, and attending product & service developments and exhibitions around the world to keep abreast with the latest development and technology.

Certifications and Recognitions

The design and manufacturing process of the gloves segment fully complies with international compliance standards. These certifications enable us to demonstrate our compliance and commitment to high quality management practices of our healthcare-related services and manufacturing of gloves. The certifications are –

(i) ISO 13485:2016 – Medical Devices – Quality Management Systems – Requirements for regulatory purposes, for manufacturing and distribution of non-sterile nitrile examination gloves. Certified since May 2022, and

(ii) ISO 13485:2016 (EN ISO 13485:2016) for manufacturing and distribution of non-sterile nitrile examination gloves. Certified since July 2022.

OUR BUSINESS PERFORMANCE (CONT'D)

Customer Satisfaction

Hong Seng acknowledges our customers' value, and we pay high attention to our customers' experiences and feedback. Therefore, customer satisfaction is our high priority.

The Group plans to undertake a comprehensive customer satisfaction survey to enhance customer satisfaction feedback in our business development planning.

In ensuring our valued customers' satisfaction, we listen to the feedback from them by conducting annual customer satisfaction surveys and feedback. Apart from that, discussion was being held with customers on a periodic basis if needed or required by customers.

We understand the importance of these engagements where we will strengthen areas in which we receive praise while we strive to rectify areas receiving negative feedback and work on constructive suggestions. The annual customer satisfaction survey allows us to measure our performance in various aspects, for instance, product quality, delivery lead time, communication response, enquiry response, complaint response and courtesy from our staff.

Supply Chain Management

Hong Seng views its suppliers as critical partners in our business success, and any disruption to our supply chain is a key risk for our business. As a result, we always stress the importance of managing a sustainable and responsible supply chain. We trust that these sustainable practices will enable us to secure a stable sourcing of raw materials and services, enjoy cost competitiveness, and efficient and effective delivery of quality products and services.

The Covid-19 pandemic has strengthened the value of having an effective business continuity planning, including measures to ensure continuity of supply of our key inputs. We also extended our risk mitigation plan of our supply chain management for critical materials to multiple source and service providers to minimise the impact of the Covid-19 pandemic on our supply chain.

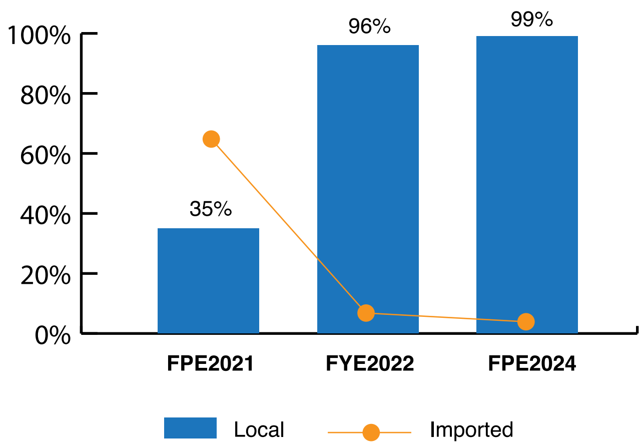
Sound supply chain management and solid procurement practices ensure our business grows on a solid platform. Suppliers are our valued business partners, and we always stress the importance of collaborating with them especially in project and product developments. This is to ensure we form a good understanding of our needs and their abilities to meet our product quality expectations.

The Group is guided by the following procedures and documents:

- Quality Procedure
- Quality Assurance and Production
- Purchasing Procedure
- New Vendor Selection and Registration
- Supplier Evaluation Form
- Vendor Performance Review
- Approval Suppliers List

The gloves segment adopts the ISO 13485:2016 Medical Devices Quality Management System.

Procurement



We constantly review and improve our supply chain management for all business segments, to ensure that we are cost efficient and effective, and sustainable in our operations.

During the FPE 2024, we sourced 99% of our procurements from local suppliers.

SUSTAINABILITY STATEMENT (CONT'D)

OUR ENVIRONMENTAL MANAGEMENT

Hong Seng acknowledges that our business involves energy consumption and Green House Gases ("**GHG**") emissions that will contribute to climate change impacts. We are aware that as a global corporate citizen, we must play a role and take on the responsibility to reduce our carbon footprint, in our effort to create a sustainable economy in a sustainable environment.

We aim to reduce our environmental footprints and establish operational resilience to deliver long-term value to our group, stakeholders and communities around us. We are guided by our Sustainable Framework and Policy, which outlines the Group's objective to effectively manage and minimize the negative impacts arising from our day-to-day business operations.

Carbon Footprint

In the 12th Malaysia Plan ("**12MP**") 2021-2025, Malaysia is committed to achieving net-zero GHG emissions by as early as year 2050. The commitment is guided by the pillars of sustainability, i.e. Economic Environment Social & Governance.

The Group is committed to support Malaysia's aspiration to achieve carbon neutrality and be net zero by year 2050. We plan to formulate our roadmap in FYE2025 to reduce our carbon emissions. The roadmap will detail our aspiration and steps on how we plan to reduce our carbon footprint. We also plan to determine to what level products embodied carbon (a large part of Scope 3 carbon emissions) can be reduced by combining our targets (Scope 1, Scope 2 and Scope 3). As part of our sustainability drive, we will need the collective action of all our stakeholders to participate in our roadmap to help reduce carbon emissions.

Greenhouse Gas

In preparing our sustainability roadmap, the Group is taking priority in addressing the management of its GHG emissions, which are categorised into 3 groups or "Scopes", according to the Greenhouse Gas Protocol ("GHG Protocol"), a widely used international accounting tool.

GHG Scopes

Scope 1

These are 'direct' emissions from owned or controlled sources.

We aggregate consumption across different fuel sources, before translating that data into a carbon footprint.

Scope 2

These are 'indirect' emissions created by the production of the energy that we purchased.

Scope 3

All other emissions that occur due to the Group's activities, but from sources that we do not own or control. Basically, it covers all indirect emissions that occur in our Group's value chain.

As a result, we will continue to explore initiatives to mitigate the negative environmental impacts generated by our business nature. Our priority will be to use sustainable materials and processes during our production process with as many eco-features and techniques as possible. Schedule waste management, water consumption, electricity consumptions and usage of petrol and diesel are given emphasis, as well as ensuring the compliance with the Department of Environment's ("DOE") regulatory requirements and standards.

The Group plans to reduce its carbon footprint with the following strategies –

(i) Managing our emissions through continuous research & development and improving our process flow,
(ii) Investing in low emissions and green technologies, and
(iii) Leveraging in partnerships and collaborations with our stakeholders

OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

Green Initiatives

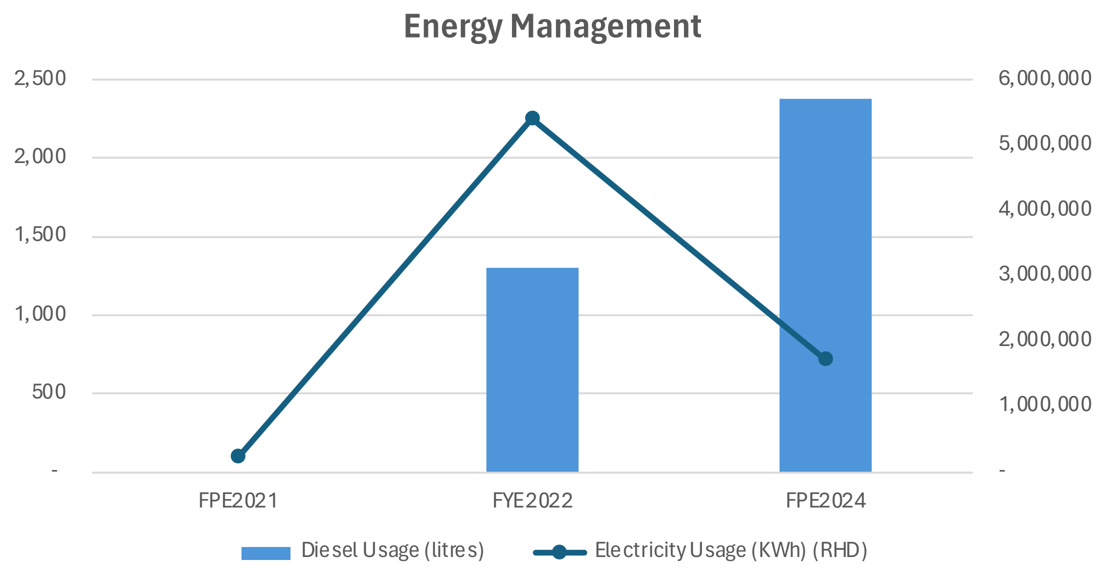
The Group continues to encourage green initiatives in its working environment, such as utilizing high power factor LED lights and inverter-type air conditioning system, and the switching off lights and air-conditioning when there are no occupants in a certain area especially during long breaks and after working hours. In addition, we also periodically upgrade our office equipment, computers and laptops to more energy efficient models and with power-saving features.

For computers that still can be used, we maintain them as back-up computers in the event of any computer break-down and cannot be repaired immediately. For end-of-life computers, we will engage certified scrap collectors to collect and dispose of them in an environmentally friendly manner.

Energy Management

	1 Apr 2020 – 30 Sep 2021 (18 Months)	1 Oct 2021 – 30 Sep 2022 (12 Months)	1 Oct 2022 – 31 Mac 2024 (18 Months)
Electricity Usage (KWh)	237,190	5,411,868	1,729,715
Diesel Usage (litres)	-	1,300	2,378
Carbon Emission (t CO2e)	175.76	4,013.64	1,288.03

The energy consumption of the Group primarily derives from electricity due to heavy machinery usage in the manufacturing of gloves. The plunge in electricity usage during the FPE 2024 is largely due to lower production activities in gloves segment during the period under review, hence lower carbon emission.



Comparison between the last 3 financial period/years may not be meaningful as the business activities during FPE 2024, FYE 2022 and FPE 2021 were over an 18-month, 12-month and 18-month period respectively, and there was a spill-over effect from the Covid-19 pandemic into FYE 2022.

The Group is establishing a roadmap towards reducing its carbon footprint by seeking ways to improve the efficiency of our energy consumption, by utilizing energy efficient machinery and utilization of renewable energy.

SUSTAINABILITY STATEMENT (CONT'D)

OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

Waste & Water Management

Hong Seng believes in recycle, reuse and reduce the materials we utilize in our production process and day-to-day operations. These initiatives also include reducing the need to use unnecessary parts surface treatment. In addition, we make a point to recycle our used materials, papers and wrapping plastic sheets.

Appropriate Waste Storage On-Site	On-Site Inspections	Licensed Waste Contractors	Trained and Experienced Personnel
All hazardous waste is stored and labelled accordingly on-site to prevent waste contamination and leakage.	We conduct regular inspections on waste storage and other facilities to ensure handling of scheduled waste is performed accordingly.	Only licensed waste contractors are engaged for collection and disposal of hazardous waste, as authorised by regulators.	Our facility team is experienced and skilled.

Electronic Scheduled Waste Information System ("**eSWIS**") is one of the environmental mainstreaming tools maintained by the Ministry of Natural Resources, Environment and Climate Change Malaysia. eSWIS is an online portal which allows users to file any scheduled waste consignment and inventory details, review of submitted consignment notes for transfer and receiving, in an efficient and secure environment.

Waste generator, waste transporter and waste receiver shall be properly recorded, tracked, and monitored their waste movement, consignment in compliance to Environmental Quality (Scheduled Waste) Regulation 2005 and Environmental Quality (Prescribed Premises) (Scheduled Waste Treatment and Disposal Facilities) Regulation 1989).

All the scheduled waste generated shall be fully recorded into eSWIS, the details including waste information, waste code, waste name, waste component, waste type, and waste packaging. As for recurring scheduled waste, the waste code, quantity and packaging shall be updated in eSWIS.

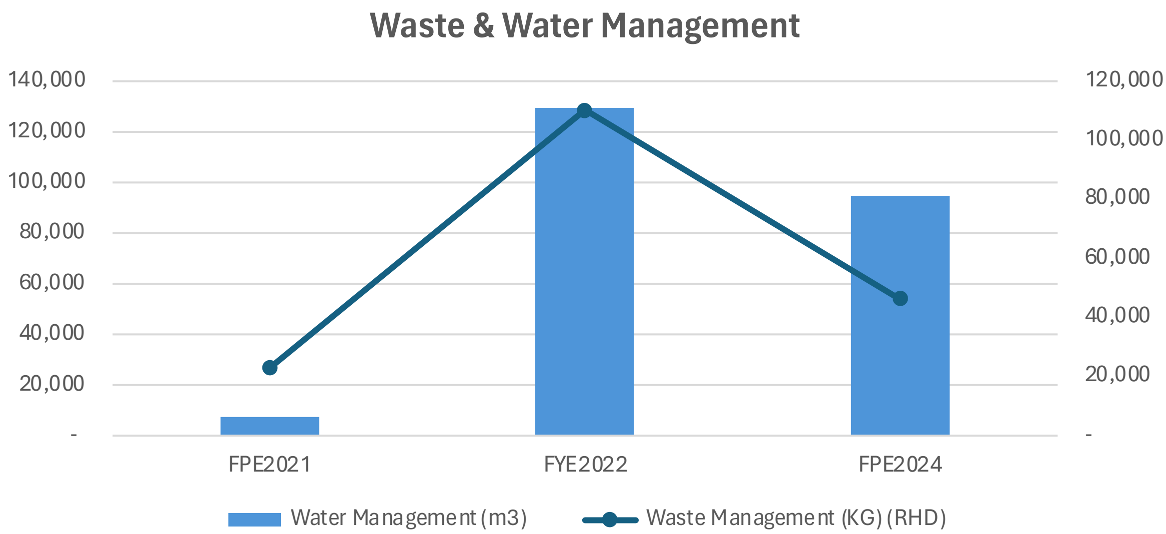
As per environmental policy of the Group, whenever our company's scheduled waste either accumulated up to 20 metric tons or stored for maximum of 6 months whichever achieved, we are required to arrange for our licensed waste contractors to collect and dispose the scheduled waste from our premise.

Currently we are controlling the waste generation at 0.5 to 1 MT per month. The waste contractor required us to fill up the Consignment Note ("**CN**") in eSWIS after the collection of the schedule waste from our premises.

The water consumption of the Group is mainly recorded from our factories manufacturing gloves as our other business segments consume very little water in their operations.

OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

Waste & Water Management (Cont'd)



We are working towards minimising the waste and water generated from our production especially in our manufacturing of gloves. We also constantly send our competent personnel to attend environmental training. This is to ensure that all the staff in the Group are aware of the scheduled waste compliance such as scheduled waste handling, labeling, packaging and storing.

OUR PEOPLE

Hong Seng strongly believes that our employees are an asset to our Group. We continuously invest in our employees as we believe that they will propel us towards achieving sustainable growth in the long term. We constantly engage with our employees to ensure that they understand our mission, culture, best practices and most importantly, our commitment to sustainability and EESG matters.

We strive to ensure that our employees derive work satisfaction while providing them with a structured career development path with opportunities to gain experience with our group of companies.

In developing our business strategy, we emphasize human rights and will never tolerate any forms of discrimination and practices. We operate our business ethically, responsibly and take initiatives to prevent incidents of sexual harassment, child labour and forced labour.

Health and Safety

Hong Seng puts top priority on matters concerning the health and safety of our most important assets, employees in our business operations and workplaces. We aim to minimize injuries and illnesses among those working within our premises by emphasizing a safe, healthy, and conducive environment. Our priority includes suppliers, contractors, and visitors to our premises. We strongly believe that such a priority will lead to improvement in efficiency and output.

Our Safety and Health Policy outlines how our business operations are conducted in a safe manner, through the implementation of various measures and controls by all levels of our workforce.

SUSTAINABILITY STATEMENT (CONT'D)

OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

Health and Safety (Cont'd)

The Group offers medical care to all its employees including periodic health screening and annual health surveillance. Medical supplies such as First-Aid Boxes are strategically located to facilitate easy access to it, in the event of medical emergencies.

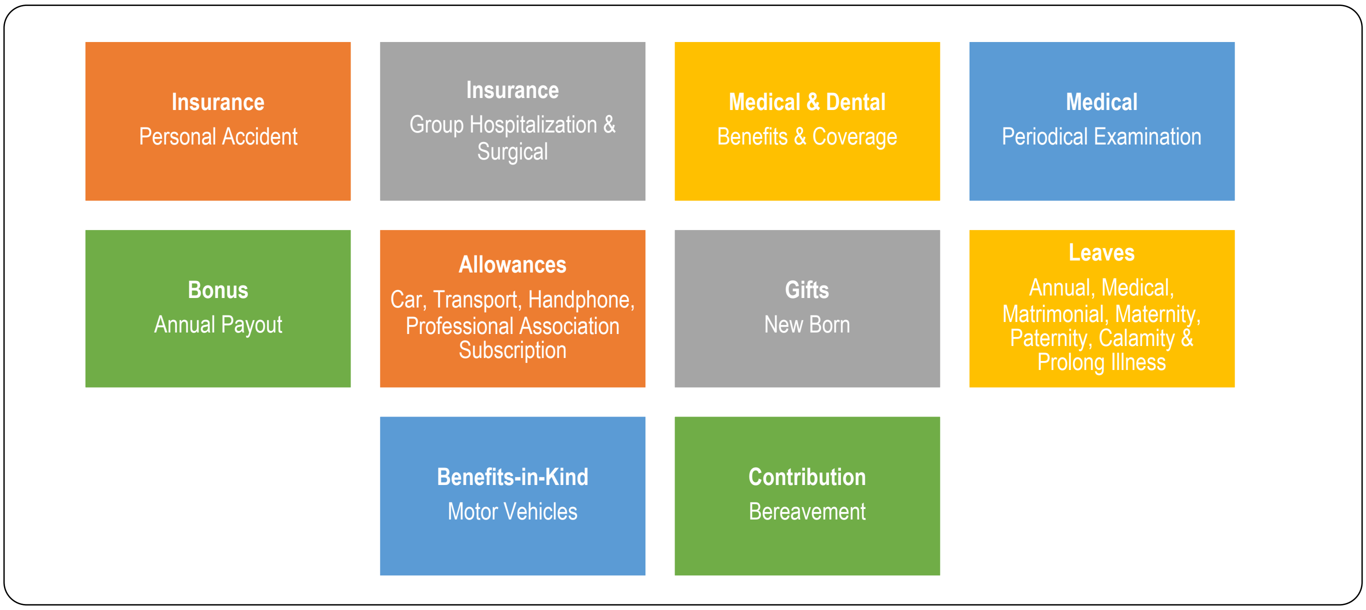
We also arrange health and safety training for our staff to deal with medical emergencies, such as performing cardiopulmonary resuscitation ("CPR"), by inviting medical professionals to conduct such training. We constantly review the relevancy of such training, especially on emergency response, hazard and risk management, as well as health and safety awareness. The Covid-19 pandemic is a good example on how important and relevant of such training in dealing with crisis.

During the FPE2024, there have not been any reported work-related fatalities.

Attracting Developing, Rewarding & Retaining Employees

Our employees are our most important asset. In recognition of our employees' contributions to the Group's continued success, we implement and adhere to the best practices of employment engagement, which include attractive remuneration, competitive compensation and benefits program, robust training, and development programs, assurance for employees' wellness, and talent retention.

The diagram below shows our benefits to our employees -



Other than the above-mentioned benefits, we also celebrate employees' birthday and various festivals such as Chinese New Year luncheon, Christmas lunch, and Majilis Buka Puasa to strengthen bonding relationship between employees and create a healthy working environment.

OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

Labour Practices & Rights

Hong Seng fosters an inclusive and diverse work environment as we emphasize upholding the labour rights of our staff force, in our efforts to nurture a healthy and conducive working environment.

Our Code of Conduct and other human resource and labour policies protect labour rights and is based on local employment regulations, such as the Malaysian Employment Act 1955, and relevant industry standards.

The labour rights we uphold include:

(i) No child labour
(ii) No forced labour
(iii) No unreasonable working hours
(iv) Fair wages
(v) Safe workplace
(vi) Human treatment
(vii) No discrimination

The Group had on 1 January 2024, implemented amendments made by the Government of Malaysia to the Employment Act 1955. The latest measures involve extending maternity leave to 98 days and offering married male employees 7 days of paternity leave, as well as a reducing maximum working hours from 48 hours to 45 hours per week.

We understand the importance of labour rights and therefore we will continue to update ourselves on any update on the Employment Act and related labour law.

During the FPE2024, the Group has not received any substantiated complaints concerning human rights violation.

Grievances Mechanism

Employees need to have an avenue to vent their dissatisfaction or grievances so that issues can surface and be addressed accordingly before they are able to spread and affect morale.

At Hong Seng, we have put in place a grievance mechanism for this purpose. We are encouraging our staff to open and speak to our Human Resource ("HR") representatives if there are any grievances.

The Group always encourages its staff to share their challenges, and based on past experiences and events, we found that our staff is willing and assured to share and speak with our HR if they have any doubt or grievances. HR then will discuss with their immediate superior or head of divisions and try to get a solution for the matter.

We have not received any grievances during FPE 2024.

SUSTAINABILITY STATEMENT (CONT'D)

ETHICS & COMPLIANCE

Hong Seng is committed to ensuring the highest standards of corporate governance throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and enhancing shareholders' value, while reinforcing confidence of our stakeholders in the group. As a result, the high standards of business ethics and compliance across the group reflect our core values, which are **Honesty, Integrity and Operational Excellence**.

We require all our employees to maintain the highest standards of conduct and integrity when conducting business with customers, suppliers, and other stakeholders. In addition, we do not tolerate any breach of the Group's Code of Ethics and Conduct ("**Code**") and encourage our employees to highlight any instances of malpractice and non-compliance.

Our corporate governance practices include the following -

Code of Ethics & Conduct	Risk Management	Internal Controls
External Audit	Anti-Bribery & Corruption Policy	Whistle-Blowing Policy

Corporate Governance

Hong Seng believes that good Corporate Governance is a pre-requisite for the Group to build sustainable long-term value for its shareholders. We are therefore guided by legislative and regulatory requirements, including corporate governance best practices published by the relevant authorities.

Our Corporate Governance Overview Statement forms part of our Annual Report.

Standards of Code of Ethics and Employees' Discipline & Conduct

Our Corporate Code comprises policies on Standards of Conduct, Business Ethics and Conflicts of Interest.

The Code encompasses the following policies –

Declaration of Interests	Human Rights	Health & Safety	Environment
Gifts & Business Courtesies	Company Records & internal Controls	Company Assets	Exclusive Service
Integrity & Professionalism	Confidential Information	Compliance Obligations	Anti-Bribery & Anti-Corruption
Insider Trading	Money Laundering	Abuse of Power	

ETHICS & COMPLIANCE (CONT'D)

Standards of Code of Ethics and Employees' Discipline & Conduct (Cont'd)

All employees of the Group are expected to comply with the Code which is adopted at all levels within the Group. It covers the principles by which behaviours are assessed and guides an employee's direct and indirect roles and responsibilities inside and outside the Group. These principles are shared with all employees and emphasized during training sessions. Upon employment in the Group, employees pledge their agreement to the Code when signing their letter of offer.

Anti-Bribery Corruption Policy

Hong Seng is fully committed to ensuring the highest business conduct, upholding integrity, and good corporate governance. The Group has zero tolerance towards corruption and bribery.

The Anti-Corruption Amendments requires Public Listed Companies ("**PLCs**") on Bursa Malaysia to establish and implement policies and procedures on anti-corruption and whistleblowing to prevent corrupt practices, which will enable PLCs to have a measure of defense against corporate liability for corruption under Section 17A of the MACC Act. In addition, the Anti-Corruption Amendments require PLCs and their board of directors to review the policies and procedures periodically or at least once every three years to assess their effectiveness. The Anti-Corruption Amendments also require PLCs to ensure that corruption risks are included in the annual risk assessment of PLCs and their group of companies.

We are glad to announce that there are no reported incidents of corruption and bribery during the financial year under review.

Whistle Blowing Policy

The Whistle Blower Protection Act 2010 provides the guide in formulating the Whistleblowing Policy ("**WBP**") of Hong Seng. This WBP provides the assurance and confidence to our employees and external parties that we have an effective channel to report on any activity that breaches our Code and/or any breach of ethics or omission by an employee of the Group.

Our WBP can be accessed from our website at **www.hongseng.com.my**. Whistle blowers can write to **whistleblowing@hongseng.com.my**.

Hong Seng confirms that there was no complaint received during the period of reporting.

DIVERSITY, EQUITY & INCLUSION

Board of Directors

In the release of the Budget of 2022, it was stated that women only hold 25% of board positions on the top 100 public listed companies in Malaysia, and 27% or 252 companies listed on Bursa Malaysia still do not have any female directors. In recognizing the role of women in the decision-making process and to strengthen the governance and effectiveness of the boards, Bursa Malaysia makes it a mandatory to have at least 1 woman director sitting in the board for all public listed companies by 1 June 2024.

The Board of Directors of Hong Seng is pleased to announce that Ms Lee Li Chain was appointed as our Executive Director ("**ED**") on 1 September 2022.

SUSTAINABILITY STATEMENT (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

Employees

As at financial period ended 2024, we have a total of 321 employees (FYE 2022 – 482 employees) and the breakdown of our employees by age and gender are as follow:

By Gender	1 Apr 20 – 30 Sep 21 (18 months)		1 Oct 21 – 30 Sep 22 (12 months)		1 Oct 22 – 31 Mac 24 (18 months)	
	Male	Female	Male	Female	Male	Female
Employees	137 60%	91 40%	322 67%	160 33%	229 71%	92 29%

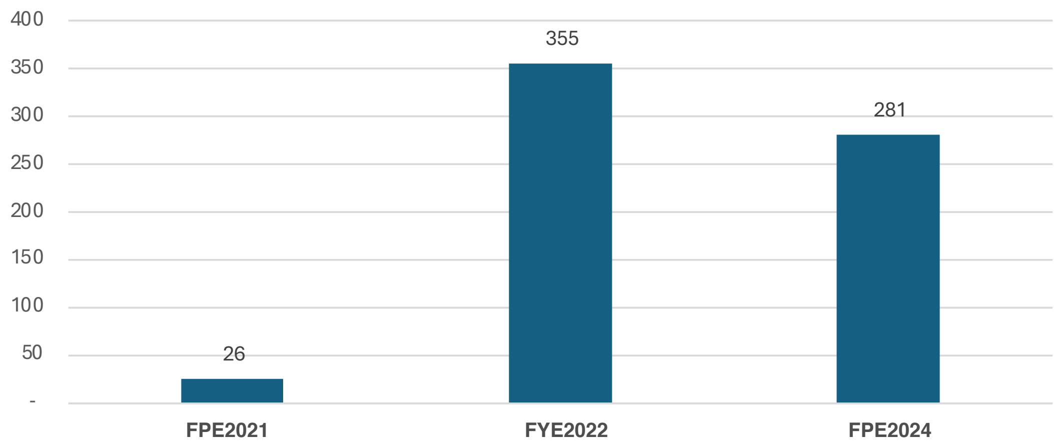
Level	FPE2021	FYE2022	FPE2024
Management	21	37	27
Executive	49	72	44
Non-Executive	55	101	63
General Workers	103	272	187
	228	482	321
Management	9%	8%	8%
Executive	22%	15%	14%
Non-Executive	24%	21%	20%
General Workers	45%	56%	58%
	100%	100%	100%

Age Range	FPE2021	FYE2022	FPE2024
< 30 years old	128	262	120
31 – 50 years old	81	194	182
> 50 years old	19	26	19
	228	482	321
< 30 years old	56%	54%	37%
31 – 50 years old	36%	40%	57%
> 50 years old	8%	6%	6%
	100%	100%	100%

In Hong Seng, we do not set any gender target, however, we strive to achieve a balance of genders at the departmental and Group level. We are cognizant that certain department especially in the production department may have fewer number of female representative due to the nature of the work in the department.

Hong Seng remains committed to ensuring that the talent acquisitions are made based on their capability and qualification of the candidates without any bias. We are constantly grooming young talent to take on future leadership roles, hence our focus is on employees aged 45 and below.

Staff Turnover



DIVERSITY, EQUITY & INCLUSION (CONT'D)

Employees (Cont'd)

The Group managed to slash its staff turnover to 281 in FPE 2024 from a high of 355 in FYE 2022. The high staff turnover was mainly due to the reduction of workers from glove manufacturing arising from the sharp decline in the production volume of gloves.

Meanwhile, Hong Seng continued to emphasize on human resource development within the Group and invested in employee learning and development programs, in the group's efforts to develop its talent within the organization.

Employee Learning & Developments

Hong Seng believes that human resources within the Group is our most important asset. As a result, we place great importance on employee learning and development through on-job and external training. Competent staff will contribute significantly towards efficiency and effectiveness from design, development, product planning, procurement, production, business development, sales, and customer service. In addition, a well-trained staff would reduce safety issues that would affect the process flow of production and keep down-time to a minimum.

Our staff training programs are identified based on business strategies and operational needs, meeting regulatory requirements, and ensuring the development of our people's technical, interpersonal, business and management skills.

TRAINING PROGRAMMES ATTENDED BY ALL STAFF
ISO 137001:2016 ANTI BRIBERY MANAGEMENT SYSTEM
BICARA EKSEKUTIF: KELESTARIAN PENGURUSAN BUANGAN BERBAHAYA DI MALAYSIA.
BASIC GUIDELINES ON IMPLEMENTING TRACEABILITY USING GS1 STANDARD
ESH WORKSHOP
WORKSHOP ON INTERNATIONAL LABOUR STANDARDS
INTERPERSONAL COMMUNICATION TRAINING
MANAGING NEGATIVE HABITS
COACHING & COUNSELING TRAINING
PROBLEM SOLVING AND DECISON MAKING TRAINING
KURSUS PENINGKATAN KEFAHAMAN DALAM PERUNDANGAN HUBUNGAN INDUSTRI: PENGURUSAN DISIPLIN DI TEMPAT KERJA & JENIS-JENIS PENAMATAN PEKERJA
BRIEFING ON NEW APPLICATION PROCESS UNDER THE FOREIGN WORKER RECRUITMENT RELAXATION PLAN BY JTKSM
INTRODUCTORY TO ANTI-BRIBERY & CORRUPTION (ABC) TRAINING
OCCUPATIONAL SAFETY AND HEALTH COORDINATOR
HUMAN RESOURCE MANAGEMENT SKILLS
KURSUS KESELAMATAN KEBAKARAN BAGI ORGANISASI KESELAMATAN KEBAKARAN (OKK)
PINDAAK TERKINI UNDANG-UNDANG PERBURUHAN
KOLOKIUM KEHARMONIAN PERUSAHAAN "KESAKSAMAAN IMBUHAN PENGGAJIAN PEKERJA"
MODUL LATIHAN ROAD SAFETY RIDING
ERGONOMICS, MANUAL HANDLING & OSH TRAINING
PARADIGM SHIFT: CHANGE MANAGEMENT
EFFECTIVE COMPENSATION AND BENEFITS MANAGEMENT

TRAINING PROGRAMMES ATTENDED BY MANAGEMENT STAFF
CROWE CPE - CFO NIGHTMARES: ACCOUNTING, AUDITING, TAXES AND PERSONAL LIABILITIES ON 29 NOV 2022
MIA WEBINAR - WHAT AND HOW TO DISCLOSE IN THE MD&A
MIA WEBINAR - LATEST DEVELOPMENT IN MFRS/IFRS AND IC INTERPRETATION - OVERVIEW
VIRTUAL MIA INTERNATIONAL ACCOUNTANTS CONFERENCE 2023
MIA WEBINAR SERIES: A COMPREHENSIVE REVIEW OF LATEST DEVELOPMENTS IN MFRS
BDO - TAX SEMINAR ON BUDGET 2024: EMPOWERING FINANCIAL SUSTAINABILITY
COSPEC - BRIEFING ON THE KEY AMENDMENTS TO MAIN MARKETING LISTING REQUIREMENTS OF BURSA

SUSTAINABILITY STATEMENT (CONT'D)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

Employee Learning & Developments (Cont'd)

TRAINING PROGRAMMES ATTENDED BY TECHNICAL STAFF
ETCC Temperature Monitoring System New User training
Training in Performing QFT-Plus ELISA test with DS2
Seegne Day 2023
Internal Laboratory Safety training
Basic QC Principle Training (CME Internal Training)
WiseClave Autoclave Training
Training for Medical Professionals: 2023 New Updates For Laboratory ISO Standards -ISO 15189:2022
ISO 15189:2022 - Medical Laboratories- Requirements for quality and competence
Infectious Disease Symposium 2023
Diabetes: Beyond HbA1c
Risk stratification of the apparently healthy population for future cardiac events
How and why you should move from culture to a rapid, 1-step multiplex RT-PCR test for acute diarrhea
ASPR Covid-19 Educational Webinars: Tripledemic to Endemic: finding diagnostic certainties in a changing respiratory landscape
Digital PCR- make every molecule count. A discussion on fungal DNA detection applications
Burden and management of viral respiratory infections in the pediatric population: What the COVID-19 pandemic has changed
Multiplex versus low-plex testing for infectious illness - could you be underdiagnosing patients?
New diagnostic solutions for the management of viral infections in transplant patients
Developing and Implementing high throughput Candida auris RT-PCR tests to expand screening in healthcare environment
Syndromic PCR testing for GI parasites, including Dientamoeba fragilis and microsporidia, and their role in gastrointestinal disease
Fire Prevention and Fire Fighting Measures
Multiplexing qPCR assays for detecting COVID variants, infectious diseases and beyond
Tspot test training Day 1
Tspot test training Day 2
WSPID Webinar - Conquering Meningitis and Encephalitis: Management & Prevention Challenges in Bacterial and Viral Cases - A Compelling Case Study from South-east Asia.
FTD Respiratory Pathogens 33 kit user training
New practices and impacts of rapid multiplex PCR testing in diagnosis and infection control of lower respiratory infections
Using proficiency testing reports to identify problem areas
Simplifying Diagnostic Pathways with Point-of-Care Hepatitis and HIV PCR Testing
Precision Medicine Symposium: For the Development of Genomic Workforce
Mediven GenoAmp Real-time RT-PCR Dengue user training
How to choose clinically relevant targets for your infectious disease panels
The Discovery of HIV: 40 Years of History, Science, and Controversy
Is it time to say "goodbye" to tuberculin skin testing (TST) when on-boarding healthcare workers?
Antimicrobial Stewardship: Setting Sail on Best Practices to Optimize Treatments
Care to Calibration: Pipetting to Perfection, Lost in ISOs:ISO17025 vs ISO8655
(Abbot) Cardiac Risk Stratification with high sensitive Troponin-I among apparently healthy population, APAC User Meeting
High Rates of ESBL-producing and Gentamycin-resistant Gram-negative Bacteria During the First Week of Life: A Multicenter Cross-sectional Study Among Infants Younger Than 2 Months With Urinary Tract Infection
Advance Pipetting Solutions
Broaden the horizons of diagnostic solution for parasitic infections
Women's Health
Multiplexing in real-time PCR-benefits, challenges, and opportunities
CME For Critical Role of EQA Program: Maximize Laboratory Performance
Advancing LTBI screening in immunosuppressed patients: listen to the evidence
Fighting antimicrobial resistance in sexually transmitted infection
HRD Corp e-LATiH: Time Management For Better Productivity
HRD Corp e-LATiH: Communication Skills, Cooperation and Conflict Management
HRD Corp e-LATiH: Critical Thinking Skills For Professionals
HRD Corp e-LATiH: Workplace Safety For Employees
HRD Corp e-LATiH: Coaching Leadership: Increase Your Impact As A People Manager
HRD Corp e-LATiH: Critical Thinking Skills For Professionals
HRD Corp e-LATiH:Papan Tanda Keselamatan Di Tempat Kerja
HPV28 Genotyping-LBC (SurePath) Preprocess & Nimbus Extraction Training
Allplex HPV28 Assay User Training
Dengue Academy Masterclass:Emerging issues in dengue control
Dengue Academy Masterclass:Dengue in travelers
Agilent Genomics Day 2024
Improving Laboratory Compliance : Strategies to Address Deficiencies
Dengue Academy Masterclass:Dengue prevention: vaccination as part of a comprehensive strategy for disease control
Safety Awareness on Biosafety Cabinet, Laminar Flow and Fume hood
Essential costing knowledge & skills for corporate executives and managers
MS ISO 15189:2022 Medical Laboratories- Requirement for Quality and Competence Workshop
Breaking Barriers in STI Clinical Management:Addressing Resistance Challenges and Incorporating New Diagnostics Approaches
12th Nasopharyngeal Carcinoma NPC Research Day 2024
The Role of Syndromic Testing for Diagnosing Cytomegalovirus (CMV) Meningoencephalitis
ESCO:The Art of Pipetting:Skills for Consistency and Productivity
QuantiFERON-TB Gold Plus Applications Training
Eppendorf Webinar Series: Pipette Maintenance
Internalizing tuberculosis testing with LIAISON QuantiFERON -TB Gold Plus
Anyplex MTB NTM Real Time Detection Kit User Training
User Training for Sansure HPV Assay,Standard Q Dengue Duo and SD-Biosensor STANDARD M10 MDR-TB

DIVERSITY, EQUITY & INCLUSION (CONT'D)

Employee Learning & Developments (Cont'd)

The Group has been sending its staff to various trainings and development programmes to equip them with the latest to enhance their exposure and skill set.

During the financial period, the Group intensified its employee learning and development program by increasing its number of trainings by more than 50%, tripling the total hours of training and doubling the number of staff attending the trainings, over the period under review.

During the FPE 2024, the Group invested approximately RM70,000 in training and development.

CYBERSECURITY AND IT MANAGEMENT

We have seen the acceleration of various trends involving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. As a result, Hong Seng has a responsibility to manage the growing threat of cyber-attacks including external hacking or cyber penetration, protecting the sensitive information of our group and customers, and to prevent any leaks, threats or loss of our group and customer information.

The Group will continue to remain cautious and vigilant to the growing potential cybersecurity risks that are ever present especially as our customers are mainly in the medical industry and key players in their respective industries.

As a result, we continue to place great importance on our internal control framework to protect the privacy and security of data, information and intellectual properties belonging to us and our stakeholders.

The Group periodically review and upgrade the computer and server protection from conventional anti-virus software to next-generation endpoint protection software.

For our day-to-day operations, we continue to emphasize on the importance of implementing internal mitigative measures such as antivirus, endpoint protection and firewall protection and 24-hour real time monitoring and detection of malicious network traffic. Our IT team constantly test the effectiveness of our IT processes and systems, while they also conduct regular IT asset management and audits of our systems.

SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY

The Group believes in giving back to society, in this case, the communities in which we are located, while investing in the future of our next generations. The communities around us form a significant pillar in our growth, especially when many of our employees come from these same communities. As we perform our social responsibilities, we encourage our employees to volunteer for the causes we believe in as they develop their compassion and empathy towards society.

During the FPE2024, the Group donated supplements and nutrients to En Yuen Old Folks Home and Ai Yi De Old Folks Home. The Group also contributed 200 cartons containing 20,000 test kits ("**Test Kits V-19**") to Jabatan Imigresen Malaysia Negeri Selangor and 500 cartons to various surau and institusi Pendidikan.

PERFORMANCE DATA TABLE

Common Sustainability Matters (Para 6.3(c))

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	70.40
Executive	Percentage	20.50
Non-executive/Technical Staff	Percentage	6.30
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	95,984.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	70.40
Management Above 50	Percentage	29.60
Executive Under 30	Percentage	22.70
Executive Between 30-50	Percentage	68.20
Executive Above 50	Percentage	9.10
Non-executive/Technical Staff Under 30	Percentage	54.00
Non-executive/Technical Staff Between 30-50	Percentage	42.90
Non-executive/Technical Staff Above 50	Percentage	3.10
General Workers Under 30	Percentage	40.60
General Workers Between 30-50	Percentage	56.70
General Workers Above 50	Percentage	2.70
Gender Group by Employee Category		
Management Male	Percentage	66.70
Management Female	Percentage	33.30
Executive Male	Percentage	47.70
Executive Female	Percentage	52.30
Non-executive/Technical Staff Male	Percentage	41.30
Non-executive/Technical Staff Female	Percentage	58.70
General Workers Male	Percentage	87.70
General Workers Female	Percentage	12.30
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.70
Female	Percentage	14.30
Under 30	Percentage	0.00
Between 30-50	Percentage	42.90
Above 50	Percentage	57.10
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,729,715.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,232
Executive	Hours	2,103
Non-executive/Technical Staff	Hours	2,786
General Workers	Hours	1,413
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	12
Executive	Number	40
Non-executive/Technical Staff	Number	75
General Workers	Number	154
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	95,016.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Hong Seng Consolidated Berhad ("Hong Seng" or the "Company") believes that the practice of good corporate governance is important to ensure long-term sustainability and business prosperity and to preserve shareholders' trust. The Board is fully committed to maintaining high standards of corporate governance practices set out in the Malaysian Code on Corporate Governance ("MCCG") throughout Hong Seng and its subsidiaries ("Group") to safeguard the interests of its shareholders and stakeholders.

This Corporate Governance Overview Statement ("Statement") is augmented with a Corporate Governance Report ("CG Report") based on a prescribed format as enumerated in Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the MCCG throughout the financial period ended 31 March 2024 ("FPE 2024").

This Statement should also be read together with the CG Report for the FPE 2024 which is available on the Company's website at https://www.hongseng.com.my as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

This Statement makes reference to the following three (3) principles of the MCCG:-

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is primarily responsible for determining the Company's strategic objectives and policies and monitoring the progress toward achieving the objectives and policies. In this regard, the Board is guided by the principles and practices set out in the approved Board Charter to ensure that all Board members, acting collectively and individually on behalf of the Company, are aware of the specific functions of the Board, their duties and responsibilities and that the principles and practices of good corporate governance are applied in all their dealings in respect of, and on behalf of the Company.

To ensure the effectiveness in discharging its duties and responsibilities, the Board has delegated certain responsibilities to the following committees appointed by the Board:-

- Audit Committee ("AC")
- Nomination Committee ("NC")
- Remuneration Committee ("RC")

Each Board Committee operates its functions in accordance with clearly defined Terms of Reference ("TOR") adopted by the Board. These Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective TOR and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board Committees' TOR can be accessed via the Company's website, https://www.hongseng.com.my.

1.2 Chairman of the Board

The Board is led and managed by an effective and experienced Board. The Board acknowledges its key responsibilities in directing the strategic plans, monitoring its performance targets, and developing the long-term goals of businesses of the Group.

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board (Cont'd)

After Dato' Mohamed Suffian Bin Awang resigned as Chairman of the Board on 28 April 2023, the position remains unfilled. The Company continues its search for a qualified candidate who embodies a balanced mix of skills, expertise, attributes, and core competencies. This selection process prioritizes factors such as character, gender diversity, experience, integrity, competence, and availability commitment.

1.3 Chairman and Executive Directors ("EDs")

The roles of the Chairman and EDs are distinctly separate, each with specific responsibilities aimed at ensuring effective leadership within both the Board and the Group. The Chairman of the Board oversees the leadership and efficient operation of the Board itself. Meanwhile, the EDs are responsible for managing the Group, including the overall business operations, day-to-day management of the Company, and the execution of the Board's policies and decisions.

The EDs also ensure that the Group's corporate identity, products and services are of high standard and reflect the market environment, and that business practices and activities are in compliance with regulatory requirements.

The roles and responsibilities of the EDs are detailed in the Board Charter which is available at the Company's website at https://www.hongseng.com.my.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. The Board appointed a new joint Secretary on 1 March 2024 for better management of the Company's secretarial and administrative duties. All Directors have access to the advice and services of the Companies Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FPE 2024, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team.

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. Notices of the Board and Board Committees meetings together with the meeting materials (including meeting minutes) are usually circulated to the Directors/ Board Committee Members at least seven (7) days before the meeting to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairman of the meeting for review within a reasonable timeframe after the meetings. Meeting minutes record the proceedings of the meeting and resolutions passed by the Board/ Board Committees including the names of the Directors who abstained from voting or deliberation on a particular matter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.5 Meeting of Board and Board Committees (Cont'd)

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Board has formalised and adopted a Board Charter which sets out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, to be aware of their duties and responsibilities at all times. The Board Charter is available at the Company's website at https://www.hongseng.com.my.

The Board Charter would be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

1.7 Code of Conduct and Ethics

The Board has also adopted a Code of Conduct and Ethics which provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the Board's responsibilities as well as the Management's responsibilities to communicate, measure and monitor its values and performance to achieve objectives and to instill values. The Code of Conduct and Ethics is available on the Company's website at https://www.hongseng.com.my.

1.8 Whistle Blowing Policy

A Whistle Blowing Policy and Procedures were adopted by the Board to provide a platform for employees, directors and others to report serious concerns about risks of wrongful activities or reports of wrongdoing or to raise any concern or suspicion without fear of victimization or recrimination. The implementation of the Whistle Blowing Policy is in line with the Companies Act 2016 and Section 17A of the Malaysian Anti-Corruption Commission Act ("the Acts"), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or any serious offence involving fraud and dishonesty.

The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.

The Whistle Blowing Policy and Procedures is available on the Company's website at https://www.hongseng.com.my.

1.9 Anti-Bribery and Corruption Policy

The Board had put in place an Anti-Bribery and Anti-Corruption Policy In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"). This policy aims to ensure that any business undertaken by the Group is free from acts of corruption and internal fraud and at the same time, to act in the best interests of the Company, its shareholders and stakeholders. The Anti-Bribery and Anti-Corruption Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company.

The Anti-Bribery and Anti-Corruption Policy and Procedures are available on the Company's website at https://www.hongseng.com.my.

1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements, the Board had adopted the Directors' Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and/or re-election of Directors and Key Senior Management of the Group. The Directors' Fit and Proper Policy shall be reviewed by the Board and be revised at any time as it may deem necessary to ensure that it remains consistent with the Board's objectives, current regulations and practices.

The Directors' Fit and Proper Policy is available on the Company's website at https://www.hongseng.com.my.

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.11 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II – BOARD COMPOSITION

2.1 Board Composition and Balance

The Board currently consists of seven (7) members and the composition of the current Board is set out in the table below:-

No.	Names	Designation
1.	Christopher Chan Hooi Guan	Executive Director
2.	Lester Chin Kent Lake	Executive Director
3.	Lee Li Chain	Executive Director
4.	Leong Seng Wui *(Appointed on 8 April 2024)*	Executive Director
5.	Yap Kien Ming	Independent Non-Executive Director
6.	Leong Kam Soon	Independent Non-Executive Director
7.	Dato' Kang Chez Chiang	Independent Non-Executive Director

Four (4) out of seven (7) Directors are Executive Directors, while the remaining three (3) Directors are Independent Non-Executive Directors. Furthermore, one (1) of the Executive Director is a female Director, namely Ms. Lee Li Chain representing 14.3% female representation at the Board level.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profile of these Directors is provided in this Annual Report.

The current Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

2.2 Tenure of Independent Non-Executive Directors

The Board acknowledges the recommendation by the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. However, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

During the FPE 2024, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years. Further, based on the independence assessment carried out during the financial period under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

2.3 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

Where and when appropriate, the Board, through the NC, will prioritise the female representation when identifying suitable candidates. However, the selection of a new Board member will not be based solely on gender but will also consider the candidate's skill sets, experience, and knowledge. The Company's primary focus in new appointments is always to choose the most qualified candidates. Therefore, the usual selection criteria, emphasising a robust combination of competencies, skills, extensive experience, and knowledge to enhance the Board, remains paramount.

In view of the gained attention of boardroom diversity as an important element of a well-functioned organisation, the Gender Diversity Policy was adopted to provide a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is available on the Company's website at https://www.hongseng.com.my.

Currently, there is a female Director on the Board, namely, Ms. Lee Li Chain.

2.4 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within a defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

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

PART II – BOARD COMPOSITION (CONT'D)

2.4 Board Committees (Cont'd)

The Board has established three (3) Board Committees and the membership of each committee is set out in the table below:-

Composition	Designation	AC	NC	RC
Christopher Chan Hooi Guan	Executive Director	N/A	N/A	N/A
Lester Chin Kent Lake	Executive Director	N/A	N/A	N/A
Lee Li Chain	Executive Director	N/A	N/A	N/A
Leong Seng Wui *(Appointed on 8 April 2024)*	Executive Director	N/A	N/A	N/A
Yap Kien Ming	Independent Non-Executive Director	Member	Chairman	Chairman
Leong Kam Soon	Independent Non-Executive Director	Chairman	Member	Member
Dato' Kang Chez Chiang	Independent Non-Executive Director	Member	Member	N/A

The TOR of the respective Board Committees are published on the Company's website, https://www.hongseng.com.my.

2.5 NC

The NC of the Company comprises the following members, all of them being Independent Non-Executive Directors:-

• Mr. Yap Kien Ming	Chairman
• Mr. Leong Kam Soon	Member
• Dato' Kang Chez Chiang	Member

The NC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.

The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

The NC also assists the Board in its annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity and training courses.

The NC undertook the following activities during the FPE 2024:-

(a) Evaluated the balance of skills, knowledge and experience of the Board. Carries out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.

(b) Reviewed and assessed the performance and effectiveness of the Board and Board Committees as a whole with the objective of assessing its effectiveness.

(c) Reviewed and assessed the independence of the Independent Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

2.5 NC (Cont'd)

The NC undertook the following activities during the FPE 2024:- (Cont'd)

(d) Reviewed and assessed the contribution and performance of the AC.

(e) Considered and recommended to the Board the re-election of Directors who retired pursuant to the Company's Constitution at the AGM.

(f) Reviewed and recommended to the Board for approval, the appointment of Mr. Leong Seng Wui as a new Executive Director.

2.6 Board Appointment and Re-appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NC evaluates the nominee's ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors shall retire from office at least every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

2.7 Annual Assessment of Effectiveness of the Board and Board Committees as whole

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

In evaluating the performance of Independent Directors, certain criteria were established and adopted, amongst others, attendance at Board or Committee meetings, key responsibilities of the adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.

In evaluating the performance of Executive Directors, an assessment was carried out against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

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

PART II – BOARD COMPOSITION (CONT'D)

2.8 Attendance of Board and Board Committees' Meetings

The records of attendance for the Board and Board Committees' Meetings held during the FPE 2024 are as follows:-

Director / Type of Meetings	Number of Meetings Attended			
	Board	AC	NC	RC
Dato' Mohamed Suffian Bin Awang *(Resigned on 28 April 2023)*	3/3	N/A	N/A	N/A
Dato' Seri Teoh Hai Hin *(Resigned on 10 July 2023)*	4/4	N/A	N/A	N/A
Lester Chin Kent Lake	7/7	N/A	N/A	N/A
Christopher Chan Hooi Guan	7/7	N/A	N/A	N/A
Lee Li Chain	7/7	N/A	N/A	N/A
Tuan Ng Keok Chai *(Resigned on 21 March 2023)*	3/3	3/3	N/A	1/1
Yap Kien Ming	7/7	7/7	1/1	1/1
Leong Kam Soon	7/7	7/7	1/1	1/1
Dato' Kang Chez Chiang	7/7	7/7	1/1	N/A
Leong Seng Wui *(Appointed on 8 April 2024)*	N/A	N/A	N/A	N/A
Teoh Soon Han *(Alternate Director to Dato' Seri Teoh Hai Hin) (Ceased on 10 July 2023)*	N/A	N/A	N/A	N/A

The Board meets at least once in every quarter on a scheduled basis and additional meetings are to be convened as when deemed necessary by the Board. All the Directors have complied with the minimum 50% attendance requirement as stipulated in the Listing Requirements. The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

2.9 Directors' Training

The Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with the latest developments in the marketplace and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

Details of training attended by the Directors during the FPE 2024 are as follows:-

Director	Training Programmes
Lester Chin Kent Lake	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments
Christopher Chan Hooi Guan	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments • Management of Cyber Risk

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

2.9 Directors' Training (Cont'd)

Director	Training Programmes
Lee Li Chain	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments • CFO Nightmares – Accounting, Auditing, Taxes and Personal Liabilities • Public Listed Company Transformation #digital 4ESG Forum – Exploring the Intersection of Digitalisation and ESG • Virtual MIA International Accountants Conference 2023 – Future Fit Profession : Charting a Better Tomorrow • BDO Tax Seminar on Budget 2024
Leong Seng Wui	• Mandatory Anti Money Laundry (AML) Self Training and Assessment • Mandatory Anti-Bribery and Corruption (ABC) Training and Assessment • Fraud Awarness Traning and Assessment
Yap Kien Ming	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments • Sustainability in the Digital Age @ Asia School of Business • Advocacy Sessions for Directors and CEO of Main Market Listing @ Bursa Malaysia
Leong Kam Soon	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments • Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements
Dato' Kang Chez Chiang	• Amendments to Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhances Sustainability Reporting Framework • Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and other amendments

The Board would continuously, evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

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

PART III - REMUNERATION (CONT'D)

3.1 Remuneration Policy

The RC is tasked to review the remuneration policy for the Directors and Senior Management of the Group. The Remuneration Committee comprises the following members, all being Independent Non-Executive Directors:-

• Mr. Yap Kien Ming	Chairman
• Mr. Leong Kam Soon	Member
• Tuan Ng Keok Chai *(Resigned on 21 March 2023)*	Member

The Board had established a formal and transparent Remuneration Policy as a guide for the Board and the RC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

The annual Directors' fee and benefits payable to the Non-Executive Directors are endorsed by the Board for approval by the shareholders of the Company at the AGM. The Directors do not participate in decisions regarding their own remuneration packages.

The Remuneration Policies and Procedures are available at the Company's website at https://www.hongseng.com.my.

3.2 Remuneration of Directors

The details of the remuneration of the Directors of the Company received from the Company and the Group during the FPE 2024 are as follows:-

The Company

Name of Directors	Fees	Allowance	Salary	Bonus	Benefits-in kind	Others emoluments	Total
Lester Chin Kent Lake	-	-	28,000	-	-	4,181	32,181
Lee Li Chain	-	5,040	157,360	-	-	20,029	182,429
Yap Kien Ming	54,000	-	-	-	-	-	54,000
Leong Kam Soon	54,000	-	-	-	-	-	54,000
Dato' Kang Chez Chiang	54,000	-	-	-	-	-	54,000
Tuan Ng Keok Chai *(Resigned on 21 March 2023)*	17,032	-	-	-	-	-	17,032
Dato' Mohamed Suffian Bin Awang *(Resigned on 28 April 2023)*	69,333	-	-	-	-	-	69,333
TOTAL	**248,365**	**5,040**	**185,360**	**-**	**-**	**24,210**	**462,975**

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III - REMUNERATION (CONT'D)

3.2 Remuneration of Directors (Cont'd)

The details of the remuneration of the Directors of the Company received from the Company and the Group during the FPE 2024 are as follows:- (Cont'd)

<u>The Group</u>

Name of Directors	Fees	Allowance	Salary	Bonus	Benefits-in kind	Others emoluments	Total
Dato' Mohamed Suffian Bin Awang *(Resigned on 28 April 2023)*	69,334	-	-	-	-	-	69,334
Christopher Chan Hooi Guan	18,000	90,000	10,000	-	-	-	118,000
Lester Chin Kent Lake	-	-	90,000	-	-	13,438	103,438
Lee Li Chain	-	16,200	505,800	70,250	-	72,808	665,058
Yap Kien Ming	54,000	-	-	-	-	-	54,000
Leong Kam Soon	54,000	-	-	-	-	-	54,000
Tuan Ng Keok Chai *(Resigned on 21 March 2023)*	17,032	-	-	-	-	-	17,032
Dato' Kang Chez Chiang	54,000	-	-	-	-	-	54,000
TOTAL	**266,366**	**106,200**	**605,800**	**70,250**	**-**	**86,246**	**1,134,862**

All Executive Directors are also senior management of the Group, hence their remuneration is as detailed in the table above.

PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT

PART I – AC

4.1 Effective and Independent AC

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board. The Chairman of the AC is a member of the Association of Chartered Certified Accountants, the Chartered Institution of Management Accounts and the Malaysian Institute of Accountants.

The TOR of the AC requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least (3) years before being appointed as a member of the AC. None of the members of AC was a former partner of the external audit firm of the Company and in order to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

Collectively, the AC possesses a wide range of necessary skills to discharge its duties and members of the AC are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the AC will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules.

PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – AC (CONT'D)

4.2 External Auditors

For effectiveness and independent conduct of the Audit Committee's functions, the AC has separate discussions with the External Auditors without the presence of the Executive Directors and Management as and when necessary to discuss matters that the AC or the auditors believe should be discussed privately or to have a discussion about any matters of significance that arose during the audit process.

The AC had obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Overall, the Board is satisfied with the performance, suitability and independence of the External Auditors of the Company, Grant Thornton Malaysia PLT had recommended their re-appointment to the shareholders for approval at the forthcoming AGM of the Company.

In addition, the External Auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and contents of the Audited Financial Statement.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the AC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2024.

5.2 Internal Audit Function

The Internal Audit Function is outsourced to an independent professional firm which reports directly to the Audit Committee. The Internal Audit firm appointed by the Company is free from any relationships or conflict of interest which could impair their objectivity and independence.

The Company adopts the COSO (Committee of Sponsoring Organisations of the Treadway Commission) control framework throughout our implementation as a basis for assessing the adequacy and effectiveness of the Company's risk and control processes.

The Internal Auditors performed their work by referring to a recognised framework such as the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.

The internal audit functions and activities carried out during the FPE 2024 are as disclosed in the AC Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results and various announcements made from time to time.

The Group maintains a website at https://www.hongseng.com.my where shareholders or investors may access information on the Group under "Investors" link encompassing corporate information, latest financial results, latest annual reports, announcements to Bursa Securities, Board Charter, Code of Conduct and Ethics of the Board, TOR of the Board Committees, Whistleblowing Policy and Procedure, etc. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email at bizco@hongseng.com.my.

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

6.2 Corporate Disclosure Policy

The Company has adopted a formal Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to the regulators, shareholders and stakeholders.

PART II - CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The Company's general meeting remains the principal forum for dialogue with shareholders, in particular, private investors, whereby they are provided with an opportunity to participate, raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments/proposals of the Group, the resolutions being proposed and/or on the business of the Group and communicate their expectations and possible concerns.

In line with Practice 13.1 of MCCG, the notice convening the Twenty-Second AGM ("22nd AGM") was issued to shareholders at least 28 days before the 22nd AGM date, which gives shareholders sufficient time to prepare themselves to attend the 22nd AGM or to appoint a proxy to attend and vote on their behalf.

In addition, the Board also ensures that the Notice of AGM contains details of resolutions proposed along with background information and relevant explanatory notes. The explanation will assist the shareholders in making their informed decisions and exercising their voting rights.

In line with Paragraph 8.29A (1) of the Listing Requirements of Bursa Securities, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company also appoints an independent scrutineer to validate the votes cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters of the annual general meeting, if any, discussed during the said general meetings will be posted on the Company website.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II - CONDUCT OF GENERAL MEETINGS (CONT'D)

7.2 Effective Communication and Proactive Engagement

All the Directors (save for Leong Seng Wui who was appointed on 8 April 2024) attended the 22nd AGM held on 27 February 2023 and be accountable to the shareholders for their stewardship of the Company. The Board welcomes questions and feedback from the shareholders during the 22nd AGM and ensures that their questions are responded to in a proper and systematic manner. The Senior Management and External Auditors also attended the AGM.

From the Company's perspective, the AGM provides a valuable opportunity for Directors to personally engage with shareholders to understand their needs and seek their feedback. The Board encourages questions and feedback from the shareholders during the shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 22nd AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 22nd AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE 2024, except for the departures set out in the CG Report.

The Board shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

ADDITIONAL COMPLIANCE INFORMATION

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company did not raise any funds through any corporate proposals during the financial period ended 31 March 2024 ("FPE 2024").

2. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS

The Company and its subsidiaries ("the Group") have not entered into any material contracts (not being contracts entered into in the ordinary course of business) involving the interests of the Directors and/or major shareholders during the FPE 2024.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Group and the Company for the services rendered for the FPE 2024 are as follows:-

	Group (RM)	Company (RM)
Audit Fees	201,355	48,000
Non-audit Fees	96,000	96,000

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The Company had, at the 22nd Annual General Meeting ("AGM") of the Company held on 27 February 2023 obtained its shareholders' mandate to allow the Group to enter into RRPT of a revenue or trading nature which are necessary for the day-to-day operations of the Group and in the ordinary course of business with the related parties.

In accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements of Bursa Securities, details of the RRPT conducted during the FPE 2024 pursuant to the aforesaid shareholders' mandate are as follows:-

Transacting Parties	Interested Related Parties	Nature of Transactions	Actual Value of for the FPE 2024
HKL Dynamics Sdn Bhd *(formerly known as Hong Seng Gloves Sdn. Bhd.) ("HKL Dynamics")* and HS Vision One Sdn. Bhd. *("HS Vision")*	Dato' Seri Teoh Hai Hin *("DSTHH")*[(1)(2)] Teoh Soon Han *("TSH")*[(3)] Teoh Hai Peng *("THP")*[(4)] Dato' Teoh Hai Bim *("THB")*[(4)] Teoh Hai Seng *("THS")* Teoh Huan Jie *("THJ")* Dalphon Limited[(5)]	Renting of 4 blocks of single-storey factory building, a single-storey office building and a single-storey canteen and storage areas erected on a parcel of leasehold land on Lot 97, Jalan Sepuluh, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah measuring approximately 217,800 square feet (with a total gross built-up area of 130,964 square feet) from HS Vision by HKL Dynamics, a 85% owned subsidiary of the Company for the purpose to set up the Glove Production Plant, for a term of 3 years (with an option to renew for another 2 years) with rental of RM130,000 per month commencing from 10 December 2020.	390,000

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE (CONT'D)

Notes:

[1] *DSTHH served as a Group Managing Director has resigned as a Director of the Company on 10 July 2023. DSTHH who was deemed interested pursuant to Section 8 of the Companies Act, 2016, was also a major shareholder of our Company by virtue of his interests in Dalphon Limited. On 27 June 2023, DSTHH ceased to be the major shareholder of the Company. However, DSTHH was still deemed as the major shareholder pursuant to Paragraph 10.02(f) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") up to 27 December 2023;*

[2] *DSTHH is also a director and a controlling shareholder of HS Vision. HS Vision has disposed the factory to a third party on 31 May 2023. Subsequently, HS Vision has terminated the tenancy with HKL Dynamics and HKL Dynamics has entered into a new tenancy with the new landlord, who is a third party;*

[3] *TSH, the Alternate Director to DSTHH, is DSTHH's daughter;*

[4] *THP and THB, brothers of DSTHH, are directors and shareholders of HS Vision. THS, a brother of DSTHH and THJ, a son of DSTHH, are shareholders of HS Vision; and*

[5] *On 27 June 2023, Dalphon Limited (a company controlled by DSTHH) has ceased to be the major shareholder of the Company. However, Dalphon Limited was still deemed as the major shareholder pursuant to Paragraph 10.02(f) of the Listing Requirements up to 27 December 2023.*

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors ("Directors") of the Company are responsible for ensuring the financial statements of the Group and the Company are properly drawn up in accordance with the provisions of the Companies Act 2016 ("CA 2016") and applicable approved accounting standards prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group") as at the end of the financial period and of the financial performance of the Group.

In preparing the financial statements of the Group for the financial period ended 31 March 2024, the Directors have:

- responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy;
- applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosures and explained in the financial statements; and
- prepared it on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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 Group and of the Company are in compliance with the provisions of the CA 2016.

In addition, the Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Hong Seng Consolidated Berhad ("the Company") is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries ("the Group") which outlines the nature and scope of risk management and the internal control systems of the Group for the financial period ended 31 March 2024 ("FPE 2024") in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance. This Statement is guided by the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or fraud and losses.

The Board is assisted by Management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

RISK MANAGEMENT AND INTERNAL CONTROL

The key features of the risk management and internal control systems are described below:-

Risk Management Framework

The Group has established a proper risk management framework that ensures an ongoing process for identifying, evaluating, managing and reporting risk that may affect the achievement of the Group's business objectives and strategies. The process has been in place during the period up to the date of approval of the annual report and is subject to review by the Board.

The Group has in place risk profiles of major business units. Key risks of major business units were identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence.

The risk profiles of the major business units of the Group are being monitored by its respective key Management staff. Key risks of the Group are discussed at Management Meetings on a need basis.

Management will update the results of risk assessment including preparing detailed risk registers and documenting all discussions at Management and Board meetings on key risks and action plans to address the key risks.

Internal Control System

The key elements of the Group's internal control system include:-

- Clearly defined organisation structure, reporting lines of responsibilities and appropriate level of delegation;
- Clearly defined roles and responsibilities, authority and accountability within the Group;
- Limit of Authority ("LOA") matrix that clearly outlines Management limits and approval authority across various key processes;
- Recruitment of adequate experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensure that minimum controls are in place;

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

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Control System (Cont'd)

The key elements of the Group's internal control system include:- (Cont'd)

- Establishment of effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Annual budgeting process which requires all business units/divisions to prepare budget and business plan on an annual basis;
- Establishment of the internal policies and procedures for key functional units within the Group and regularly update the policies and procedures to reflect changing risks and business needs or to resolve operational deficiencies;
- Operations review meetings are held on a regular basis by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Management meetings are held on a regular basis to review and discuss business performance, strategy, business development and key management issues;
- Regular review of actual sales performance against the target set by the Management. This enables effective monitoring of significant variances and deviations from the target and business objectives;
- Engage and appoint solicitors, financial advisors and other competent professionals as may be required in respect of any corporate exercise undertaken by the Group;
- Periodic review of the adequacy and effectiveness of the system of internal control by the internal audit function; and
- The Audit Committee ("AC") holds quarterly meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The AC reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to OAC Consulting Sdn. Bhd. ("OAC" or "Internal Auditors"). During the financial period under review, OAC has carried out independent reviews to ascertain the adequacy and integrity of the Group's system of internal controls and, ensure compliance with applicable laws and regulations, safeguarding shareholders' interest, Company's assets and the reliability of financial information to safeguard the shareholders' interest and Company's assets.

The Internal Auditors conducted the audit reviews in accordance with the Internal Audit Plan approved by the AC. The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system, where improvement gaps are identified as a result of the reviews, remedial and improvement measures are recommended to strengthen controls; and follow-up reviews are conducted by the Internal Auditors to assess the status of the implementation of the recommendations thereof by the Management. OAC is free from any relationship or conflict of interest that could impair their objectivity and independence. All findings and recommendations from both external and internal auditors are directly reported to the AC.

Further details of the Internal Audit Functions are set out in the AC Report of this Annual Report.

For the FPE 2024, the total fees incurred for the internal audit function was RM20,000.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial period.

A review of the adequacy and effectiveness of the risk management and internal controls systems has been undertaken based on information from:

- Management within the organisation is responsible for the development and maintenance of the risk management and internal control framework;

- Assessments of major business units and functional controls by respective Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and

- The work carried out by the Internal Auditors which includes the documents on Internal Audit Strategy highlighting the key processes and potential key risks for the Group and Internal Audit Report was tabled to the AC together with recommendations for improvement.

During the financial period under review, a number of improvements to internal controls were identified and addressed. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The AC will address and monitor the implementation of key action plans and any internal control weaknesses and ensure continuous process improvement.

The Board also received assurance from the Executive Directors of the Company that the Group's current risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Whilst the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system, the Board acknowledges that a sound system of internal control can reduce, but cannot eliminate, the possibility of poor judgment in decision making; human error; control processes being deliberately circumvented by employees; management overriding controls and occurrence of unforeseen circumstances.

REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of Listing Requirements of Bursa Securities, the External Auditors of the Company have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guides 3 ("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. Based on their review, nothing has come to their attention that causes them to believe that this statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Hong Seng Consolidated Berhad ("the Company") is pleased to present the Audit Committee ("AC") Report for the financial period ended 31 March 2024 ("FPE 2024").

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the corporate accounting and financial reporting practices for the Company and its subsidiaries ("the Group") and to ensure the adequacy and effectiveness of the Group's system of internal controls, providing oversight of both external and internal audit functions.

COMPOSITION AND MEMBERS OF THE AC

The members of the AC, all being Independent Non-Executive Directors are as follows:

AC Members	Designation
Leong Kam Soon, Chairman	Independent Non-Executive Director
Yap Kien Ming, Member	Independent Non-Executive Director
Dato' Kang Chez Chiang, Member	Independent Non-Executive Director
Tuan Ng Keok Chai, Member *(Resigned on 21 March 2023)*	Independent Non-Executive Director

The Company has complied with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice 9.1 and Practice 9.4 under the Principle B of the Malaysian Code of Corporate Governance.

In addition, the AC Chairman, Mr. Leong Kam Soon is a Fellow member of both the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants. He is also a member of the Malaysia Institute of Accountants. In this respect, the composition of the AC members complies with Paragraphs 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

TERMS OF REFERENCE

The authorities and duties of the AC are clearly governed by the Terms of Reference of the AC. The Terms of Reference of the AC can be accessed from the Company's website at www.hongseng.com.my.

ATTENDANCES OF THE MEETINGS

During the FPE 2024, the AC held a total of seven (7) meetings. Details of attendance of the AC members are as follows:

AC Members	Attendance
Leong Kam Soon, Chairman	7 of 7
Yap Kien Ming, Member	7 of 7
Dato' Kang Chez Chiang, Member	7 of 7
Tuan Ng Keok Chai, Member *(Resigned on 21 March 2023)*	3 of 3

A full agenda and comprehensive set of meeting papers were circulated to each AC member with sufficient notification prior to each meeting. The Internal and External Auditors were invited to brief AC on the relevant issues arising from the audit process and any other matter of interest.

The representatives from the Management attended the meetings by invitation for the purposes of briefing the AC on reports presented at the meeting and to clarify on issues that the AC may have with regard to the activities involving their areas of responsibilities.

ATTENDANCES OF THE MEETINGS (CONT'D)

The Chairman of the AC shall report to the Board on a quarterly basis on all significant matters discussed, deliberated upon and dealt with at the AC meetings. Among others, it covers the AC's recommendation to approve the quarterly financial result for release to Bursa Securities, the annual financial statements as well as significant audit issues raised by the Internal and/or External Auditors.

SUMMARY OF WORK DURING THE FPE 2024

The following is a summary of the activities carried out by the AC during the FPE 2024 in discharging their duties and responsibilities:

i. Reviewed the Company and the Group's compliance with the Listing Requirements, the requirements of the Companies Act 2016, applicable approved accounting standards in Malaysia and other relevant regulatory requirements, to ensure that the quarterly announcements of financial results and the audited financial statements are properly prepared.

ii. Reviewed the quarterly unaudited financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities.

iii. Reviewed with the External Auditors, the Audit Review Memorandum, Audit Completion Report and scope of the statutory audit of the Group's financial statements for the FPE 2024 before the audit commenced to ensure that the scope of the external audit is comprehensive.

iv. Reviewed with the External Auditors on the results, observations, significant audit findings and adjustments arising from their audit of the financial year-end statements and their resolutions of such issues highlighted in their report to the AC.

v. Considered and recommended the re-appointment of Grant Thornton Malaysia PLT as the External Auditors based on the competency, efficiency and transparency as demonstrated by them during their audit for the financial period ended.

vi. Met with the External Auditors without the presence of the Management to facilitate discussions on additional matters in relation to audit issues and internal control weaknesses noted in the course of their audit.

vii. Reviewed with the Internal Auditors, the internal audit plan, work done and reports, for the internal audit function and considered the findings of internal audit investigations and management responses thereon and ensure that appropriate actions were taken on the recommendations raised by the Internal Auditors.

viii. Reviewed the related party transactions and/or recurrent related party transactions that transpired during the financial period under review to ensure that the transactions entered were at arm's length.

ix. Reviewed the disclosures of conflict of interest ("COI") involving the Directors and key senior management of the Group and concluded that there was no additional examination or mitigation measures were deemed necessary for the COI disclosed.

x. Reviewed and recommended to the Board for approval on the Corporate Governance Overview Statement, AC Report, Statement on Risk Management and Internal Control, Sustainability Statement, and Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.

xi. Reviewed the Corporate Governance Report before recommending it to the Board for approval.

xii. Reviewed the Circular to Shareholders in relation to the Recurrent Related Party Transactions Mandate and made a statement of its view and recommended the same to the Board to seek shareholders' approval for the said Mandate.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK DURING THE FPE 2024 (CONT'D)

The following is a summary of the activities carried out by the AC during the FPE 2024 in discharging their duties and responsibilities: (Cont'd)

xiii. Evaluated the performance of the External and Internal Auditors.

xiv. Annual self-appraised performance of the AC and submission of the evaluation forms to the Nomination Committee for assessment.

xv. The adoption of updated Terms of Reference of the AC by enhancing and incorporating the conflict of interest and sustainability components.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting company, OAC Consulting Sdn. Bhd. ("OAC" or "Internal Auditors") to assist the AC in discharging its duties and responsibilities in reviewing and assessing the adequacy and effectiveness of the Group's internal control system.

The Internal Auditors conducted the audit reviews in accordance with the Internal Audit Plan approved by the AC. The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system, where improvement gaps are identified as a result of the reviews, remedial and improvement measures are recommended to strengthen controls; and follow-up reviews are conducted by the Internal Auditors to assess the status of the implementation of the recommendations thereof by the Management. OAC is free from any relationship or conflict of interest that could impair their objectivity and independence. All findings and recommendations from both external and internal auditors are directly reported to the AC.

The Internal Auditors prepared and tabled the Internal Audit Plan for the consideration and approval of the AC. It conducts independent reviews of the key activities with the Group's operations based on the Internal Audit Plan approved by the AC.

During the FPE 2024, the following internal audit reviews had been carried out by the Internal Auditors:

Reporting month	Name of Entity Audited	Audited Areas
February 2023	Hong Seng Capital Sdn. Bhd.	Credit Management
August 2023	HKL Dynamics Sdn. Bhd. *(formerly known as Hong Seng Gloves Sdn. Bhd.)*	Payment

Prior to the presentation of the report to the AC, comments from the Management are obtained and incorporated into the internal audit findings and reports.

The total fees incurred during the FPE 2024 in relation to the internal audit function were RM20,000.

The AC is of the view that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 October 2022 to 31 March 2024.

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 7 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial period.

CHANGE OF FINANCIAL PERIOD

On 21 July 2023, the Company changed its financial year end from 30 September to 31 March to facilitate the financial reporting.

RESULTS

	Group RM	Company RM
Net loss for the financial period	(100,275,491)	(84,892,938)
Attributable to:		
Owners of the Company	(91,837,134)	
Non-controlling interests	(8,438,357)	
	(100,275,491)	

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial period are disclosed in the financial statements.

DIRECTORS

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

Lester Chin Kent Lake	*(Executive Director)^*
Christopher Chan Hooi Guan	*(Executive Director) ^^*
Lee Li Chain	*(Executive Director)*
Leong Seng Wui	*(Executive Director, appointed on 8.4.2024) ^^^*
Leong Kam Soon	*(Independent Non-Executive Director)*
Dato' Kang Chez Chiang	*(Independent Non-Executive Director)*
Yap Kien Ming	*(Independent Non-Executive Director)*
Ng Keok Chai	*(Independent Non-Executive Director, resigned on 21.3.2023)*
Dato' Mohamed Suffian Bin Awang	*(Chairman and Independent Non-Executive Director, resigned on 28.4.2023)*
Dato' Seri Teoh Hai Hin	*(Group Managing Director, resigned on 10.7.2023)*
Teoh Soon Han	*(Alternate Director to Dato' Seri Teoh Hai Hin, ceased on 10.7.2023)*

^ *also Director of CASD Solutions Sdn. Bhd., CBSA Bizhub Sdn. Bhd., HKL Dynamics Sdn. Bhd. (formerly known as Hong Seng Gloves Sdn. Bhd.), HS Synergy Sdn. Bhd., HS Petchem Logistics Sdn. Bhd., Hong Seng Capital Sdn. Bhd., Hong Seng Industries Sdn. Bhd., HS Cloud Lab Sdn. Bhd., eMedAsia Sdn. Bhd., HS Bio Sdn. Bhd., Victory PE Sdn. Bhd. (formerly known as HS Bio Holdings Sdn. Bhd.), HS Green Valley Sdn. Bhd. and Premiumway Development Sdn. Bhd.*

^^ *also Director of CASD Solutions Sdn. Bhd., CBSA Bizhub Sdn. Bhd., HKL Dynamics Sdn. Bhd. (formerly known as Hong Seng Gloves Sdn. Bhd.), HS Synergy Sdn. Bhd., HS Petchem Logistics Sdn. Bhd., Hong Seng Industries Sdn. Bhd., eMedAsia Sdn. Bhd., HS Bio Sdn. Bhd., Victory PE Sdn. Bhd. (formerly known as HS Bio Holdings Sdn. Bhd.), HS Green Valley Sdn. Bhd., Neogenix Laboratoire Sdn. Bhd., Neogenix (Sabah) Sdn. Bhd. and Premiumway Development Sdn. Bhd.*

^^^ *also Director of HKL Dynamics Sdn. Bhd. (formerly known as Hong Seng Gloves Sdn. Bhd.) and HS Green Valley Sdn. Bhd.*

The names of the Directors of certain subsidiary companies in office during the financial period and up to the date of this report other than those named above are as follows:-

Joveen Neoh Wan Fen
Kuan Chee Sian
Mohamed Namazie Bin A.M. Ibrahim
Tan Ooi Jin
Thirunavukarasu A/L Rajoo

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the shares and options over shares of the Company and of its related corporations of those who were Directors at the end of the financial period are as follows:-

	Number of ordinary shares ("OS")			
	At 1.10.2022	**Bought**	**Sold**	**At 31.3.2024**
Indirect interest				
Lester Chin Kent Lake#	592,227,600	364,600,000	-	956,827,600
Christopher Chan Hooi Guan^	412,000,000	179,631,000	(450,528,000)	141,103,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the shares and options over shares of the Company and of its related corporations of those who were Directors at the end of the financial period are as follows:- (Cont'd)

	Number of Warrant B			
	At 1.10.2022	Bought	Sold	At 31.3.2024
Indirect interest				
Lester Chin Kent Lake#	196,282,532	-	(194,907,800)	1,374,732
Christopher Chan Hooi Guan^	137,333,332	-	(137,333,332)	-

 # Indirect interest by virtue of his father's interests and his interests in Radiance Dynasty Sdn. Bhd.
^ Indirect interest by virtue of his interests in Aurora Crest Sdn. Bhd. and Open Dynamics Sdn. Bhd.

By virtue of Mr. Lester Chin Kent Lake and Mr. Christopher Chan Hooi Guan's indirect interests in the shares of the Company, they are also deemed to have interests in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than disclosed above, none of the other Directors in office at the end of the financial period had any interest in the shares of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

During the financial period, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurred by the Group RM	Incurred by the Company RM
Directors' fees	266,366	248,366
Directors' other emoluments and benefits	868,496	214,609

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those that disclosed above and Note 31 to the Financial Statements) 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.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of new shares or debentures during the financial period.

WARRANTS

Warrants A

The Company had on 23 September 2019 allotted and issued 53,097,137 rights shares together with 159,291,411 free warrants ("Warrant(s) A") at an issue price of RM0.25 each on the basis of 3 Warrants A for every 1 rights share subscribed. Each Warrant A entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 23 September 2019 to 22 September 2024, at an exercise price of RM0.25 each in accordance with a deed poll. Any Warrants A not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 16 June 2021, the Company completed the share split with additional 33,168,391 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.13 each for 1 new ordinary share pursuant to the share split. On 28 June 2022, the Company completed the bonus issue with additional 472,482 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.07 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants A shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants A.

As at 31 March 2024, 944,964 Warrants A remained unexercised.

Warrants B

The Company had on 4 October 2021 issued 850,811,683 free warrants ("Warrant(s) B") at an issue price of RM2.60 each on the basis of 1 Warrant B for every 3 existing ordinary shares held by the entitled shareholders on the entitlement date. Each Warrant B entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 4 October 2021 to 3 October 2024, at an exercise price of RM2.60 in accordance with a deed poll. Any Warrants B not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 28 June 2022, the Company completed the bonus issue with additional 850,558,283 Warrants B issued and the exercise price of Warrants B was adjusted to RM1.30 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants B shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants B.

As at 31 March 2024, 1,701,116,566 Warrants B remained unexercised.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial period, Directors and Officers of the Company were covered under the Director and Officer Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Company. The total amount of insurance coverage and insurance premium paid for Directors and Officers of the Company were RM5,000,000 and RM20,245 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:-

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

(a) which would render the amounts written off for any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial period in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

Significant and subsequent events are disclosed in Note 36 to the Financial Statements.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees payable to the Auditors of the Group and of the Company for the financial period from 1 October 2022 to 31 March 2024 amounted to RM291,000 and RM144,000 respectively.

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

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

LESTER CHIN KENT LAKE	)	
	)	DIRECTORS
LEE LI CHAIN	)	

Kuala Lumpur
26 July 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 83 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial period from 1 October 2022 to 31 March 2024.

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

LESTER CHIN KENT LAKE

LEE LI CHAIN

Kuala Lumpur
26 July 2024

STATUTORY DECLARATION

I, Lee Li Chain, being the Director primarily responsible for the financial management of Hong Seng Consolidated Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 83 to 165 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
26 July 2024)

LEE LI CHAIN
(MIA NO.: 22634)
CHARTERED ACCOUNTANT

Before me,

Commissioner for Oaths

RAMATHILAGAM A/P T. RAMASAMY (W671)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hong Seng Consolidated Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, 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 period from 1 October 2022 to 31 March 2024, including a summary of significant accounting policies and other explanatory information, as set out on pages 83 to 165.

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 of 31 March 2024, their financial performance and cash flows for the financial period from 1 October 2022 to 31 March 2024 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, are of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Impairment of trade receivables

The risk – In accordance with the impairment requirements under MFRS 9, the management is required to apply forward-looking approach in assessing the impairment of trade receivables. Broader range of information is considered including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cashflows of trade receivables are applied to calculate the expected credit losses using a provision matrix.

We identified impairment of trade receivables as a significant risk requiring special audit consideration. This is because the Group's trade receivables are material to the financial statements.

Our responses – In addressing this area of focus, we assessed the validity of material receivables by obtaining third-party confirmations of amounts owing. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

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

Key Audit Matters (Cont'd)

Group (Cont'd)

Impairment of trade receivables (Cont'd)

The assessment of the appropriateness of the provision for trade receivables comprised a variety of audit procedures across the Group including:-

- Challenging the appropriateness and reasonableness of the assumptions applied in the assessment of the receivables allowance;
- Consideration and concurrence of the agreed payment terms;
- Verification of receipts from trade receivables subsequent to period-end; and
- Considered the completeness and accuracy of the disclosures.

The Group's disclosures regarding impairment of trade receivables are included in Notes 12 and 33 to the Financial Statements.

Impairment of property, plant and equipment

The risk – There were indications that the carrying amounts of the Group's property, plant and equipment would exceed their recoverable amounts and therefore the carrying amounts had to be impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

We identified the Group's property, plant and equipment as a key audit matter because of its significance to total assets in the consolidated financial statements and the estimation of recoverable amounts involving a significant degree of judgement and assumptions made by the Group such as estimated fair values of the property, plant and equipment as provided by the management or external valuer.

Our response – In addressing this area of audit focus, we performed amongst others, the following procedures:

- obtained an understanding on the management's assessment on the recoverability of the property, plant and equipment;
- evaluated the appropriateness of the methodology and approach applied;
- evaluated and interviewed the external valuer on the competence, capabilities and objectivity and obtained an understanding of the valuation model used; and
- compared the valuation with recent transactions involving similar assets.

The Group's disclosures about property, plant and equipment are included in Note 4 to the Financial Statements.

Group and Company

Impairment of investment in an associate company

The risk – Significant judgements are required by the Directors in assessing the recoverability of the investment in an associate company. This is based on the value-in-use using discounted cash flow projections, covering a five-year period for the associate company. The assumptions with the most significant judgement on the discounted cash flow projections are growth rates, profit margins and discount rate.

Our responses – Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company, in particular those relating to the forecasted revenue growth, expenses and profit margins. We checked for additional impairment indicators by reading Board's minutes, holding regular discussions with the management and examining the performance of the associate company. We also focused on the adequacy of the Group's and the Company's disclosures about those assumptions that have the most significant effect on the determination of the recoverable amount of investment in the associate company.

The Group's and the Company's disclosures regarding impairment of investment in an associate company are included in Note 9 to the Financial Statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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:-

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

KHO KIM ENG
(NO: 03137/10/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
26 July 2024

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	Group 31.3.2024 RM	Group 30.9.2022 RM	Company 31.3.2024 RM	Company 30.9.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	84,128,682	131,691,143	11,558	48,572
Investment properties	5	43,855,991	-	-	-
Intangible assets	6	-	-	-	-
Investment in subsidiary companies	7	-	-	30,593,352	10,614,010
Investment in a joint venture company	8	-	-	-	-
Investment in associate companies	9	39,957,941	20,000	40,319,731	-
Goodwill on consolidation	10	-	6,083,027	-	-
Other investments	11	35,904,787	9,520,033	9,519,943	9,519,943
Trade receivables	12	15,000,000	2,000,000	-	-
Fixed deposits with licensed banks	13	-	2,319,629	-	-
Total non-current assets		218,847,401	151,633,832	80,444,584	20,182,525
Current assets					
Inventories	14	5,264,016	23,915,967	-	-
Trade receivables	12	85,132,933	166,229,641	-	-
Other receivables	15	13,575,978	14,358,821	65,187	36,129,903
Amount due from subsidiary companies	7	-	-	179,370,196	291,366,045
Amount due from a joint venture company	8	-	53,117	-	41,000
Amount due from an associate company	9	621	269,473	-	-
Tax recoverable		4,382,597	1,049,600	6,787	-
Fixed deposits with licensed banks	13	206,906	247,818	-	-
Cash and bank balances		18,461,539	74,181,222	4,215,316	5,502,748
Total current assets		127,024,590	280,305,659	183,657,486	333,039,696
Total assets		345,871,991	431,939,491	264,102,070	353,222,221
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	16	251,446,486	251,446,486	251,446,486	251,446,486
Irredeemable convertible preference shares	17	35,878	35,878	35,878	35,878
Fair value reserve	18	(1,714,847)	(863,432)	(863,432)	(863,432)
Foreign currency translation reserve	19	76,907	-	-	-
Retained earnings		49,427,631	137,707,582	7,116,753	92,009,691
		299,272,055	388,326,514	257,735,685	342,628,623
Non-controlling interests	7	5,656,626	2,796,231	-	-
Total equity		304,928,681	391,122,745	257,735,685	342,628,623

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2024

		Group		Company	
	Note	**31.3.2024**	**30.9.2022**	**31.3.2024**	**30.9.2022**
		RM	**RM**	**RM**	**RM**
LIABILITIES					
Non-current liabilities					
Lease liabilities	20	10,787,534	558,951	-	-
Deferred tax liabilities	21	32,231	927,631	-	-
Bank borrowings	22	10,336,539	12,318,861	-	-
Total non-current liabilities		21,156,304	13,805,443	-	-
Current assets					
Trade payables	23	2,588,054	8,911,416	-	-
Other payables	24	14,606,995	11,097,676	404,857	299,045
Amount due to subsidiary companies	7	-	-	5,961,528	10,294,553
Lease liabilities	20	1,025,060	374,205	-	-
Bank borrowings	22	1,362,716	1,290,592	-	-
Tax payable		204,181	5,337,414	-	-
Total current liabilities		19,787,006	27,011,303	6,366,385	10,593,598
Total liabilities		40,943,310	40,816,746	6,366,385	10,593,598
Total equity and liabilities		345,871,991	431,939,491	264,102,070	353,222,221

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Note	Group		Company	
		1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Revenue	25	22,422,037	198,400,746	-	72,261,000
Cost of sales		(56,368,953)	(112,431,964)	-	-
Gross (loss)/profit		(33,946,916)	85,968,782	-	72,261,000
Other income	26	7,153,786	69,062,489	5,706,814	805,907
Interest income		1,007,490	830,497	479,951	393,671
(Impairment losses)/Reversal of impairment losses on financial assets		(14,476,524)	(6,754,478)	12,710,882	12,235,527
Fair value gain on other investments		8,659,822	-	-	-
Selling and distribution expenses		(426,842)	(1,459,820)	-	-
Administration expenses		(20,851,102)	(23,403,292)	(2,424,117)	(2,743,114)
Other expenses		(44,208,315)	(4,907,926)	(101,183,253)	(3,387,412)
Finance costs		(1,818,665)	(631,357)	-	-
Share of results of associate companies		(457,689)	465,168	-	-
(Loss)/Profit before tax	27	(99,364,955)	119,170,063	(84,709,723)	79,565,579
Tax (expense)/income	28	(910,536)	(16,798,055)	(183,215)	8,335
Net (loss)/profit for the financial period/year		(100,275,491)	102,372,008	(84,892,938)	79,573,914
Other comprehensive (loss)/income					
Item that will not be subsequently reclassified to profit or loss:					
– Loss in fair value on other investments		(1,001,415)	-	-	-
Item that will be subsequently reclassified to profit or loss:					
– Foreign currency translation reserve		76,907	-	-	-
Total comprehensive (loss)/income for the financial period/year		(101,199,999)	102,372,008	(84,892,938)	79,573,914

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Note	Group 1.10.2022 to 31.3.2024 RM	Group 1.10.2021 to 30.9.2022 RM	Company 1.10.2022 to 31.3.2024 RM	Company 1.10.2021 to 30.9.2022 RM
Net (loss)/profit for the financial period/year attributable to:					
Owners of the Company		(91,837,134)	97,191,503	(84,892,938)	79,573,914
Non-controlling interests		(8,438,357)	5,180,505	-	-
		(100,275,491)	102,372,008	(84,892,938)	79,573,914
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(92,611,642)	97,191,503	(84,892,938)	79,573,914
Non-controlling interests		(8,588,357)	5,180,505	-	-
		(101,199,999)	102,372,008	(84,892,938)	79,573,914
(Loss)/earnings per ordinary share attributable to equity holders of the Company (sen)					
– Basic Diluted	29	(1.80)	1.90		
– Diluted	29	*	1.43		

** Anti-diluted in nature*

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Attributable to Owners of the Company							
		Non-distributable						
	Share capital RM	Irredeemable convertible preference shares RM	Fair value reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total RM
Group								
Balance at 1 October 2021	250,615,397	56,765	(863,432)	-	22,608,174	272,416,904	21,891,990	294,308,894
Net profit/Total comprehensive income for the financial year	-	-	-	-	97,191,503	97,191,503	5,180,505	102,372,008
Transactions with owners:								
Conversion of irredeemable convertible preference shares	83,550	(20,887)	-	-	-	62,663	-	62,663
Exercise of warrants	747,539	-	-	-	-	747,539	-	747,539
Issuance of shares by subsidiary companies to non-controlling interests	-	-	-	-	-	-	6,000,490	6,000,490
Disposal of subsidiary companies	-	-	-	-	-	-	(5,369,854)	(5,369,854)
Derecognition of subsidiary companies	-	-	-	-	-	-	(5,470,905)	(5,470,905)
Changes in subsidiary companies' ownership interests that did not result in a loss of control	-	-	-	-	17,907,905	17,907,905	(7,127,995)	10,779,910
Dividends received by non-controlling interests	-		-	-	-	-	(12,308,000)	(12,308,000)
Total transactions with owners	831,089	(20,887)	-	-	17,907,905	18,718,107	(24,276,264)	(5,558,157)

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Attributable to Owners of the Company							
		Non-distributable						
	Share capital RM	Irredeemable convertible preference shares RM	Fair value reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total RM
Group								
Balance at 30 September 2022	251,446,486	35,878	(863,432)	-	137,707,582	388,326,514	2,796,231	391,122,745
Net loss for the financial period	-	-	-	-	(91,837,134)	(91,837,134)	(8,438,357)	(100,275,491)
Other comprehensive income for the financial period:								
- Loss in fair value on other investments	-	-	(851,415)	-	-	(851,415)	(150,000)	(1,001,415)
- Share of foreign currency translation difference of an associate company	-	-	-	76,907	-	76,907	-	76,907
Total comprehensive (loss)/income for the financial period	--	--	(851,415)	76,907	(91,837,134)	(92,611,642)	(8,588,357)	(101,199,999)
Transactions with owners:								
Struck off of a subsidiary company	-	-	-	-	-	-	5,935	5,935
Changes in subsidiary companies' ownership interests that did not result in a loss of control	-	-	-	-	3,557,183	3,557,183	11,442,817	15,000,000
Total transactions with owners	-	-	-	-	3,557,183	3,557,183	11,448,752	15,005,935
Balance at 31 March 2024	251,446,486	35,878	(1,714,847)	76,907	49,427,631	299,272,055	5,656,626	304,928,681

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Attributable to Owners of the Company				
		Non-distributable			
	Share capital RM	Irredeemable convertible preference shares RM	Fair value reserve RM	Retained earnings RM	Total RM
Company					
Balance at 1 October 2021	250,615,397	56,765	(863,432)	12,435,777	262,244,507
Net profit/Total comprehensive income for the financial year	-	-	-	79,573,914	79,573,914
Transactions with owners:					
Conversion of irredeemable convertible preference shares	83,550	(20,887)	-	-	62,663
Exercise of warrants	747,539	-	-	-	747,539
Total transactions with owners	831,089	(20,887)	-	-	810,202
Balance at 30 September 2022	251,446,486	35,878	(863,432)	92,009,691	342,628,623
Net loss/Total comprehensive loss for the financial period	-	-	-	(84,892,938)	(84,892,938)
Balance at 31 March 2024	251,446,486	35,878	(863,432)	7,116,753	257,735,685

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Note	Group		Company	
		1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(99,364,955)	119,170,063	(84,709,723)	79,565,579
Adjustments for:					
Amortisation of intangible assets		-	3,000,000	-	-
Bad debts written off		3,063	-	-	-
Deposits written off		94,190	12,440	-	-
Depreciation of property, plant and equipment		18,016,621	7,418,075	37,014	24,534
Depreciation of investment properties		41,147	-	-	-
Gain on derecognition of lease contracts		(2,233)	-	-	-
Gain on derecognition of subsidiary companies		-	(36,184,146)	-	-
Gain on disposal of subsidiary companies		(483,340)	(17,369,229)	-	(805,907)
Gain on disposal of non-current asset held for sale		(5,145,000)	-	(5,145,000)	-
Gain on disposal of other investments		(395,894)	(9,210,015)	-	-
Gain on disposal of property, plant and equipment		(15,208)	(764,203)	-	-
(Gain)/loss on disposal of associate companies		-	(1,579,026)	-	805,806
Loss on deemed disposal of an associate company		1,008	-	-	-
Loss on struck off of subsidiary companies		1,246,157	-	62,599	-
Impairment loss on investment in an associate company		20,000,000	-	20,000,000	-
Impairment loss on investment in subsidiary companies		-	-	81,120,654	2,561,000
Impairment loss on amount due from an associate company		274,409	180,000	-	-
Impairment loss on trade receivables (net)		13,894,483	6,366,478	-	-
Impairment loss on other receivables		307,632	208,000	-	-
Net reversal of impairment loss on amount due from subsidiary companies		-	-	(12,710,882)	(12,235,527)
Impairment loss on goodwill on consolidation		6,085,272	2,000,000	-	-
Impairment loss on property, plant and equipment		10,565,560	-	-	-
Fair value gain on other investments		(8,659,822)	-	-	-
Interest expenses		1,818,665	631,357	-	-
Interest income		(1,007,490)	(830,497)	(479,951)	(393,671)
Inventories written down		1,811,921	2,800,000	-	-
Inventories written off		339,067	113	-	-
Property, plant and equipment written off		4,146,521	106,953	-	20,606
Share of results of associate companies		457,689	(465,168)	-	-
Unrealised (gain)/loss on foreign exchange		(123)	860	-	-
Dividend income		-	-	-	(72,261,000)
Operating (loss)/profit before working capital changes		(35,970,660)	75,492,055	(1,825,289)	(2,718,580)
Changes in working capital:					
Inventories		15,639,581	(14,215,545)	-	-
Receivables		53,576,703	(141,801,902)	(62,572)	5,049,650
Payables		2,529,407	(4,993,670)	105,812	33,983
Cash generated from/(used in) operations		35,775,031	(85,519,062)	(1,782,049)	2,365,053
Interest paid		(1,818,665)	(631,357)	-	-
Tax refunded		776,274	-	-	-
Tax paid		(11,062,040)	(11,880,559)	(190,002)	(27,052)
Net cash from/(used in) operating activities		23,670,600	(98,030,978)	(1,972,051)	2,338,001

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

	Note	Group 1.10.2022 to 31.3.2024 RM	Group 1.10.2021 to 30.9.2022 RM	Company 1.10.2022 to 31.3.2024 RM	Company 1.10.2021 to 30.9.2022 RM
INVESTING ACTIVITIES					
Acquisition of shares in subsidiary companies		590,006	(3,107,107)	-	(3,099,902)
Acquisition of non-controlling interests		-	10,779,910	-	-
Repayment from/(Advances to) a joint venture company		-	(27,617)	41,000	(16,000)
Advances to an associate company		(5,557)	(449,473)	-	-
Net repayment from/(advances to) subsidiary companies		-	-	8,544,136	(145,308,685)
Dividend received		-	-	36,127,288	36,133,712
Interest received		1,007,490	830,497	479,951	393,671
Investment in an associate company		(60,319,731)	(99,900)	(60,319,731)	(48,900)
Net cash (outflow)/inflow from disposal of subsidiary companies		(3,108,690)	25,173,026	-	-
Net cash inflow from derecognition of subsidiary companies		-	26,408,117	-	-
Proceeds from disposal of a subsidiary company		-	-	-	100
Proceeds from disposal of associate companies		-	3,149,001	-	49,001
Proceeds from disposal of other investments		1,591,667	11,000,000	-	-
Net proceeds from disposal of non-current asset held for sale		5,145,000	-	5,145,000	
Proceeds from disposal of property, plant and equipment		363,257	1,005,840	-	-
Purchase of property, plant and equipment	A	(16,501,420)	(34,816,125)	-	(31,263)
Purchase of other investments		(19,922,120)	-	-	-
Purchase of investment properties		(2,737,023)	-	-	-
Acquisition by non-controlling interests in the shares of subsidiary companies		15,000,000	6,000,490	15,000,000	-
Net cash (used in)/from investing activities		(78,897,121)	45,846,659	5,017,644	(111,928,266)
FINANCING ACTIVITIES					
Net (repayment to)/advances from subsidiary companies		-	-	(4,333,025)	8,565,995
Dividends paid to non-controlling interests		-	(12,308,000)	-	-
Repayment of bank borrowings		(1,910,198)	(15,634,273)	-	-
Uplift of fixed deposits pledged		2,364,629	1,837,158	-	-
Proceeds from issuance of shares, net of share issuance expenses		-	810,202	-	810,202
Repayment of lease liabilities		(943,628)	(464,347)	-	-
Net cash (used in)/from financing activities		(489,197)	(25,759,260)	(4,333,025)	9,376,197
CASH AND CASH EQUIVALENTS					
Net changes		(55,715,718)	(77,943,579)	(1,287,432)	(100,214,068)
Net effect of foreign currency translation differences on cash and cash equivalents		123	(860)	-	-
At beginning of financial period/year		74,384,040	152,328,479	5,502,748	105,716,816
At end of financial period/year	B	18,668,445	74,384,040	4,215,316	5,502,748

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 MARCH 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Total acquisition cost	28,384,462	35,735,404	-	31,263
Less: Additions of right-of-use assets with lease liabilities	(11,883,042)	(919,279)	-	-
Total cash acquisition	16,501,420	34,816,125	-	31,263

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Fixed deposits with licensed banks	206,906	2,567,447	-	-
Cash and bank balances	18,461,539	74,181,222	4,215,316	5,502,748
	18,668,445	76,748,669	4,215,316	5,502,748
Less: Fixed deposits pledged	-	(2,364,629)	-	-
	18,668,445	74,384,040	4,215,316	5,502,748

C. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Payment relating to short-term leases	565,012	150,496	13,860	7,840
Interest paid in relation to lease liabilities	508,839	66,346	-	-
Repayment of lease liabilities	943,628	464,347	-	-
Total cash outflows for leases	2,017,479	681,189	13,860	7,840

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

NOTES TO THE FINANCIAL STATEMENT
31 MARCH 2024

1. GENERAL INFORMATION

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

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at C-01-3, Block C, Plaza Glomac, No. 6, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 7 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial period.

On 21 July 2023, the Company changed its financial year end from 30 September to 31 March to facilitate the financial reporting.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 26 July 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all period/year presented in these financial statements.

At the beginning of the current financial period, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the current financial period.

Initial application of the amendments/improvements to the standards did not have material financial impact to the financial statements of the Group and of the Company.

2.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

MFRS and Amendments to MFRSs effective 1 January 2023:

Amendments to MFRS 4*#	Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17*# and Amendments to MFRS 17*#	Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17*#	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112*	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company: (Cont'd)

Amendments to MFRSs effective 1 January 2024:

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

Amendments to MFRS effective 1 January 2025:

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

Amendments to MFRSs effective 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments

MFRSs effective 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19*#	Subsidiaries without Public Accountability: Disclosures

Amendments to MFRSs - effective date deferred indefinitely:

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

** Not applicable to Company's operations*
 # Not applicable to Group's operations

The initial application of the above standards and amendments are not expected to have any material financial impacts to the financial statements.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (Cont'd)

2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment, right-of-use assets and investment properties to be within 2 to 83 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 March 2024, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and echnological developments, which resulting the adjustment to the Group's and the Company's assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECLs") of receivables

The Group and the Company use a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 33 to the Financial Statements.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most realiable evidence available at the time the estimates are made. The Group's core business is subject to economical and technological changes which may cause selling price to change rapidly and the Group's result to change.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (Cont'd)

2.6.1 Estimation uncertainty (Cont'd)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. ere are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period/ year in which such determination is made.

2.6.2 Significant management judgement

The following are the significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Classification between investment properties and owner-occupied properties

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

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

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

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for leases with renewal option.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all period/year presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies which have been prepared in accordance with the Group's accounting policies.

Amounts reported in the financial statements of subsidiary companies have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting period/year.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.3 Business combinations and goodwill (Cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary company acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

3.1.4 Loss of control

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost and accounted for as equity accounted investee or as financial asset depending on the level of influence retained.

3.1.5 Non-controlling interests

Non-controlling interests at the reporting date, being the equity in a subsidiary company not attributable directly or indirectly to the owners of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.6 Associate and joint venture companies

Associate companies are entities in which the Group has significant influence but no control, over their financial and operating policies.

A joint venture company is a type of joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate companies and joint venture company are accounted for using the equity method. Under the equity method, investment in an associate company or a joint venture company is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate company or joint venture company since the acquisition date. Goodwill relating to the associate company or joint venture company is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate company or a joint venture company is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate company or a joint venture company, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate company or joint venture company are eliminated to the extent of the interest in the associate company or joint venture company.

The aggregate of the Group's share of profit or loss of an associate company and a joint venture company is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate company or joint venture company.

When the Group's share of losses exceeds its interest in an associate company or a joint venture company, the carrying amount of that interest including any long-term investment is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate company or the joint venture company.

The financial statements of the associate company and joint venture company are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associate company or joint venture company in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associate company or joint venture company.

The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associate company or joint venture company is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate company or joint venture company and their carrying values, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

3.1.6 Associate and joint venture companies (Cont'd)

Upon loss of significant influence over the associate company or joint control over the joint venture company, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company or joint venture company upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate company decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in an associate company and a joint venture company are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.2 Foreign currency translation

3.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

3.2.2 Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FCTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency translation (Cont'd)

3.2.2 Foreign operations (Cont'd)

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the FCTR in equity.

3.3 Property, plant and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the assets to working condition for their intended use, cost of replacing component parts of the assets and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment are written down to recoverable amounts if, in the opinion of the Directors, it is less than their carrying values. Recoverable amount is the net selling price of the property, plant and equipment, that is, the amount obtained from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less the costs of disposal.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2%
Tools and office equipment	10% – 33.33%
Furniture and fittings	8% – 20%
Factory equipment	10%
Laboratory and medical equipment	10% – 20%
Motor vehicles	20%
Computers	20% – 33.33%
Plant and machineries	10%
Renovations	10% – 20%
Leasehold improvements	10%

Freehold land with an infinite useful life is not depreciated. Work-in-progress consists of laboratory under construction and sublease of industrial land under construction/installation for intended use as production facilities. Assets under construction are not depreciated until they are completed and ready for their intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the differences between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss in the financial period/year in which the assets are derecognised.

3.4 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.4.1 As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.4.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying assets are available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

- Leasehold land – 51 to 53 years
- Leasehold buildings – 80 years
- Premises – 2 to 7 years
- Motor vehicles – 7 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment review as detailed in Note 3.9 to the Financial Statements.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

3.4.1 As lessee (Cont'd)

3.4.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable and variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

The Group and the Company apply the short-term lease recognition exemption to their short-term leases. The Group and the Company also apply the leases of low-value assets recognition exemption to leases of that are considered to be low-value. Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

3.4.2 As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and included in other income in the statements of profit or loss due to its operating nature. Contingent rents are recognised as revenue in the period/year in which they are earned.

3.5 Investment properties

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

Subsequent to initial recognition, investment properties are treated as long-term investments and are measured at cost less accumulated amortisation and impairment losses, if any. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of investment properties.

Amortisation on investment properties is computed on the straight-line basis in order to write off the cost over their estimated useful lives. The principal annual amortisation rate used is as follows:

Leasehold land and buildings	53 – 83 years

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Investment properties (Cont'd)

Investment properties are written down to recoverable amounts if, in the opinion of the Directors, it is less than their carrying values. Recoverable amount is the net selling price of the investment properties, that is, the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less the costs of disposal.

Investment properties are derecognised when either they are disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of investment properties are recognised in profit or loss in the period/year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied properties become investment properties, the Company accounts for such properties in accordance with the policy stated under property, plant and equipment up to the date of change.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs and content database expenditure are not capitalised and the expenditure is reflected in the profit or loss in the period/year in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate and is treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying values may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss when the asset is derecognised.

3.6.1 Trademarks, customer lists and relationships

These intangible assets were acquired in a business combination. The useful lives of these intangible assets are estimated to be indefinite as based on the current market share of the trademarks, management believes that there is no foreseeable limit to the period over which trademarks, customer lists and relationships are expected to generate net cash inflows for the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Intangible assets (Cont'd)

3.6.2 Online platform

Online platform expenditures are carried at cost less accumulated amortisation and any accumulated impairment losses. The online platform has a finite useful life and is amortised on a straight-line basis over 5 years. The expected useful life is assessed for impairment whenever there is an indication that the online platform's function may be impaired. The amortisation period and the amortisation method is reviewed at least at each reporting date.

3.7 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.7.1 Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. The Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI")" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.1 Financial assets (Cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company carry financial assets at amortised cost, financial assets at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss on their statements of financial position.

<u>Financial assets at amortised cost ("Amortised cost")</u>

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's trade and other receivables, amounts due from subsidiary companies, a joint venture company, an associate company and cash and cash equivalents fall into this category of financial instruments.

<u>Financial assets designated at fair value through OCI (equity instruments) ("FVOCI")</u>

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group or the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The investment in unquoted shares fall into this category of financial instruments.

<u>Financial assets at fair value through profit or loss ("FVTPL")</u>

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flow are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedge accounting requirements apply.

Assets in this category is measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market exists.

The investment in quoted shares fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.1 Financial assets (Cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.1 Financial assets (Cont'd)

Impairment (Cont'd)

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

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

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

3.7.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

The Group's and the Company's financial liabilities include bank borrowings, trade and other payables and amount due to subsidiary companies.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

3.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short term demand deposits and fixed deposits with licensed banks which are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current.

3.9 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiary companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of non-financial assets (Cont'd)

Goodwill is tested for impairment annually at each reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at each reporting date, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying values may be impaired.

3.10 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Preference share capital is classified as equity if it is non-redeemable or is redeemable but only at the Company's option and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Retained earnings include all current period/year's loss/profit and prior years' retained profits.

All transactions with the owners of Company are recorded separately within equity.

3.11 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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

3.12 Borrowing costs

All borrowing costs are recognised as expenses in the financial period/year in which they incurred.

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of raw materials for gloves are determined on a weighted average basis which include all expenses incurred in bringing the inventories to their present location and condition. Costs of work-in-progress for gloves are determined using standard costing which includes cost of purchases, direct labours and other production costs. Costs of laboratory instruments and pharmaceutical and medical goods are determined on a first-in-first-out basis and comprise the original cost of purchase plus costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

3.14 Employees benefits

3.14.1 Short term employees benefits

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

3.14.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employees services in the current period and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue from contracts with customers

3.15.1 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as services tax.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services. The control over the goods or services is transferred over time and revenue is recognised over time if:-

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue from contracts with customers (Cont'd)

3.15.1 Revenue recognition (Cont'd)

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured on the basis of direct measurements of the values to the customer of the goods or services transferred to date relative to the remaining goods of services promised under the contract.

Revenue from sales of advertising space on internet directories and third party online advertsing services are recognised at a point in time upon rendering of services.

Revenue from the trading of raw materials and gloves is recognised at a point in time upon delivery of goods.

Revenue from marketplace services is recognised at a point in time upon successful arrangement of delivery or provision of goods or services.

Revenue from the medical diagnostic laboratory services is recognised at a point in time upon delivery of medical diagnostic results.

Revenue from the sales of pharmaceutical and medical goods is recognised at a point in time upon delivery of pharmaceutical and medical goods.

Loan interest income from financing schemes is recognised using the effective interest rate ("EIR") method. EIR is a method of calculating the amortised cost of loan receivables and of allocating the corresponding interest income over the relevant year. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the receivable or, when appropriate, a shorter year to the net carrying amount of the loan receivables.

Interest income is recognised on a time proportion basis.

Management fee is recognised when services are rendered.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss.

3.16.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period/year, using tax rates enacted or substantively enacted by the reporting date and any adjustment to tax payable in respect of previous period/years.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.16.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period/year.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17 Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

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

Group	Freehold land RM	Freehold buildings RM	Leasehold land RM	Leasehold buildings RM	Tools and office equipment and furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Computers RM	Factory equipment, plant and machineries RM	Renovations RM	Work-in progress RM	Premises RM	Leasehold improvements RM	Total RM
31.3.2024														
At cost														
At 1 October 2022	1,238,000	2,102,754	31,117,226	-	573,259	3,245,028	1,867,463	793,845	90,463,144	1,101,138	9,834,780	922,324	-	143,258,961
Additions	-	178,282	-	2,218,897	113,718	189,835	200,000	126,858	65,110	-	13,335,450	11,883,042	73,270	28,384,462
Acquisition of subsidiary companies	-	-	-	-	2,075	-	-	86,967	-	-	-	-	-	89,042
Disposals	-	-	-	-	(1,248)	(26,500)	(530,490)	(75,500)	-	(6,405)	-	-	-	(640,143)
Disposal of subsidiary companies	-	-	-	-	(2,075)	-	-	(86,967)	-	-	-	-	-	(89,042)
Written off	-	-	-	-	(1,600)	(9,360)	-	-	(1,866)	-	(4,134,681)	-	-	(4,147,507)
Transferred to investment properties	-	-	(31,117,226)	-	-	-	-	-	-	-	(14,737,110)	-	-	(45,854,336)
Reclassification	-	410,318	-	-	80,706	-	-	-	303,407	-	(4,281,871)	-	3,487,440	-
Reversal*	-	-	-	-	(36,500)	-	-	-	(374,850)	-	(16,568)	-	-	(427,918)
Lease termination	-	-	-	-	-	-	-	-	-	-	-	(224,039)	-	(224,039)
Lease modification	-	-	-	-	-	-	-	-	-	-	-	(19,050)	-	(19,050)
Struck off of subsidiary companies	-	-	-	-	-	-	-	-	(2,246,364)	-	-	-	-	(2,246,364)
At 31 March 2024	1,238,000	2,691,354	-	2,218,897	728,335	3,399,003	1,536,973	845,203	88,208,581	1,094,733	-	12,562,277	3,560,710	118,084,066
Accumulated depreciation														
At 1 October 2022	-	37,407	3,773,528	-	97,910	427,765	238,084	350,627	5,921,386	229,705	-	491,406	-	11,567,818
Charged for the financial period	-	68,326	920,693	34,384	106,934	600,615	470,749	248,523	13,364,101	164,421	-	1,636,858	401,017	18,016,621
Acquisition of subsidiary companies	-	-	-	-	1,552	-	-	73,877	-	-	-	-	-	75,429
Disposals	-	-	-	-	(1,247)	(9,275)	(207,235)	(73,857)	-	(480)	-	-	-	(292,094)
Disposal of subsidiary companies	-	-	-	-	(1,604)	-	-	(76,051)	-	-	-	-	-	(77,655)
Written off	-	-	-	-	(534)	(192)	-	-	(260)	-	-	-	-	(986)
Transferred to investment properties	-	-	(4,694,221)	-	-	-	-	-	-	-	-	-	-	(4,694,221)
Reclassification	-	(4,782)	-	-	-	-	-	-	-	-	-	-	4,782	-
Lease termination	-	-	-	-	-	-	-	-	-	-	-	(185,346)	-	(185,346)
Struck off of subsidiary companies	-	-	-	-	-	-	-	-	(1,019,742)	-	-	-	-	(1,019,742)
At 31 March 2024	-	100,951	-	34,384	203,011	1,018,913	501,598	523,119	18,265,485	393,646	-	1,942,918	405,799	23,389,824
Accumulated impairment loss														
At 1 October 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognised for the financial period	-	-	-	-	-	611,937	-	-	9,953,623	-	-	-	-	10,565,560
At 31 March 2024	-	-	-	-	-	611,937	-	-	9,953,623	-	-	-	-	10,565,560
Net carrying amount														
31 March 2024	1,238,000	2,590,403	-	2,184,513	525,324	1,768,153	1,035,375	322,084	59,989,473	701,087	-	10,619,359	3,154,911	84,128,682

* *Reversal due to credit note received*

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

Group (Cont'd)	Freehold land RM	Freehold buildings RM	Leasehold land RM	Tools and office equipment and furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Computers RM	Factory equipment, plant and machineries RM	Renovations RM	Work-in progress RM	Premises RM	Total RM
30.9.2022												
At cost												
At 1 October 2021	1,238,000	1,450,000	-	1,284,545	2,265,253	1,233,017	637,336	263,436	3,101,177	53,626,575	861,373	65,960,712
Additions	-	613,554	-	194,800	979,775	1,558,263	210,156	927,505	22,429	30,997,483	231,439	35,735,404
Acquisition of subsidiary companies	-	-	31,117,226	27,450	-	-	8,807	14,652,965	686,444	-	-	46,492,892
Disposals	-	-	-	-	-	-	-	-	(686,444)	(5,840)	-	(692,284)
Derecognition of subsidiary companies	-	-	-	(895,119)	-	(923,817)	(21,657)	-	(2,022,468)	(60,000)	(170,488)	(4,093,549)
Written off	-	-	-	(38,417)	-	-	(40,797)	(65,000)	-	-	-	(144,214)
Reclassification	-	39,200	-	-	-	-	-	74,684,238	-	(74,723,438)	-	-
At 30 September 2022	1,238,000	2,102,754	31,117,226	573,259	3,245,028	1,867,463	793,845	90,463,144	1,101,138	9,834,780	922,324	143,258,961
Accumulated depreciation												
At 1 October 2021	-	3,625	-	912,984	166,850	458,793	237,080	3,674	2,047,376	-	198,089	4,028,471
Charged for the financial year	-	33,782	306,178	53,960	260,915	350,149	132,265	5,851,709	121,271	321	307,525	7,418,075
Acquisition of subsidiary companies	-	-	3,467,350	13,199	-	-	8,087	66,545	450,326	-	-	4,005,507
Disposals	-	-	-	-	-	-	-	-	(450,326)	(321)	-	(450,647)
Derecognition of subsidiary companies	-	-	-	(866,804)	-	(570,858)	(5,515)	-	(1,938,942)	-	(14,208)	(3,396,327)
Written off	-	-	-	(15,429)	-	-	(21,290)	(542)	-	-	-	(37,261)
At 30 September 2022	-	37,407	3,773,528	97,910	427,765	238,084	350,627	5,921,386	229,705	-	491,406	11,567,818
Net carrying amount												
30 September 2022	1,238,000	2,065,347	27,343,698	475,349	2,817,263	1,629,379	443,218	84,541,758	871,433	9,834,780	430,918	131,691,143

The Group performed an assessment during the financial period on the recoverable amount of the property, plant and equipment to determine whether the carrying values of the property, plant and equipment were recoverable. The review was carried out in accordance with MFRS 136 "Impairment of Assets". The estimated recoverable amounts were determined based on fair value less costs to sell ("FV").

Based on the impairment review performed, an impairment loss of RM10,565,560 (30.9.2022: Nil) was recognised which was determined using FV based on the net selling price expected to be received for similar assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

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

Company	Computers RM	Office equipment RM	Total RM
31.3.2024			
At cost			
At 1 October 2022	90,324	-	90,324
Accumulated depreciation			
At 1 October 2022	41,752	-	41,752
Charged for the financial period	37,014	-	37,014
At 31 March 2024	78,766	-	78,766
Net carrying amount			
31 March 2024	11,558	-	11,558
30.9.2022			
At cost			
At 1 October 2021	79,771	10,268	90,039
Additions	31,263	-	31,263
Written off	(20,710)	(10,268)	(30,978)
At 30 September 2022	90,324	-	90,324
Accumulated depreciation			
At 1 October 2021	26,097	1,493	27,590
Charged for the financial year	24,534	-	24,534
Written off	(8,879)	(1,493)	(10,372)
At 30 September 2022	41,752	-	41,752
Net carrying amount			
30 September 2022	48,572	-	48,572

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

Information on right-of-use assets are as follows:-

Group	Carrying amount included in property, plant and equipment RM	Depreciation charged for the financial period/year RM	Additions RM
31.3.2024			
Leasehold land	-	920,693	-
Leasehold buildings	2,184,513	34,384	2,218,897
Premises	10,619,359	1,636,858	11,883,042
Motor vehicles	178,557	155,648	-
Total right-of-use assets	12,982,429	2,747,583	14,101,939
30.9.2022			
Leasehold land	27,343,698	306,178	-
Premises	430,918	307,525	231,439
Motor vehicles	509,034	174,834	712,040
Total right-of-use assets	28,283,650	788,537	943,479

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

The leasehold land with a net carrying amount of RM26,423,005 (30.9.2022: RM27,343,698) has been pledged to a licensed bank as security for bank borrowings of the Group as disclosed in Note 22 to the Financial Statements and the leasehold land has been transferred to investment properties at 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

5. INVESTMENT PROPERTIES

Group	Leasehold land RM	Buildings RM	Total RM
31.3.2024			
At cost			
At 1 October 2022	-	-	-
Additions	-	2,737,023	2,737,023
Transferred from property, plant and equipment	31,117,226	14,737,110	45,854,336
At 31 March 2024	31,117,226	17,474,133	48,591,359
Accumulated depreciation			
At 1 October 2022	-	-	-
Transferred from property, plant and equipment	4,694,221	-	4,694,221
Charged for the financial period	-	41,147	41,147
At 31 March 2024	4,694,221	41,147	4,735,368
Net carrying amount			
At 31 March 2024	26,423,005	17,432,986	43,855,991

The fair value of the investment properties is RM50,196,000 (30.9.2022: Nil) as at the reporting date.

Investment properties with carrying amounts of RM41,160,115 (30.9.2022: Nil) have been pledged to a licensed bank as securities for bank borrowings of the Group as disclosed in Note 22 to the Financial Statements.

<u>Income and expenses recognised in profit or loss</u>

Group	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Rental income	119,220	-
Direct operating expenses	83,816	-

6. INTANGIBLE ASSETS

Group	Trademarks RM	Customer lists and relationships RM	Online platform RM	Total RM
30 September 2022				
At cost				
At 1 October 2021	9,322,657	11,539,503	15,000,000	35,862,160
Disposal of subsidiary companies	(9,322,657)	(11,539,503)	(15,000,000)	(35,862,160)
At 30 September 2022	-	-	-	-
Accumulated amortisation				
At 1 October 2021	-	-	1,250,000	1,250,000
Amortisation for the financial year	-	-	3,000,000	3,000,000
Disposal of subsidiary companies	-	-	(4,250,000)	(4,250,000)
At 30 September 2022	-	-	-	-
Accumulated impairment loss				
At 1 October 2021	9,322,657	11,539,503	-	20,862,160
Disposal of subsidiary companies	(9,322,657)	(11,539,503)	-	(20,862,160)
At 30 September 2022	-	-	-	-
Net carrying amount				
30 September 2022	-	-	-	-

Trademarks, customer lists and relationships

The trademarks related to "Superpages" directory journal and were acquired together with customer list and relationships in a business combination.

Online platform

Online platform referred to the Johor state portion of the "Jengu platform".

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

7. SUBSIDIARY COMPANIES

Company	31.3.2024 RM	30.9.2022 RM
Unquoted shares:		
At cost	114,275,006	13,175,010
Less: Accumulated impairment loss		
At beginning of financial period/year	(2,561,000)	(3,223,226)
Recognised	(81,120,654)	(2,561,000)
Written off	-	3,223,226
At end of financial period/year	(83,681,654)	(2,561,000)
	30,593,352	10,614,010

The net assets of certain subsidiary companies were lower than the Company's net carrying amounts of investments, determined using fair value less costs to sell ("FVLCTS") which resulted in impairment losses recognised accordingly.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net assets method which derives the fair value of an investee's equity instrument by reference to the fair values of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets the higher the fair value

The particulars of subsidiary companies of which principal places of business are in Malaysia are as follows:-

Name of company	Effective interest 31.3.2024 %	Effective interest 30.9.2022 %	Principal activities
HS Bio Sdn. Bhd. ("HS Bio")	100	100	Supply of medical and healthcare related products and related services in addition to the supply chain management services for the healthcare segment
HS Synergy Sdn. Bhd.	100	100	Trading of latex
CBSA Bizhub Sdn. Bhd. ("CBSA Bizhub")	100	100	Investment holding
Hong Seng Capital Sdn. Bhd.	100	100	Money lending
HS Petchem Logistics Sdn. Bhd. ("HSPL")	100	100	Construction and operation of tank farm facilities for feedstocks storage and related integrated logistics services
Hong Seng Industries Sdn. Bhd. ("HSI")	100	100	Manufacturing and trading of nitrile butadiene latex and other related business

7. SUBSIDIARY COMPANIES (CONT'D)

The particulars of subsidiary companies of which principal places of business are in Malaysia are as follows:- (Cont'd)

Name of company	Effective interest 31.3.2024 %	Effective interest 30.9.2022 %	Principal activities
HKL Dynamics Sdn. Bhd. *(formerly known as Hong Seng Gloves Sdn. Bhd.)* ("HKL Dynamics")	85	100	Manufacturing and trading of rubber gloves
CASD Solutions Sdn. Bhd. ("CASDS")	100	100	Investment holding
HC Global Limited*	-	100	Dormant
Victory PE Sdn. Bhd. *(formerly known as HS Bio Holdings Sdn. Bhd.)* ("Victory PE")	100	100	Investment holding
HS Green Valley Sdn. Bhd. ("HSGV")	100	100	Investment holding
Subsidiary company of CBSA Bizhub:-			
CBSA International Sdn. Bhd.*	-	100	Dormant
Subsidiary company of HKL Dynamics:-			
Hypercove Sdn. Bhd. ("Hypercove")*	-	100	Dormant
Subsidiary companies of HS Bio:-			
Neogenix Laboratoire Sdn. Bhd. ("Neogenix Lab")	100	100	Providing services of medical diagnostic and research laboratory
eMedAsia Sdn. Bhd. ("eMedAsia")	60	60	Wholesale of pharmaceutical, medical and healthcare related products via an e-commerce platform
Subsidiary companies of HS Bio (cont'd):-			
HS Cloud Lab Sdn. Bhd. ("HS Cloud Lab")	100	100	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services and related logistic services
HS Ligno Sdn. Bhd. ("HS Ligno")*	-	50	Dormant
Premiumway Development Sdn Bhd. ("PDSB")	100	-	Property investment

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

7. SUBSIDIARY COMPANIES (CONT'D)

The particulars of subsidiary companies are as follows:- (Cont'd)

Name of company	Effective interest 31.3.2024 %	Effective interest 30.9.2022 %	Principal activities
Subsidiary companies of Neogenix Lab:-			
Neogenix (Sabah) Sdn. Bhd. ("Neogenix Sabah")	60	60	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services
Neogenix Evo Sdn. Bhd.*	-	60	Dormant
Neogenix Food Science Sdn. Bhd.*	-	100	Dormant
Premiumway Development Sdn. Bhd. ("PDSB")	-	100	Property investment
Neogenix Nexus Sdn. Bhd. ("Nexus")*	-	100	Dormant
Neogenix Care Sdn. Bhd. ("Care")*	-	100	Dormant

** During the financial period, these subsidiary companies had been struck off.*

7.1 Acquisition of subsidiary companies

31.3.2024

(a) On 10 November 2022, a wholly-owned subsidiary company of the Company, HS Bio further acquired 50 shares of HS Ligno for a total cash consideration of RM1. Subsequent to the acquisition, HS Bio increased its shareholdings from 50% to 100% in HS Ligno and had classified it as a subsidiary company from a joint venture company which is disclosed in Note 8 to the Financial Statements.

(b) On 9 June 2023, a wholly-owned subsidiary company, Victory PE, entered into a shares sale agreement with a third party for the acquisition of the entire equity interest in Paris Dynasty Land Sdn. Bhd. ("PDLSB") comprising 59,240,000 ordinary shares for a total cash consideration of RM100.

The purchase considerations, net assets acquired and effects of acquisitions are immaterial to the financial statements of the Group. The revenue and net loss for the financial period in which the acquisitions took place and their post-acquisition contributions included in the consolidated profit or loss are immaterial to the financial statements of the Group.

30.9.2022

(a) On 29 October 2021, a wholly-owned subsidiary company of the Company, HKL Dynamics entered into a shares sale agreement with a third party for the acquisition of the entire equity interest in Hypercove comprising 100,000 ordinary shares for a total cash consideration of RM2,200,000.

(b) On 26 January 2022, a wholly-owned subsidiary company of HS Bio, Neogenix Lab entered into a shares sale agreement with third parties for the acquisition of the entire equity interest in PDSB comprising 1,000,000 ordinary shares for a total cash consideration of RM1,025,764.

7. SUBSIDIARY COMPANIES (CONT'D)

7.1 Acquisition of subsidiary companies (Cont'd)

30.9.2022 (Cont'd)

The effects of the acquisitions on the financial position of the Group as at the dates of acquisitions are as follows:-

	Hypercove RM	PDSB RM	Total RM
Property, plant and equipment	14,586,420	27,900,965	42,487,385
Inventories	3,511,250	-	3,511,250
Other receivables	-	59,741	59,741
Tax recoverable	-	99,945	99,945
Cash and bank balances	9,987	108,670	118,657
Trade payables	(5,636,594)	-	(5,636,594)
Other payables	(10,271,063)	(12,899,831)	(23,170,894)
Bank borrowings	-	(14,243,726)	(14,243,726)
Total net assets acquired/total purchase consideration	2,200,000	1,025,764	3,225,764
Less: cash and cash equivalents acquired	(9,987)	(108,670)	(118,657)
Net cash inflows from acquisitions	2,190,013	917,094	3,107,107

7.2 Changes in ownership interests in subsidiary companies

31.3.2024

(a) On 6 June 2023, the Company entered into a shares sale agreement with a third party to dispose 15,000,000 ordinary shares representing 15% of the equity interest in HKL Dynamics for a total consideration of RM15,000,000. Subsequent to the disposal, the Company's equity interest in HKL Dynamics was diluted from 100% to 85%. The Company recognised an increase in non-controlling interests of RM11,442,817 and an increase in retained earnings of RM3,557,183.

30.9.2022

(a) On 3 January 2022, HS Bio entered into a shares sale agreement with certain Directors of certain subsidiary companies to acquire 80,000 ordinary shares representing 40% of the equity interest in Neogenix Lab for a total cash consideration of RM3,400,000. As a result, the Company's effective equity interest in Neogenix Lab had increased from 60% to 100%. The Group recognised a decrease in non-controlling interests of RM3,666,075 and an increase in retained earnings of RM266,075;

(b) On 29 March 2022, Neogenix Lab entered into a shares sale agreement with a third party to acquire 90 ordinary shares representing 9% of the equity interest in Neogenix Sarawak Sdn. Bhd. ("Neogenix Sarawak") for a total cash consideration of RM90, increasing its effective ownership from 51% to 60%. As a result, the Group recognised an increase in non-controlling interests of RM2,458 and a decrease in retained earnings of RM2,548;

7. SUBSIDIARY COMPANIES (CONT'D)

7.2 Changes in ownership interests in subsidiary companies (Cont'd)

30.9.2022 (Cont'd)

(c) On 30 March 2022, HS Bio subscribed for 11,500 ordinary shares representing 8% of the enlarged issued and paid-up share capital in eMedAsia for a total cash consideration of RM2,400,000, increasing its effective ownership from 52% to 60%. On 27 May 2022, HS Bio entered into a shares sale agreement with a third party to acquire 6,000 ordinary shares representing 20% of the entire equity interest in eMedAsia for a total cash consideration of RM6,000,000, increasing its effective ownership from 60% to 80%. On 5 August 2022, HS Bio entered into another shares sale agreement with a company in which a Director is a common director to dispose 6,000 ordinary shares representing 20% of the entire equity interest in eMedAsia for a total cash consideration of RM20,000,000. As a result, HS Bio's equity interest in eMedAsia was diluted from 80% to 60%. The Group recognised a decrease in non-controlling interests of RM3,678,034 and an increase in retained earnings of RM17,678,034; and

(d) On 24 June 2022, HS Bio entered into a shares sale agreement with a third party to dispose 35,000 ordinary shares representing 35% of the equity interest in Pantasniaga Sdn. Bhd. ("PSB") for a total cash consideration of RM24,000,000. PSB had 30% equity interest in Neogenix Sabah on the disposal date. Subsequent to the disposal, the Company's effective equity interest in Neogenix Sabah was diluted from 75.30% to 60%. The Group recognised an increase in non-controlling interests of RM213,656 and a decrease in retained earnings of RM33,656.

7.3 Incorporation of new subsidiary companies and subscription of shares in subsidiary companies

31.3.2024

(a) On 6 June 2023, the Company further subscribed for 97,500,000 ordinary shares in HKL Dynamics for a total cash consideration of RM97,500,000 by way of capitalising part of the interest free advances due from the subsidiary company; and

(b) On 5 July 2023, the Company further subscribed for 18,600,000 ordinary shares in CBSA Bizhub for a total cash consideration of RM18,600,000 by way of capitalising part of the interest free advances due from the subsidiary company.

30.9.2022

(a) On 7 October 2021, HS Bio incorporated a wholly-owned subsidiary company, HS Cloud Lab with an issued and paid-up share capital of RM100. On 11 August 2022, HS Bio further subscribed for 900 ordinary shares in HS Cloud Lab for a total cash consideration of RM900;

(b) On 26 October 2021, the Company further subscribed for 999,900 ordinary shares in HSPL for a total cash consideration of RM999,900;

(c) On 12 January 2022, the Company incorporated a wholly-owned subsidiary company, Victory PE with an issued and paid-up share capital of RM2,100,000;

(d) On 15 March 2022, Neogenix Lab incorporated two wholly-owned subsidiary companies, namely Nexus and Care with an issued and paid-up share capital of RM100 each; and

(e) On 14 July 2022, the Company incorporated a wholly-owned subsidiary company, HSGV with an issued and paid-up share capital of RM2.

7. SUBSIDIARY COMPANIES (CONT'D)

7.4 Disposal of subsidiary companies

31.3.2024

(a) On 6 September 2023, Victory PE entered into a shares sale agreement with a third party to dispose the entire equity interest in PDLSB comprising 59,240,000 ordinary shares for a total cash consideration of RM100.

The proceeds, net assets disposed and effects of the disposal are immaterial to the financial statements of the Group.

30.9.2022

(a) On 8 December 2021, CASDS entered into a shares sale agreement with third parties to dispose 80% equity interest in Aspire Knowledge Sdn. Bhd. ("Aspire") comprising 80,000 ordinary shares for a total cash consideration of RM8,000,000; and

(b) On 24 August 2022, HS Bio entered into a shares sale agreement with a third party to dispose 9,000,000 ordinary shares representing 60% of the entire equity interest in Neogenix Sdn. Bhd. ("NSB") for a total cash consideration of RM20,000,000.

The effects of the disposals on the financial position of the Group as at the date of disposals are as follows:-

	Aspire RM	NSB RM	Total RM
Inventories	-	10,801	10,801
Trade receivables	9,568,855	-	9,568,855
Other receivables	200	308,060	308,260
Intangible assets	-	10,750,000	10,750,000
Cash and bank balances	2,454,735	372,239	2,826,974
Trade payables	-	(621,316)	(621,316)
Other payables	(4,311,484)	(17,000)	(4,328,484)
Tax (payable)/recoverable	(2,560,328)	45,863	(2,514,465)
Net assets	5,151,978	10,848,647	16,000,625
Non-controlling interests	(1,030,395)	(4,339,459)	(5,369,854)
Gain on disposals	3,878,417	13,490,812	17,369,229
Proceeds from disposals	8,000,000	20,000,000	28,000,000
Less: Cash and cash equivalents disposed	(2,454,735)	(372,239)	(2,826,974)
Net cash inflows from disposals	5,545,265	19,627,761	25,173,026

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

7. SUBSIDIARY COMPANIES (CONT'D)

7.5 Derecognition of subsidiary companies

31.3.2024

There was no derecognition of subsidiary companies during the financial period.

30.9.2022

(a) On 30 November 2021, HS Freight & Forwarding Sdn. Bhd. ("HFFSB") further issued 99,900 new ordinary shares for a total cash consideration of RM99,900. The Company further subscribed for 48,900 ordinary shares for a total cash consideration RM48,900. As a result, the Company's equity interest in HFFSB was diluted from 100% to 49% from investment in a subsidiary company to investment in an associate company.

Subsequently on 15 August 2022, the Company entered into a shares sale agreement with a related party to dispose 49,000 ordinary shares representing 49% of the entire equity interest in HFFSB for a total cash consideration of RM49,000.

(b) On 24 December 2021, the Company entered into a shares sale agreement with a third party to dispose 75% equity interest in Cyber Business Solutions Sdn. Bhd. ("Cyber Business") comprising 2,417,420 ordinary shares for a total cash consideration of RM100.

Subsequently on 23 March 2022, the Company entered into a shares sale agreement with a third party to dispose the remaining 25% equity interest in Cyber Business comprising 805,806 ordinary shares for a total cash consideration of RM1.

(c) On 24 December 2021, CBSA Bizhub entered into a shares sale agreement with a third party to dispose 75% equity interest in Panpages Online Sdn. Bhd. comprising 750,000 ordinary shares, together with its subsidiary company, Panpages Media Sdn. Bhd. for a total cash consideration of RM9,500,000. Panpages Online Sdn. Bhd. owned the entire issued and paid-up share capital of Panpages Media Sdn. Bhd. at the date of disposal. Panpages Online Sdn. Bhd. and Panpages Media Sdn. Bhd. collectively referred as "Panpages Group".

Subsequently on 23 March 2022, CBSA Bizhub entered into a shares sale agreement with a third party to dispose the remaining 25% equity interest in Panpages Group for a total cash consideration of RM3,100,000.

(d) On 30 March 2022, Neogenix Lab entered into a shares sale agreement with a third party to dispose 510 ordinary shares representing 51% of the equity interest in Neogenix Sarawak for a total cash consideration of RM5,000,000.

(e) On 24 June 2022, HS Bio entered into a shares sale agreement with a third party to dispose 35,000 ordinary shares representing 35% of the equity interest in PSB for a total cash consideration of RM24,000,000.

Subsequently on 26 September 2022, HS Bio entered into a shares sale agreement with a third party to dispose the remaining 16% equity interest in PSB for a total cash consideration of RM11,000,000.

7. SUBSIDIARY COMPANIES (CONT'D)

7.5 Derecognition of subsidiary companies (Cont'd)

30.9.2022 (Cont'd)

The effects of the derecognition on the financial position of the Group as at the date of derecognition are as follows:-

	Cyber Business Solutions RM	Panpages Group RM	HFFSB RM	Neogenix Sarawak RM	PSB RM	Total RM
Property, plant and equipment	-	89,952	-	156,280	450,990	697,222
Investment in associate companies	-	-	-	-	211,000	211,000
Trade receivables	-	12,037	-	-	1,474,429	1,486,466
Other receivables	6,586,943	10,093,884	1,000	169,500	294,031	17,145,358
Fixed deposits with licensed banks	-	-	-	-	1,465,214	1,465,214
Cash and bank balances	14,446	43,922	100	323,000	11,872,998	12,254,466
Trade payables	-	(224,830)	-	-	(831,010)	(1,055,840)
Other payables	(20,951)	(16,956,158)	(10,661)	(518,311)	(1,221,822)	(18,727,903)
Lease liabilities	-	(2,051)	-	(157,775)	(258,960)	(418,786)
Bank borrowings	-	(162,483)	-	-	-	(162,483)
Tax recoverable/(payable)	7,595	-	-	-	(2,269,468)	(2,261,873)
Net assets/(liabilities)	6,588,033	(7,105,727)	(9,561)	(27,306)	11,187,402	10,632,841
Non-controlling interests	-	-	-	10,922	(5,481,827)	(5,470,905)
Fair values of equity interests retained as associate companies	(805,807)	(250,000)	(100)	-	-	(1,055,907)
Fair values of equity interests retained as other investments	-	-	-	(90)	(1,789,985)	(1,790,075)
(Loss)/Gain on derecognition	(5,782,126)	16,855,727	9,661	5,016,474	20,084,410	36,184,146
Proceeds from derecognition	100	9,500,000	-	5,000,000	24,000,000	38,500,100
Less: Cash and cash equivalents derecognised	(14,446)	118,561	(100)	(323,000)	(11,872,998)	(12,091,983)
Net cash (outflows)/inflows from derecognition	(14,346)	9,618,561	(100)	4,677,000	12,127,002	26,408,117

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

7. SUBSIDIARY COMPANIES (CONT'D)

7.6 Non-controlling interests in subsidiary companies

The Group's subsidiary companies that have material non-controlling interests ("NCI") are as follows:-

31.3.2024	**HKL Dynamics**	**eMedAsia**
Percentage of ownership interests held by NCI (%)	15%	40%
Carrying amount of NCI (RM)	3,966,944	1,765,850
Net loss allocated to NCI (RM)	(7,325,873)	(785,423)
Total comprehensive loss allocated to NCI (RM)	(7,475,873)	(785,423)

30.9.2022	**eMedAsia**
Percentage of ownership interests held by NCI (%)	40%
Carrying amount of NCI (RM)	2,551,274
Net loss/Total comprehensive loss allocated to NCI (RM)	(577,715)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below:-

	HKL Dynamics RM	**eMedAsia RM**
Summary of financial position as at 31 March 2024		
Non-current assets	78,416,900	187,778
Current assets	18,561,700	6,543,117
Non-current liabilities	(10,671,603)	-
Current liabilities	(59,860,702)	(221,521)
Net assets	26,446,295	6,509,374
Summary of financial performance for the financial period from 1 October 2022 to 31 March 2024		
Net loss	(71,267,893)	(1,963,558)
Total comprehensive loss	(72,267,893)	(1,963,558)
Revenue included in net loss/total comprehensive loss	5,860,009	758,976
Summary of cash flows for the financial period from 1 October 2022 to 31 March 2024		
Net cash outflows used in operating activities	(18,556,042)	(2,091,434)
Net cash outflows used in investing activities	(2,059,406)	(227,529)
Net cash inflows from financing activities	20,970,121	-
Net cash inflows/(outflows)	354,673	(2,318,963)

7. SUBSIDIARY COMPANIES (CONT'D)

7.6 Non-controlling interests in subsidiary companies (Cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests is as below:- (Cont'd)

	eMedAsia RM
Summary of financial position as at 30 September 2022	
Non-current asset	11,875
Current assets	8,647,910
Current liabilities	(186,853)
Net assets	8,472,932
Summary of financial performance for the financial year ended 30 September 2022	
Net loss/Total comprehensive loss	(1,608,362)
Revenue included in net loss/total comprehensive loss	7,408,833
Summary of cash flows for the financial year ended 30 September 2022	
Net cash outflows used in operating activities	(2,812,448)
Net cash outflows used in investing activities	(4,738)
Net cash inflows from financing activities	8,400,000
Net cash inflows	5,582,814

7.7 Amounts due from/(to) subsidiary companies

Company	31.3.2024 RM	30.9.2022 RM
Amount due from subsidiary companies	185,241,532	309,948,263
Less: Accumulated impairment loss		
At beginning of financial period/year	(18,582,218)	(30,817,745)
Recognised	(5,871,336)	(1,162,453)
Reversal	18,582,218	13,397,980
At end of financial period/year	(5,871,336)	(18,582,218)
	179,370,196	291,366,045

The amounts due from/(to) subsidiary companies are non-trade in nature, unsecured, bear no interest and receivable/repayable on demand.

The impairment loss was reversed during the financial period/year due to the amounts were capitalised/recovered during the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

8. JOINT VENTURE COMPANY

Investment in a joint venture company

Group	31.3.2024 RM	30.9.2022 RM
Unquoted shares:		
At cost	-	50
Share of loss of a joint venture company	-	(50)
	-	-

The particulars of the joint venture company which principal place of business is in Malaysia are as follows:-

Name of company	Effective interest 31.3.2024 %	Effective interest 30.9.2022 %	Principal activities
HS Ligno	-	50	Dormant

Group and Company

Amount due from a joint venture company

In prior year, the amount due from a joint venture company was non-trade in nature, unsecured, interest-free and receivable on demand.

9. ASSOCIATE COMPANIES

9.1 Investment in associate companies

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Unquoted shares, at cost:				
– in Malaysia	20,000	20,000	-	-
Quoted shares, at cost:				
– in Malaysia	60,319,731	-	60,319,731	-
Loss on deemed disposal	(1,008)	-	-	-
Share of post-acquisition loss	(457,689)	-	-	-
Share of post-acquisition reserve	76,907	-	-	-
Less: Accumulated impairment loss				
At beginning of financial period/year	-	-	-	-
Recognised	(20,000,000)	-	(20,000,000)	-
At the end of financial period/year	(20,000,000)	-	(20,000,000)	-
	39,957,941	20,000	40,319,731	-

9. ASSOCIATE COMPANIES (CONT'D)

9.1 Investment in associate companies (Cont'd)

The recoverable amount of the material associate company is determined based on the value in use calculation using discounted cash flows projections approved by the material associate's management covering a five-year period.

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

	31.3.2024 %	30.9.2022 %
Manufacturing		
Growth rate	8.50	-
Budgeted gross profit margin	12 – 14	-
Discount rate	9.27	-

The following describes each key assumption on which the relevant management has based its discounted cash flows projections to undertake the impairment review of investment in the material associate company:-

(i) Growth rate

The projected growth rate is based on actual operating results and a 5-year business plan.

(ii) Budgeted gross profit margin

The budgeted gross profit margin is estimated based on the relevant management's assessment of future trends in the industry and is based on both external and internal sources.

(iii) Discount rate

The discount rate is estimated based on the weighted average cost of capital of the material associate company.

Based on the assessment, the carrying amount of the investment in the material associate company is higher than its recoverable amount, hence an impairment loss of RM20,000,000 (30.9.2022: Nil) is recognised and included in the statements of profit or loss.

The material associate's management believes that no reasonably possible changes in the key assumptions used except for changes in the prevailing operating environments could cause the carrying amount of the investment to materially exceed its recoverable amount.

The particulars of the associate companies which principal places of business are in Malaysia are as follows:-

Name of company	Effective interest 31.3.2024 %	 30.9.2022 %	Principal activities
Straits Genomics Sdn. Bhd.	20.00	20.00	Dormant
Classita Holdings Berhad ("Classita")*	32.61	-	Investment holding

** Not audited by Grant Thornton Malaysia PLT*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

9. ASSOCIATE COMPANIES (CONT'D)

9.1 Investment in associate companies (Cont'd)

On 14 July 2023, the Company via off markets acquired 402,057,900 ordinary shares in Classita, representing 32.61% equity interest in Classita for a total cash consideration of RM60,319,731, including incidental costs of the acquisition.

The following table summarises the information of the Group's material associate company, reconciles the information to the carrying amount of the Group's interest in the material associate company.

	Classita RM
Summary of financial position as at 31 March 2024	
Non-current assets	42,544,745
Current assets	180,293,194
Non-current liabilities	(11,292,972)
Current liabilities	(19,184,470)
Net assets	192,360,497
Summary of financial performance for the financial period from the date of acquisition to 31 March 2024	
Net loss	(1,342,027)
Other comprehensive income	235,811
Total comprehensive loss	(1,106,216)
Revenue included in the net loss/total comprehensive loss	37,920,191
Reconciliation of net assets to carrying amount as at 31 March 2024	
Group's share of net assets	62,282,837
Bargain purchase	(2,324,896)
Impairment loss recognised	(20,000,000)
Carrying amount in the statements of financial position	39,957,941
Group's share of results for the financial period from the date of acquisition to 31 March 2024	
Group's share of loss	(437,689)
Group's share of other comprehensive income	76,907
Group's share of total comprehensive loss	(360,782)

Contingent liabilities and capital commitments

The material associate company has no contingent liabilities and capital commitments as at the reporting date.

There was no material associate company held by the Group in the previous financial year.

9. ASSOCIATE COMPANIES (CONT'D)

9.2 Amount due from an associate company

Group	31.3.2024 RM	30.9.2022 RM
Amount due from an associate company	455,030	449,473
Less: Accumulated impairment loss		
At beginning of financial period/year	(180,000)	-
Recognised	(274,409)	(180,000)
At end of financial period/year	(454,409)	(180,000)
	621	269,473

The amount due from an associate company is non-trade in nature, unsecured, interest-free and receivable on demand.

10. GOODWILL ON CONSOLIDATION

Group	31.3.2024 RM	30.9.2022 RM
Healthcare		
At beginning of financial period/year	6,083,027	8,083,027
Addition	2,245	-
Less: Impairment loss recognised during the financial period/year	(6,085,272)	(2,000,000)
At end of financial period/year	-	6,083,027

The recoverable amount of the goodwill on consolidation in prior year was determined based on the value in use calculation using discounted cash flows projections approved by the management covering a five-year period.

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

	31.3.2024 %	30.9.2022 %
Healthcare		
Growth rate	-	1 - 5
Budgeted gross profit margin	-	13 - 55
Discount rate	-	7.7

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

10. GOODWILL ON CONSOLIDATION (CONT'D)

The following describes each key assumption on which management had based its discounted cash flows projections to undertake the impairment review of goodwill on consolidation:-

(i) Growth rate

The projected growth rate was based on actual operating results and a 5-year business plan.

(ii) Budgeted gross profit margin

The budgeted gross profit margin was estimated based the management's assessment of future trends in the industry and was based on both external and internal sources.

(iii) Discount rate

The discount rate was estimated based on the weighted average cost of capital of the Group.

Based on the assessment, the carrying amount of the goodwill on consolidation was higher than its recoverable amount, hence an impairment loss of RM6,085,272 (30.9.2022: RM2,000,000) was recognised and included in the statements of profit or loss.

11. OTHER INVESTMENTS

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Non-current				
Financial assets at FVTPL:				
Quoted shares in Malaysia	26,384,844	-	-	-
Financial assets at FVOCI:				
Unquoted shares in Malaysia	9,519,943	9,520,033	9,519,943	9,519,943
	35,904,787	9,520,033	9,519,943	9,519,943
Fair value of quoted investments (Level 1)	26,384,844	-	-	-
Fair value of unquoted investments (Level 3)	9,519,943	9,520,033	9,519,943	9,519,943

Details of the Level 3 fair value measurement are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net assets method which derives the fair value of an investee's equity instrument by reference to the fair values of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets the higher the fair value

There was no transfer of fair value hierarchy during the financial period/year.

12. TRADE RECEIVABLES

Group	31.3.2024 RM	30.9.2022 RM
Trade receivables	120,787,786	174,990,011
Less: Accumulated impairment loss		
At beginning of financial period/year	(6,760,370)	(8,509,680)
Recognised	(13,922,177)	(6,627,464)
Reversal	27,694	260,986
Derecognition upon disposal of subsidiary companies	-	8,115,788
At end of financial period/year	(20,654,853)	(6,760,370)
	100,132,933	168,229,641
Presented as:		
Non-current	15,000,000	2,000,000
Current	85,132,933	166,229,641
	100,132,933	168,229,641

Trade receivables are non-interest bearing and are generally on 1 to 24 months (30.9.2022: 1 to 18 months) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The impairment loss on trade receivables was reversed during the financial period/year as a result of credit notes issued and/or receipts.

Included in trade receivables are loan receivables of RM89,487,185 (30.9.2022: RM144,868,208) arising from the moneylending business of the Group.

13. FIXED DEPOSITS WITH LICENSED BANKS

Group

Fixed deposits with licensed banks of RM2,364,629 in the previous financial year were pledged as securities for bank guarantee facilities granted to certain subsidiary companies.

The effective interest rates for fixed deposits with licensed banks range from 2.65% to 2.75% (30.9.2022: 1.50% to 2.15%) per annum.

14. INVENTORIES

Group	31.3.2024 RM	30.9.2022 RM
At net realisable value:		
Laboratory instruments	579,628	1,233,374
Pharmaceutical and medical goods	568,468	1,387,686
Raw materials for gloves	1,898,165	5,089,762
Work in progress for gloves	2,217,755	16,205,145
	5,264,016	23,915,967

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

14. INVENTORIES (CONT'D)

Group	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Recognised in profit or loss:		
Inventories recognised as cost of sales	53,401,965	98,180,706
Inventories written down	1,811,921	2,800,000
Inventories written off	339,067	113

15. OTHER RECEIVABLES

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Deposits	12,786,434	12,379,453	1,010	1,220
Prepayments	465,140	532,211	63,082	300
Non-trade receivables	840,036	1,655,157	1,095	1,095
Dividend receivable	-	-	-	36,127,288
Less: Accumlated impairment loss				
At beginning of financial period/year	(208,000)	-	-	-
Recognised	(307,632)	(208,000)	-	-
At end of financial period/year	(515,632)	(208,000)	-	-
	13,575,978	14,358,821	65,187	36,129,903

Included in deposits is RM11,173,140 (30.9.2022: RM11,173,140) paid for the sublease of industrial land located in Kedah.

16. SHARE CAPITAL

Group and Company

	Number of ordinary shares		Amount	
	31.3.2024 Unit	30.9.2022 Unit	31.3.2024 RM	30.9.2022 RM
Issued and fully paid:				
At beginning of financial period/year	5,108,416,768	2,552,437,184	251,446,486	250,615,397
Conversion of irredeemable convertible preference shares	-	835,500	-	83,550
Exercise of warrants	-	935,700	-	747,539
Bonus issue (Note 16.1)	-	2,554,208,384	-	-
At end of financial period/year	5,108,416,768	5,108,416,768	251,446,486	251,446,486

16. SHARE CAPITAL (CONT'D)

16.1 Bonus issue

On 23 December 2021, the Company announced a proposed bonus issue of new ordinary shares on the basis of 1 bonus share for every 1 existing ordinary share. This exercise has been completed on 28 June 2022 following the listing and quotation of 2,554,208,384 bonus shares, 1,435,110 additional ICPS, 472,482 additional Warrants A and 850,558,283 additional Warrants B on the Main Market of Bursa Malaysia Securities Berhad.

17. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Group and Company	Number of ICPS		Amount	
	31.3.2024 Unit	30.9.2022 Unit	31.3.2024 RM	30.9.2022 RM
Issued and fully paid:				
At beginning of financial period/year	2,870,220	2,270,610	35,878	56,765
Conversion of ICPS	-	(835,500)	-	(20,887)
Bonus issue	-	1,435,110	-	-
At end of financial period/year	2,870,220	2,870,220	35,878	35,878

The salient terms of the ICPS are as follows:-

(a) The subscription price is RM0.0125 (RM0.025 before the bonus issue) each and are convertible within 5 years commencing from the issuance of the ICPS on 23 September 2019 with conversion ratio and the conversion price determined as follows:-

   (i) the conversion price for the ICPS to be converted into 1 new ordinary share of the Company at RM0.05 (RM0.10 before the bonus issue) based on the conversion ratio; and
   (ii) The conversion ratio of the ICPS for 1 new ordinary share of the Company is either by 4 ICPS to be converted into 1 ordinary share or a combination of 1 ICPS and RM0.0375 (RM0.075 before the bonus issue) in cash for 1 ordinary share.

(b) Any remaining ICPS that are not converted within 5 years commencing from the issuance of the ICPS shall be automatically converted into ordinary shares of the Company at the conversion ratio of 4 ICPS to be converted into 1 ordinary share.

(c) The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company.

(d) The ICPS holders are not entitled to any voting rights and unless such holders convert their ICPS into new shares except for the following circumstances:-

   (i) when the dividend or part of dividend on the ICPS is in arrears for more than 6 months; or
   (ii) on a proposal to reduce the capital of the Company's shares; or
   (iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking; or
   (iv) on a proposal that directly affects the rights and privileges attached to the ICPS; or
   (v) on a proposal to wind-up the Company; or
   (vi) during the winding-up of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

18. FAIR VALUE RESERVE

The fair value reserve arose from the fair value changes in the investment in unquoted shares.

19. FOREIGN CURRENCY TRANSLATION RESERVE

This is in respect of foreign exchange difference arising from the translation of the financial statements of foreign operations of an associate company. The presentation currency of the Group and the associate company is RM.

20. LEASE LIABILITIES

The Group has lease contracts for leasehold land and buildings, motor vehicles and premises. Generally, the Group is restricted from assigning and subleasing the leased assets. Extension and termination options on lease contracts are further disclosed below. The Group and the Company also have certain leases of premises with lease terms of 12 months or less. The Group and the Company apply the "short-term lease" recognition exemptions for these leases.

Group	**31.3.2024 RM**	**30.9.2022 RM**
Current	1,025,060	374,205
Non-current	10,787,534	558,951
	11,812,594	933,156

Set out below are the movements of lease liabilities during the financial period/year:-

Group	**31.3.2024 RM**	**30.9.2022 RM**
At beginning of financial period/year	933,156	897,010
Additions	11,883,042	919,279
Lease interest	508,839	66,346
Payment for interest	(508,839)	(66,346)
Termination	(40,926)	-
Modification	(19,050)	-
Lease payments/cash outflows	(943,628)	(464,347)
Derecognition of subsidiary companies	-	(418,786)
At end of financial period/year	11,812,594	933,156

20. LEASE LIABILITIES (CONT'D)

Group (Cont'd)

The lease liabilities are secured by the related underlying assets.

The table below describes the nature of the Group's leasing activities by the types of right-of-use assets recognised in property, plant and equipment on the statements of financial position:-

Right-of-use assets	Range of remaining term	Number of leases with extention options	Number of leases with variable payment linked to an index	Number of leases with termination options
31.3.2024				
Leasehold buildings	79 years	-	-	-
Motor vehicles	3 – 4 years	-	-	-
Premises	0.5 – 7 years	11	-	-
30.9.2022				
Leasehold land	44 – 46 years	-	-	-
Motor vehicles	4 – 5 years	-	-	-
Premises	1 – 3 years	14	-	-

The maturity analysis of lease liabilities is disclosed in Note 33 to the Financial Statements.

The Group's effective interest rates range from 2.03% to 5.95% (30.9.2022: 2.02% to 5.95%) per annum.

21. DEFERRED TAX LIABILITIES

Group	31.3.2024 RM	30.9.2022 RM
At beginning of financial period/year	927,631	32,231
Transfer (to)/from profit or loss (Note 28)	(895,400)	895,400
At end of financial period/year	32,231	927,631

The components of deferred tax liabilities are made up of tax impacts on temporary differences arising from the following:

Group	31.3.2024 RM	30.9.2022 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	134,783	6,210,831
Unabsorbed tax losses	-	(402,900)
Unutilised capital allowances	-	(4,291,000)
Others	(102,552)	(589,300)
	32,231	927,631

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

22. BANK BORROWINGS

Group	31.3.2024 RM	30.9.2022 RM
Current		
Term loans	1,362,716	1,290,592
Non-current		
Term loans	10,336,539	12,318,861
Total	11,699,255	13,609,453

The bank borrowings bear interest ranging from 4.97% to 5.22% (30.9.2022: 4.22% to 4.97%) per annum.

The term loans are secured by the following:

(a) As principal instrument, a facility agreement for the sum of RM18,400,000;

(b) As subsidiary instrument, a registered open all monies first party charge stamped nominally over the leasehold land as disclosed in Notes 4 and 5 to the Financial Statements;

(c) A debenture created over the properties together with fixtures and fittings now or from time to time on any such property and all plant, machinery, vehicles, computers, office and other equipment of a subsidiary company relating to its business together with all accessories and spare parts and tools pertaining thereto (excluding inventories in trade and receivables) now or hereafter from time to time required by the licensed bank; and

(d) Corporate guarantee by Neogenix Lab and the Company.

23. TRADE PAYABLES

Group

Trade payables are non-interest bearing and generally on 30 to 60 days (30.9.2022: 30 to 60 days) terms.

In prior year, included in trade payables was RM1,288,237 due to a company in which a Director had interest.

24. OTHER PAYABLES

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Accrual of expenses	1,067,905	2,090,005	179,386	125,624
Non-trade payables	13,539,090	9,007,671	225,471	173,421
	14,606,995	11,097,676	404,857	299,045

25. REVENUE

25.1 Disaggregated revenue information

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Type of revenue				
Internet directories and third party online advertising services	-	(111,083)	-	-
Trading of gloves	5,860,009	36,716,609	-	-
Trading of raw materials	155,574	-	-	-
Marketplace, medical diagnostic laboratory services and sales of pharmaceutical and medical goods ("Healthcare")	8,438,858	157,578,090	-	-
Others	42,814	-	-	-
Dividend income	-	-	-	72,261,000
	14,497,255	194,183,616	-	72,261,000
Loan interest income	7,924,782	4,217,130	-	-
	22,422,037	198,400,746	-	72,261,000
Timing of revenue recognition				
Performance obligation				
- satisfied at a point in time	14,497,255	194,183,616		

Revenue by geographical location is disclosed in Note 32 to the Financial Statements.

25.2 Performance obligations

For internet directories and third party online advertising services, trading of gloves and raw materials, healthcare and logistic services, the performance obligations are satisfied at a point in time.

The payment terms for billings made are disclosed in Note 12 to the Financial Statements.

There are no remaining unsatisfied performance obligations (unsatisified or partially unsatisfied) as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

26. OTHER INCOME

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Gain on disposal of subsidiary companies	483,340	17,369,229	-	805,907
Gain on disposal of associate companies	-	1,579,026	-	-
Gain on disposal of non-current asset held for sale	5,145,000	-	5,145,000	-
Gain on disposal of other investments	395,894	9,210,015	-	-
Gain on derecognition of subsidiary companies	-	36,184,146	-	-
Gain on disposal of property, plant and equipment	15,208	764,203	-	-
Other income	1,114,344	3,955,870	561,814	-
	7,153,786	69,062,489	5,706,814	805,907

27. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Auditors' remuneration				
– statutory audit				
– current financial period/year	201,355	217,034	48,000	52,000
– under/(over)provision in the previous financial year/period	2,500	-	(6,000)	-
– others				
– current financial period/year	96,000	20,000	96,000	20,000
– underprovision in the previous financial year/period	2,000	-	2,000	-
Realised gain on foreign exchange	(2,413)	(9,110)	-	-
Short-term leases	565,012	150,496	13,860	7,840
Impairment losses on non-financial assets	36,650,832	2,000,000	101,120,654	2,561,000

28. TAX EXPENSE/(INCOME)

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Current period/year				
– Current tax	1,748,531	16,022,585	89,963	-
– Deferred tax (Note 21)	(787,000)	1,303,400	-	-
Under/(Over)provision in prior year/period				
– Current tax	57,405	(119,930)	93,252	(8,335)
– Deferred tax (Note 21)	(108,400)	(408,000)	-	-
	910,536	16,798,055	183,215	(8,335)

Malaysian income tax is calculated at the statutory tax rate of 24% (30.9.2022: 24%) of the estimated taxable profits for the financial period/year.

Reconciliation of tax expense/(income) applicable to (loss)/profit before tax at the statutory tax rate to tax expense/(income) at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
(Loss)/Profit before tax	(99,364,955)	119,170,063	(84,709,723)	79,565,579
Less: Share of results of associate companies	457,689	(465,168)	-	-
	(98,907,266)	118,704,895	(84,709,723)	79,565,579
At Malaysian statutory tax rate of 24% (30.9.2022: 24%)	(23,737,744)	28,489,175	(20,330,334)	19,095,739
Adjustments:				
– Expenses not deductible for tax purposes	10,129,394	4,416,146	24,696,828	1,213,846
– Income not subject to tax	(3,467,079)	(16,105,512)	(4,285,411)	(20,472,585)
– Movement in deferred tax assets not recognised	18,036,960	526,176	8,880	163,000
– (Over)/Underprovision in prior year/period	(50,995)	(527,930)	93,252	(8,335)
	910,536	16,798,055	183,215	(8,335)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

28. TAX EXPENSE/(INCOME) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Property, plant and equipment	(16,388,000)	(138,000)	22,000	(15,000)
Unabsorbed tax losses	45,256,000	5,125,000	-	-
Unutilised capital allowances	33,362,000	79,000	28,000	28,000
Other temporary differences	23,605,000	5,615,000	-	-
	85,835,000	10,681,000	50,000	13,000

The potential deferred tax assets of the Group and of the Company have not been recognised in respect of these items as it is not probable that whether sufficient taxable profits will be available in which the respective subsidiary companies and the Company can utilise those benefits in the near future.

The unabsorbed tax losses and unutilised capital allowances of the Group and of the Company can be carried forward to offset against future taxable profits of the Group and of the Company. Pursuant to Section 44 (5F) of the Income Tax Act 1967, the expiry terms of the unabsorbed tax losses are as follows:-

	Group		Company	
	31.3.2024 RM	30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Year of assessment 2028	1,814,000	1,821,000	-	-
Year of assessment 2029	426,000	426,000	-	-
Year of assessment 2030	280,000	280,000	-	-
Year of assessment 2031	2,198,000	519,000	-	-
Year of assessment 2032	2,079,000	2,079,000	-	-
Year of assessment 2033	38,459,000	-	-	-
	45,256,000	5,125,000	-	-

29. (LOSS)/EARNINGS PER ORDINARY SHARE

Group

Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share is calculated by dividing the net (loss)/profit for the financial period/year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	1.10.2022 to 31.3.2024	1.10.2021 to 30.9.2022
(Loss)/Profit attributable to ordinary equity holders of the Company (RM)	(91,837,134)	97,191,503
Weighted average number of ordinary shares in issue (unit)	5,108,416,768	5,107,633,108
Basic (loss)/earnings per ordinary share (sen)	(1.80)	1.90

Diluted (loss)/earnings per ordinary share

Diluted loss per ordinary share is not presented for the current financial period as the unconvertible ICPS/unexercised warrants are anti-dilutive in nature. This is due to the average market share price of the Company was lower than the conversion price/exercise price of the ICPS/warrants.

In prior year, diluted earnings per ordinary share was calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares that would have been issued upon the full conversion/exercise of all outstanding ICPS and warrants, respectively as follows:-

	1.10.2021 to 30.9.2022
Profit attributable to ordinary equity holders of the Company (RM)	97,191,503
Weighted average number of ordinary shares in issue (unit)	5,107,633,108
Effects of outstanding ICPS (unit)	2,870,220
Effects of outstanding warrants (unit)	1,702,061,530
Weighted average number of ordinary shares assumed to be issued as at 30 September 2022 (unit)	6,812,564,858
Diluted earnings per ordinary share (sen)	1.43

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

30. EMPLOYEE BENEFITS EXPENSE

The details of Directors' remuneration of the Group and of the Company are as follows:-

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Directors' remuneration				
Executive Directors:				
Directors of the Company				
Salaries and other emoluments	782,250	307,000	190,400	118,750
Defined contribution plan	82,770	20,380	23,128	8,890
Social security contributions	3,476	1,732	1,081	866
Fee	18,000	21,645	-	-
	886,496	350,757	214,609	128,506
Directors of subsidiary companies				
Salaries and other emoluments	776,226	1,667,875	-	-
Defined contribution plan	82,236	223,511	-	-
Social security contributions	3,861	3,452	-	-
Fee	36,000	24,000	-	-
	898,323	1,918,838	-	-
Total Executive Directors' remuneration	1,784,819	2,269,595	214,609	128,506
Non-executive Directors:				
Fee	248,366	216,806	248,366	216,806
Other emoluments	-	3,000	-	3,000
	248,366	219,806	248,366	219,806
Total Directors' remuneration	2,033,185	2,489,401	462,975	348,312
Employees' remuneration				
Salaries, allowances and bonuses	17,500,526	12,411,838	226,479	271,695
Defined contribution plan	1,560,244	1,365,292	26,208	28,886
Social security contributions	254,537	184,667	1,962	1,999
Other staff related expenses	983,308	2,775,876	120,972	125,301
	20,298,615	16,737,673	375,621	427,881
Total staff costs incurred during the financial period/year	22,331,800	19,227,074	838,596	776,193

31. RELATED PARTY DISCLOSURES

31.1 Related party transactions

Significant related party transactions during the financial period/year are as follows:-

	Group		Company	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Dividend income from subsidiary companies	-	-	-	72,261,000
Purchases from subsidiary companies	-	-	100,000	6,821
Disposal of an associate company to a company in which a Director has interest	-	49,000	-	49,000
Short-term leases paid to companies in which a Director has interest	403,747	20,156	-	-
Acquisition of equity interest in a subsidiary company from certain Directors of subsidiary companies	-	3,400,000	-	-
Partial disposal of equity interest in a subsidiary company to a company in which a Director is a common director	-	20,000,000	-	-
Loan disbursement to a company in which certain Directors have interest	-	2,400,000	-	-
Management fee received from a company in which a Director has interest	64,000	24,000	-	-
Purchase of property, plant and equipment from a company in which a Director has interest	-	584,800	-	-
IT services paid to a company in which a Director has interest	549,497	171,418	-	-

The Directors of the Company are of the opinion that the above transactions were entered into in the normal course of business and had been established under negotiated terms.

31.2 Compensation of key management personnel

The Group and the Company have no other key management personnel apart from the Directors. The Directors' remuneration is disclosed in Note 30 to the Financial Statements.

31.3 Related party balances

The outstanding balances arising from the related party transactions as at the reporting date are disclosed in Notes 7, 8, 9 and 23 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

32. OPERATING SEGMENTS

Business segments

Group

For the management purposes, the Group is organised into business units based on their products and services, which comprise the following:-

(i)	Healthcare	:	Marketplace, medical diagnostic and research laboratory and wholesale of pharmaceutical and medical goods
(ii)	Financial services	:	Moneylending
(iii)	Gloves	:	Manufacturing and trading of rubber gloves
(iv)	Search and advertising	:	Developer and provider of online presence and advertising solutions and operator of search platform, publishing business directory journals, content development and database marketing
(v)	Others	:	Investment holding and other dormant companies

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of the business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on negotiated basis.

32. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)

Group (Cont'd)

31.3.2024	Note	Healthcare RM	Financial services RM	Gloves RM	Others RM	Adjustments/ Eliminations RM	Total as per consolidated financial statements RM
Revenue:							
External revenue	(i)	8,438,858	7,924,782	6,015,583	42,814	-	22,422,037
Inter-segment		180,000	-	-	-	(180,000)	-
Total revenue		8,618,858	7,924,782	6,015,583	42,814	(180,000)	22,422,037
Results:							
Interest income		339,077	170,489	9,415	488,509	-	1,007,490
Finance costs		(1,014,813)	-	(470,519)	(333,333)	-	(1,818,665)
Depreciation of property, plant and equipment		(2,548,088)	-	(15,429,293)	(39,240)	-	(18,016,621)
Depreciation of investment properties		(41,147)	-	-	-	-	(41,147)
Share of loss of associate companies		(20,000)	-	-	(437,689)	-	(457,689)
Tax income/(expense)		35,485	(1,659,615)	897,552	(183,958)	-	(910,536)
Other non-cash items	(ii)	(7,946,581)	(2,084,069)	(24,482,555)	(79,655,228)	70,100,770	(44,067,663)
Segment (loss)/profit	(iii)	(18,271,749)	3,000,275	(72,653,134)	(82,451,653)	70,100,770	(101,275,491)
Assets:							
Additions to non-current assets other than financial instruments	(iv)	18,061,300	-	12,919,176	60,460,740	-	91,441,216
Segment assets	(v)	67,347,281	95,143,385	97,067,137	302,256,262	(215,942,074)	345,871,991
Liabilities:							
Segment liabilities	(vi)	31,442,295	93,310,711	70,554,485	36,855,877	(191,220,058)	40,943,310

32. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)

Group (Cont'd)

30.9.2022	Note	Healthcare RM	Financial services RM	Gloves RM	Search and advertising RM	Others RM	Adjustments/ Eliminations RM	Total as per consolidated financial statements RM
Revenue:								
External revenue	(i)	157,578,090	4,217,130	36,716,609	(111,083)	-	-	198,400,746
Inter-segment		99,640	-	1,121	-	62,000,000	(62,100,761)	-
Total revenue		157,677,730	4,217,130	36,717,730	(111,083)	62,000,000	(62,100,761)	198,400,746
Results:								
Interest income		235,948	156,157	39,286	1,909	397,197	-	830,497
Finance costs		(617,058)	-	(14,431)	132	-	-	(631,357)
Depreciation of property, plant and equipment		(1,300,566)	-	(6,080,809)	(11,845)	(24,855)	-	(7,418,075)
Amortisation of intangible assets		(3,000,000)	-	-	-	-	-	(3,000,000)
Share of profit of associate companies		-	-	-	-	465,168	-	465,168
Tax (expense)/income		(14,980,808)	(922,854)	(907,400)	-	13,007	-	(16,798,055)
Other non-cash items	(ii)	44,785,189	(5,618,979)	(2,515,357)	260,986	26,194,463	(9,674,527)	53,431,775
Segment profit/(loss)	(iii)	88,925,677	(2,697,302)	2,211,835	2,612	85,603,713	(71,674,527)	102,372,008
Assets:								
Additions to non-current assets other than financial instruments	(iv)	4,462,320	-	27,237,214	-	4,055,870	-	35,755,404
Segment assets	(v)	122,082,994	147,458,064	141,343,323	-	370,044,897	(348,989,787)	431,939,491
Liabilities:								
Segment liabilities	(vi)	65,826,608	148,625,665	138,747,722	-	44,574,743	(356,957,992)	40,816,746

32. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)

Group (Cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash (expenses)/income consist of the following items:-

	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Bad debts written off	(3,063)	-
Deposits written off	(94,190)	(12,440)
Gain on derecognition of lease contracts	2,233	-
Gain on derecognition of subsidiary companies	-	36,184,146
Gain on disposal of associate companies	-	1,579,026
Gain on disposal of subsidiary companies	483,340	17,369,229
Gain on disposal of non-current asset held for sale	5,145,000	-
Gain on disposal of other investments	395,894	9,210,015
Gain on disposal of property, plant and equipment	15,208	764,203
Loss on deemed disposal of an associate company	(1,008)	-
Loss on struck off of subsidiary companies	(1,246,157)	-
Impairment loss on investment in an associate company	(20,000,000)	-
Impairment loss on amount due from an associate company	(274,409)	(180,000)
Impairment loss on trade receivables	(13,894,483)	(6,366,478)
Impairment loss on other receivables	(307,632)	(208,000)
Impairment loss on goodwill on consolidation	(6,085,272)	(2,000,000)
Impairment loss on property, plant and equipment	(10,565,560)	-
Fair value gain on other investments	8,659,822	-
Inventories written down	(1,811,921)	(2,800,000)
Inventories written off	(339,067)	(113)
Property, plant and equipment written off	(4,146,521)	(106,953)
Unrealised gain/(loss) on foreign exchange	123	(860)
	(44,067,663)	53,431,775

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

32. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)

Group (Cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (Cont'd):-

(iii) The following items are adjusted/eliminated from segment (loss)/profit to arrive at "(loss)/profit for the financial period/year" presented in the consolidated statement of profit or loss and other comprehensive income:-

	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Impairment loss on investment in subsidiary companies	81,120,654	2,561,000
Reversal of impairment loss on inter-segment balances	(12,710,882)	(12,235,527)
Dividend income on inter-segment	-	(62,000,000)
Loss on deemed disposal of an associate company	(1,008)	-
Loss on struck off of subsidiary companies	1,692,006	-
	70,100,770	(71,674,527)

(iv) Additions to non-current assets consist of:-

	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM
Property, plant and equipment	28,384,462	35,735,404
Investment in an associate company	60,319,731	20,000
Investment properties	2,737,023	-
	91,441,216	35,755,404

(v) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	31.3.2024 RM	30.9.2022 RM
Inter-segment investment in subsidiary companies	(30,593,352)	(10,614,012)
Inter-segment balances	(185,348,722)	(338,375,775)
	(215,942,074)	(348,989,787)

32. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)

Group (Cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (Cont'd):-

(vi) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	31.3.2024 RM	30.9.2022 RM
Inter-segment balances	(191,220,058)	(356,957,992)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

Group

	Revenue		Non-current assets	
	1.10.2022 to 31.3.2024 RM	1.10.2021 to 30.9.2022 RM	31.3.2024 RM	30.9.2022 RM
Malaysia	22,422,037	198,203,682	127,984,673	131,691,143
Australia	-	197,064	-	-
	22,422,037	198,400,746	127,984,673	131,691,143

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	31.3.2024 RM	30.9.2022 RM
Property, plant and equipment	84,128,682	131,691,143
Investment properties	43,855,991	-
	127,984,673	131,691,143

Information about a major customer

Revenue from 1 major customer amounted to RM5,026,924 (30.9.2022: RM72,988,500) is derived from the gloves segment (30.9.2022: healthcare segment).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

33. FINANCIAL INSTRUMENTS

33.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing their risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade receivables. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group are exposed to credit risk:-

i. Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customers base, including the default risk associated with the industry and country in which customers operate.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Generally, trade receivables are written off if the Directors deem them uncollectable. Collateral is considered integral part of trade receivables and considered in the calculation of impairment. At the reporting date, trade receivables related to loan receivables from moneylending business are mostly covered by collateral. Management has taken reasonable steps to ascertain that loan receivables that are neither past due nor impaired are measured at its realisable values. The Group use the three-stage approach which reflects the change in credit quality of the loan receivables since initial recognition.

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

Following are the areas where the Group are exposed to credit risk:- (Cont'd)

i. Receivables (Cont'd)

i) Stage 1: 12-month expected credit losses ("ECL")

For exposures where there have not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

ii) Stage 2: Lifetime ECL not credit impaired

For exposures where there have been a significant increase in credit risk since initial recognition but not credit impaired, a lifetime ECL will be recognised.

iii) Stage 3: Lifetime ECL credit impaired

Loan receivables are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of loan receivables have occurred. For loan receivables that are credit impaired, a lifetime ECL will be recognised.

At the reporting date, 69% (30.9.2022: 82%) of the Group's trade receivables are covered by collaterals. The fair values of the collaterals at reporting date are RM95,845,710 (30.9.2022: RM206,305,291).

As at the reporting date, the Group is not exposed to any significant credit risk exposure to any single counterparty other than 72% (30.9.2022: 32%) of total receivables are owing from 4 (30.9.2022: 2) customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

Following are the areas where the Group are exposed to credit risk:-

i. ***Receivables (Cont'd)***

The following table provides information about the exposure to credit risk on trade receivables as at the reporting date:-

Group	Gross RM	Allowance for expected credit losses: Individually impaired RM	Allowance for expected credit losses: Collectively impaired RM	Net RM
31.3.2024				
Not past due	91,277,523	-	-	91,277,523
Past due for 1 to 30 days	218,465	-	-	218,465
Past due for 31 to 60 days	74,615	-	-	74,615
Past due for 61 to 90 days	111,301	-	-	111,301
Past due for more than 90 days	29,105,882	(18,760,996)	(1,893,857)	8,451,029
	120,787,786	(18,760,996)	(1,893,857)	100,132,933
30.9.2022				
Not past due	146,180,293	-	(421,204)	145,759,089
Past due for 1 to 30 days	192,623	-	-	192,623
Past due for 31 to 60 days	142,216	-	-	142,216
Past due for 61 to 90 days	77,814	-	-	77,814
Past due for more than 90 days	28,397,065	(5,188,819)	(1,150,347)	22,057,899
	174,990,011	(5,188,819)	(1,571,551)	168,229,641

Trade receivables that are individually determined to be credit impaired at the financial period/year end relate to debtors who are in significant difficulties and have defaulted on payments. The net carrying amount of receivables is considered a reasonable approximate of fair value.

33. FINANCIAL INSTRUMENTS (Cont'd)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(a) Credit risk (Cont'd)

ii. Financial guarantees

The maximum exposure to credit risk by the Company amounted to RM11,699,255 (30.9.2022: RM13,609,453), represented by the outstanding banking facilities of subsidiary company at the reporting date.

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to subsidiary company. The Company monitors on an on-going basis the result of the subsidiary company and repayments made by the subsidiary company. At the reporting date, there was no indication that the subsidiary company would default on repayment.

iii. Intercompanies advances

The Company provides unsecured advances to subsidiary companies, a joint venture company and an associate company and monitors the results of those companies regularly.

At the reporting date, management is of the view that the net carrying amount of amounts due from subsidiary companies, a joint venture company and an associate company are recoverable other than those disclosed in Notes 7.7, 8 and 9 to the Financial Statements.

iv. Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from its various payables and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

33. FINANCIAL INSTRUMENTS (Cont'd)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(b) Liquidity risk Cont'd)

As at the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Group's non-derivative financial liabilities are summarised below:-

			Maturity		
	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM	Between 1 and 5 years RM	More than 5 years RM
Group					
31.3.2024					
Secured:					
Lease liabilities	11,812,594	14,097,924	1,618,008	9,179,916	3,300,000
Bank borrowings	11,699,255	14,100,927	1,946,100	7,784,400	4,370,427
	23,511,849	28,198,851	3,564,108	16,964,316	7,670,427
Unsecured:					
Trade payables	2,588,054	2,588,054	2,588,054	-	-
Other payables	14,606,995	14,606,995	14,606,995	-	-
	17,195,049	17,195,049	17,195,049	-	-
Total	40,706,898	45,393,900	20,759,157	16,964,316	7,670,427
30.9.2022					
Secured:					
Lease liabilities	933,156	1,011,223	419,590	591,633	-
Bank borrowings	13,609,453	16,632,164	1,905,276	7,621,104	7,105,784
	14,542,609	17,643,387	2,324,866	8,212,737	7,105,784
Unsecured:					
Trade payables	8,911,416	8,911,416	8,911,416	-	-
Other payables	11,097,676	11,097,676	11,097,676	-	-
	20,009,092	20,009,092	20,009,092	-	-
Total	34,551,701	37,652,479	22,333,958	8,212,737	7,105,784

Company

At the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Company's non-derivative financial liabilities is less than one year.

The contractual cash flows of the Company relating to financial guarantees to a subsidiary company at the reporting date is RM11,699,255 (30.9.2022: RM13,609,453).

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(c) Interest rate risk

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

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:-

	31.3.2024 RM	30.9.2022 RM
Group		
Fixed rate instruments		
Fixed deposits with licensed banks	206,906	2,567,447
Lease liabilities	(11,812,594)	(933,156)
	(11,605,688)	1,634,291
Floating rate instrument		
Bank borrowings	(11,699,255)	(13,609,453)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit/loss and equity to a reasonable possible change in interest rates of +/- 0.5%. These changes are considered to be reasonable possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (Cont'd)

(c) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments (Cont'd)

Group	**Increase/(Decrease) (Loss)/Profit before tax and equity for the financial year/period**	
	RM +0.5%	**RM -0.5%**
Floating rate instrument		
31.3.2024	58,496	(58,496)
30.9.2022	(68,047)	68,047

(d) Market risk

Market price risk is the risk that the fair value of the Group's financial instruments will fluctuate because of changes in market price.

The Group is exposed to equity price risk arising from its investment. This instrument is classified at as financial asset at fair value through profit or loss. The Group does not have any exposure to commodity price risks.

The carrying amount of the Group's financial asset that is subject to market price risk is as follows:

	Group	
	31.3.2024 RM	**30.9.2022 RM**
Financial assets at FVTPL	26,384,844	-

A change in 5% in the market price at the end of the reporting period/year would have increased or (decreased) the net (loss) or profit/equity for the financial period/year by the amount shown below. This analysis assumes that other variables remain constant.

	Net (loss)/profit for the financial period/year		**Equity for the financial period/year**	
	RM +5%	**RM -5%**	**RM +5%**	**RM -5%**
Group				
31.3.2024	(1,319,242)	1,319,242	1,319,242	(1,319,242)
30.9.2022	-	-	-	-

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Fair value of financial instruments

The carrying amounts of receivables, payables, cash and cash equivalents and bank borrowings approximate their fair values due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are pre-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

Fair value hierarchy

The fair value of financial assets at FVTPL and FVOCI are detailed as below:-

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
31.3.2024				
Investment in unquoted shares – FVOCI	-	-	9,519,943	9,519,943
Investment in quoted shares – FVTPL	26,384,844	-	-	26,384,844
30.9.2022				
Investment in unquoted shares – FVOCI	-	-	9,520,033	9,520,033
Company				
31.3.2024				
Investment in unquoted shares – FVOCI	-	-	9,519,943	9,519,943
30.9.2022				
Investment in unquoted shares – FVOCI	-	-	9,519,943	9,519,943

There were no transfers between fair value hierarchies during the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 MARCH 2024

34. CAPITAL MANAGEMENT

Group

		31.3.2024 RM	30.9.2022 RM
Approved and contracted for:			
– Construction of plant		-	141,009
– Renovation works		-	311,380
– Sublease of land	(a)	33,519,420	33,519,420
– Master services and license agreement	(b)	9,371,063	9,371,063
– Acquisition of properties		-	4,350,330
		42,890,483	47,693,202

Notes:

(a) The Group had on 20 May 2024 entered into a mutual termination agreement to terminate the Sublease Agreement as disclosed in Note 36(d) to the Financial Statements.

(b) HSI and Pacific Hemisphere Sdn. Bhd. had mutually agreed to terminate the master services and license agreement on 15 June 2024 via a letter of termination.

The capital commitment in respect of the sublease of land and master services and license agreement, respectively, is no longer applicable subsequent to the terminations as mentioned above.

35. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital, the Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial period/year.

36. SIGNIFICANT AND SUBSEQUENT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

a. On 31 January 2023, the Company entered into a shares sale agreement with Innov8tif Consortium Sdn. Bhd. to undertake the acquisition of 717,570 ordinary shares in Innov8tif Holdings Sdn. Bhd. ("Innov8tif Holdings"), representing 51% of the enlarged issued share capital in Innov8tif Holdings ("Sale Shares") for a total cash consideration of RM30,855,000.

   Further to the acquisition of Innov8tif Holdings, the Company had on 12 May 2023 entered into a shares sale agreement with a third party to dispose the Sale Shares for a total cash consideration of RM36,000,000.

   The above acquisition and disposal was completed on 26 May 2023. The Company had recognised a gain on disposal of RM5,145,000 during the financial period.

b. On 13 February 2023, the Company entered into a Shares Sale Agreement with a third party for the proposed acquisition of 5,000,000 ordinary shares, representing the entire equity interest in Alliance EV Sdn. Bhd. for a total cash consideration of RM20,000,000 ("SSA"). Subsequently, on 13 April 2023, both parties entered into a letter of termination to mutually agree to terminate the SSA.

c. On 14 July 2023, the Company via off markets acquired 402,057,900 ordinary shares in Classita, representing 32.61% equity interest in Classita for a total cash consideration of RM60,319,731 as disclosed in Note 9 to the Financial Statements.

d. On 20 May 2024, HSI had entered into a mutual termination agreement with Northern Corridor Implementation Authority ("NCIA") to mutually agree to terminate the Sublease Agreement entered into on 25 June 2021 between the parties ("Sublease Agreement"). HSI had previously paid an advance of RM11,173,140 to NCIA pursuant to the Sublease Agreement ("Sublease Advance") which is disclosed in Note 15 to the Financial Statements.

   A new sublease agreement ("Alternate Land Sublease Agreement") shall be entered by HSI and NCIA, where NCIA shall sublease to HSI a parcel of land measuring 10.42 acres for a period of 60 years at a total sublease consideration of RM4,538,952 ("Alternate Land Sublease Consideration"). Upon the execution of the Alternate Land Sublease Agreement, the Alternate Land Sublease Consideration will be offset against the Sublease Advance and the balance of RM6,634,188 will be refunded to HSI within 30 days from the date of execution of the Alternate Land Sublease Agreement.

e. On 17 July 2024, HSGV had entered into a shares sale agreement with Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad) to undertake the proposed acquisition of 250,000 ordinary shares in Hong Seng Frontier Sdn. Bhd. ("HSF"), representing the entire issued share capital in HSF, for a total cash consideration of RM45,250,000. The acquisition of HSF has not been completed as of the date of approval of the financial statements.

37. COMPARATIVE INFORMATION

The comparative figures are for the financial period from 1 October 2021 to 30 September 2022 as the Group and the Company had changed its financial year end from 30 September 2023 to 31 March 2024. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes are not comparable.

LIST OF PROPERTIES

No.	Location	Tenure	Existing use	Date of acquisition	Description	Approximate age of building (Years)	Net book value as at 31.3.2024 (RM'000)
1	Plot 1620, Jalan Perusahaan Indah 3, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman.	Freehold	Hostel	09.02.2021	Land area 11,888 sq. ft.	19	1,905
2	Plot 1622, Jalan Perusahaan Indah 3, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman.	Freehold	Hostel	09.02.2021	Land area 12,000 sq. ft.	19	1,923
3	PN6873 Lot 305, Seksyen 14, No. 7 Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan.	99-year expiring on 27 April 2065	Vacant	31.03.2022	Land area 10,883 sq. ft	58	11,464
4	PN97279 Lot 306, Seksyen 14, No. 5 Jalan 51A/223, 46100 Petaling Jaya Selangor Darul Ehsan.	99-year expiring on 18 November 2067	Vacant	31.03.2022	Land area 42,009 sq. ft	56	29,697
5	PN 50495/M1-B/4/74 Lot No. 103 Seksyen 36, B-10-3A, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.	99-year expiring on 6 September 2106	Rented out	21.12.2022	Built-up area 2,217 sq. ft	15	1,121
6	PN 50495/M1-B/5/84 Lot No. 103 Seksyen 36, B-10-05, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan	99-year expiring on 6 September 2106	Rented out	21.12.2022	Built-up area 2,217 sq. ft	15	1,121
7	PM 1966/M1/1/22 Lot 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office and rented out partially	13.01.2023	Built-up area 4,166 sq. ft	17	1,359
8	PM 1966/M1-C/3/90 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office	13.01.2023	Built-up area 1,432 sq. ft	17	249

LIST OF PROPERTIES (CONT'D)

No.	Location	Tenure	Existing use	Date of acquisition	Description	Approximate age of building (Years)	Net book value as at 31.3.2024 (RM'000)
9	PM 1966/M1-C/3/89 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office	13.01.2023	Built-up area 1,485 sq. sf.	17	259
10	PM 1966/M1-C/3/88 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office	13.01.2023	Built-up area 1,485 sq.sf	17	258
11	PM 1966/M1-C/3/87 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office	13.01.2023	Built-up area 1,539 sq. sf	17	269
12	PM 1966/M1-C/3/86 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	99-year expiring on 28 September 2103	Office	13.01.2023	Built-up area 1,238 sq. sf	17	243

ANALYSIS OF SHAREHOLDINGS
AS AT 1 JULY 2024

Total Number of Issued Shares	:	5,108,416,768 ordinary shares
Class of Equity Securities	:	Ordinary shares ("Shares")
Voting Rights by Show of Hands	:	One vote for every member
Voting Rights by Poll	:	One vote for every Share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	47	0.31	1,022	*
100 – 1,000	809	5.40	408,616	0.01
1,001 – 10,000	3,021	20.16	19,392,687	0.38
10,001 – 100,000	6,537	43.62	318,096,101	6.23
100,001 – less than 5% of issued Shares	4,572	30.50	3,821,194,742	74.80
5% and above of issued Shares	2	0.01	949,323,600	18.58
Total	**14,988**	**100.00**	**5,108,416,768**	**100.00**

** Negligible*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Radiance Dynasty Sdn Bhd	949,323,600	18.58	-	-
Lester Chin Kent Lake	-	-	956,827,600 [a]	18.73
Leong Seng Wui	275,000,000	5.38	-	-

Note:
[a] *Deemed interested by virtue of his shareholdings in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his father's shareholdings in the Company.*

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

Name of Substantial Shareholders	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Lester Chin Kent Lake	-	-	956,827,600 [(a)]	18.73
Christopher Chan Hooi Guan	-	-	141,103,000 [(b)]	2.76
Leong Seng Wui	275,000,000	5.38	-	-

Notes:

[(a)] *Deemed interested by virtue of his shareholdings in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his father's shareholdings in the Company.*

[(b)] *Deemed interested by virtue of his shareholdings in Aurora Crest Sdn. Bhd. and Open Dynamics Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

30 LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	%
1.	Velocity Capital Sdn Bhd *– Pledged Securities Account for Radiance Dynasty Sdn Bhd*	593,823,600	11.62
2.	Kenanga Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Radiance Dynasty Sdn Bhd (Third Party)*	355,500,000	6.96
3.	Velocity Capital Sdn Bhd *– Pledged Securities Account for Leong Seng Wui*	250,000,000	4.89
4.	Ng Shih Fang	142,500,700	2.79
5.	Velocity Capital Sdn Bhd *– Pledged Securities Account for Aurora Crest Sdn Bhd*	129,103,000	2.53
6.	Velocity Capital Sdn Bhd *– Pledged Securities Account for Dalphon Limited*	50,260,000	0.98
7.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Johnson Hii Chang Hium (E-PDG)*	38,412,000	0.75
8.	Heng Yeong Peng	38,400,000	0.75
9.	Ng Wei Xiang	35,900,000	0.70
10.	Velocity Capital Sdn Bhd *– Pledged Securities Account for CBL Venture Sdn Bhd*	31,811,800	0.62

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 1 JULY 2024

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	%
11.	Lee Yih Leang	31,500,000	0.62
12.	Kenanga Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Leong Seng Wui*	25,000,000	0.49
13.	Khor Chen Heng	21,000,000	0.41
14.	Ravi A/L Ratnam	19,619,400	0.38
15.	Lee Sau Yoong	17,000,000	0.33
16.	Go Boon Pock	15,500,000	0.30
17.	Song Kim Lee	15,000,000	0.29
18.	Maybank Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Lim Kai Ming*	13,791,700	0.27
19.	Lee Choon Leong	13,400,000	0.26
20.	Tan Tiang Huat	12,532,000	0.25
21.	Yeoh Cheor Eng	12,520,000	0.25
22.	Wong Pick Yiing	12,148,000	0.24
23.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Goh Sing Hai (E-SDK)*	12,032,100	0.24
24.	Open Dynamics Sdn Bhd	12,000,000	0.24
25.	Goh Lai Hua	11,250,000	0.22
26.	Tan Soon Hoe	11,201,000	0.22
27.	Maybank Securities Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Fong Kok Sang (STF)*	11,200,000	0.22
28.	Kenanga Nominees (Tempatan) Sdn Bhd *– Rakuten Trade Sdn Bhd for Low Thiam Lai*	11,010,000	0.22
29.	Thian Yoong Wei	10,625,000	0.21
30.	Mok Poh Yin	10,500,000	0.21

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS
AS AT 1 JULY 2024

Total Number of Outstanding ICPS : 2,870,220
Maturity Date : 22 September 2024
Voting Rights : The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company until and unless such holders convert their ICPS into new ordinary shares of the Company except in the following circumstances:-

(a) when the dividends or part of the dividends are declared on the ICPS are in arrears for more than 6 months;
(b) on a proposal to reduce the Company's share capital;
(c) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;
(d) on a proposal that directly affects their rights and privileges attached to the ICPS;
(e) on a proposal to wind-up the Company; and
(f) during the winding-up of the Company.

Where the ICPS holders are entitled to vote at any general meeting under the circumstances indicated above, every 4 ICPS shall on a poll, carry 1 vote for each ordinary share into which the ICPS are convertible, and every ordinary share shall, notwithstanding any other provision of the Company's Constitution, carry 1 vote for each such share.

DISTRIBUTION SCHEDULE OF ICPS HOLDINGS

Size of ICPS Holdings	No. of Holders	%	No. of ICPS	%
Less than 100	4	12.50	120	*
100 – 1,000	3	9.38	2,400	0.08
1,001 – 10,000	5	15.63	21,700	0.76
10,001 – 100,000	12	37.50	606,000	21.11
100,001 – less than 5% of outstanding ICPS	2	6.25	260,000	9.06
5% and above of outstanding ICPS	6	18.75	1,980,000	68.99
Total	**32**	**100.00**	**2,870,220**	**100.00**

** Negligible*

DIRECTORS' ICPS HOLDINGS
(As per the Register of Directors' Shareholdings)

None of the Directors hold any ICPS.

30 LARGEST ICPS ACCOUNT HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of ICPS Held	%
1.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Lee Thau Ping (E-KKU)*	600,000	20.90
2.	Tui Ma Koon	600,000	20.90
3.	Lee Heuk Ping	240,000	8.36
4.	Kenanga Nominees (Asing) Sdn Bhd *– Exempt An For Phillip Securities Pte Ltd (Client Account)*	200,000	6.97

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") HOLDINGS (CONT'D) AS AT 1 JULY 2024

30 LARGEST ICPS ACCOUNT HOLDERS (CONT'D)
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of ICPS Held	%
5.	TA Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Ooi Geok Kee*	180,000	6.27
6.	Shuit Soon Hock	160,000	5.57
7.	RHB Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Chee Soo Teng*	140,000	4.88
8.	Yap Pik Yee	120,000	4.18
9.	Koh Mee Huaw	90,000	3.14
10.	Saifful Shah Bin Razi Shah Gill	84,200	2.93
11.	Lee Keng Seng	66,000	2.30
12.	Hian Bee Geok	60,400	2.10
13.	Cheah Saw Ha	60,000	2.09
14.	Tan Vooi Nan	54,000	1.88
15.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Yew Siew Lee (E-JBU)*	52,000	1.81
16.	HLB Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Neoh Siew Cheng*	48,000	1.67
17.	Kenanga Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Wong Pin Loong*	30,800	1.07
18.	Lee Kim Hong	27,000	0.94
19.	Khoo Eng Heng @ Koh Eng Heng	20,000	0.70
20.	Chew Wei Kiat	13,600	0.47
21.	HLIB Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Ng Yit Khuang (CCTS)*	8,000	0.28
22.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *– Pledged Securities Account for Tan Jayne Qi (MY2603)*	6,000	0.21
23.	Phoon Chia Sin	3,000	0.11
24.	Maybank Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Mohamad Rizal Bin Mohamad Yatim*	2,700	0.09
25.	Sik Loong Siang	2,000	0.07
26.	Kenanga Nominees (Tempatan) Sdn Bhd *– Rakuten Trade Sdn Bhd for Soh Jing Ting*	1,000	0.04
27.	Lim Choon Hwa	800	0.03
28.	Lee Su Si	600	0.02
29.	How Siew Yan	70	*
30.	Ng Yu Lim	44	*

** Negligible*

ANALYSIS OF WARRANTS A HOLDINGS
AS AT 1 JULY 2024

Type of Convertible Securities	:	Warrants 2019/2024 ("Warrants A")
No. of Outstanding Warrants A	:	944,964
Exercise Price	:	RM0.07
Maturity Date	:	22 September 2024

DISTRIBUTION SCHEDULE OF WARRANTS A HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants A	%
Less than 100	4	9.75	22	*
100 – 1,000	11	26.83	4,542	0.48
1,001 – 10,000	10	24.39	58,000	6.14
10,001 – less than 5% of outstanding Warrants A	13	31.71	337,600	35.73
5% and above of outstanding Warrants A	3	7.32	544,800	57.65
Total	**41**	**100.00**	**944,964**	**100.00**

** Negligible*

DIRECTORS' WARRANTS A HOLDINGS
(As per the Register of Directors' Shareholdings)

None of the Directors hold any Warrants A.

THIRTY LARGEST WARRANTS A HOLDERS
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Warrants A Held	%
1.	Lam Ah Choi	324,800	34.37
2.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Lee Thau Ping (E-KKU)*	120,000	12.70
3.	Kenanga Nominees (Asing) Sdn Bhd *– Exempt An For Phillip Securities Pte Ltd (Client Account)*	100,000	10.58
4.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Ooi Wan Cheng (E-PPG)*	43,200	4.57
5.	Lim Suey Hock	36,000	3.81
6.	TA Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Ooi Geok Kee*	36,000	3.81
7.	Then Tit Seong @ Thien Yet Seong	36,000	3.81
8.	Boo Boon Hui	30,000	3.18
9.	Low Jun Ho	27,600	2.92
10.	Yip Thiam Chuan	26,000	2.75

ANALYSIS OF WARRANTS A HOLDINGS (CONT'D)
AS AT 1 JULY 2024

THIRTY LARGEST WARRANTS A HOLDERS (CONT'D)
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Warrants A Held	%
11.	Ng Jin Guan	20,000	2.12
12.	Saifful Shah Bin Razi Shah Gill	20,000	2.12
13.	Tan Vooi Nan	18,000	1.91
14.	Maybank Nominees (Asing) Sdn Bhd *– Zainal Abidin Bin Sjawaltul Abidin*	16,800	1.78
15.	Fong Wen Shyaun	16,000	1.69
16.	Saw Fong Kooi	12,000	1.27
17.	RHB Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Chee Soo Teng*	10,000	1.06
18.	Kenanga Nominees (Tempatan) Sdn Bhd *– Rakuten Trade Sdn Bhd for Tan Sin Yen*	9,800	1.04
19.	Chin Tatt Vooi	7,400	0.78
20.	HLB Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Neoh Siew Cheng*	7,200	0.76
21.	Shim Yin Shiang	6,000	0.64
22.	Chia Siew Wan	5,800	0.61
23.	Maybank Securities Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Lai Chuang Eng*	4,000	0.42
24.	Ooi Phuay Gim	3,600	0.38
25.	Lim Gim Chew	2,200	0.23
26.	Lee Kim Hong	2,000	0.21
27.	Maybank Nominees (Tempatan) Sdn Bhd *– Yong Mee Kiew*	1,000	0.11
28.	Maybank Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Mohamad Rizal Bin Mohamad Yatim*	900	0.10
29.	Abdul Hadi Abul Mundzir Bin Zakaria	400	0.04
30.	Maybank Nominees (Tempatan) Sdn Bhd *– Zamir Bin Zainal*	400	0.04

ANALYSIS OF WARRANTS B HOLDINGS
AS AT 1 JULY 2024

Type of Convertible Securities	:	Warrants 2021/2014 ("Warrants B")
No. of Outstanding Warrants B	:	1,701,116,566
Exercise Price	:	RM1.30
Maturity Date	:	3 October 2024

DISTRIBUTION SCHEDULE OF WARRANTS B HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants B	%
Less than 100	300	5.12	16,456	*
100 - 1,000	451	7.70	188,880	0.01
1,001 - 10,000	1,037	17.71	5,776,054	0.34
10,001 – 100,000	2,086	35.62	102,945,104	6.05
100,001 – less than 5% of outstanding Warrants B	1,982	33.85	1,592,190,072	93.60
5% and above of outstanding Warrants B	*	*	*	*
Total	**5,856**	**100**	**1,701,116,566**	**100.00**

** Negligible*

DIRECTORS' WARRANTS B HOLDINGS
(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest No. of Warrants B	%	Indirect Interest No. of Warrants B	%
Lester Chin Kent Lake	-	-	1,374,732	0.081 [(a)]
Leong Seng Wui	32	*	-	-

** Negligible*

Note:

[(a)] *Deemed interested by virtue of his shareholdings in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his father's Warrants B holdings.*

THIRTY LARGEST WARRANTS B HOLDERS
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Warrants B Held	%
1.	Ng Wei Xiang	61,604,400	3.62
2.	Chin Nyok Siam	42,365,800	2.49
3.	Kenanga Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Master Knowledge Sdn Bhd*	37,925,232	2.23
4.	Velocity Capital Sdn Bhd *– Pledged Securities Account for Robust Potential Sdn Bhd*	20,000,228	1.18
5.	Tan Bun Chong	15,000,000	0.88

ANALYSIS OF WARRANTS B HOLDINGS (CONT'D)
AS AT 1 JULY 2024

THIRTY LARGEST WARRANTS B HOLDERS (CONT'D)
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Warrants B Held	%
6.	Ahmad Muizzudin Bin Ahmad Firoz	14,654,600	0.86
7.	Cheah Jack Kie	14,650,000	0.86
8.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *– Pledged Securities Account for Kwan Bang Hing (MY3889)*	14,000,000	0.82
9.	Shahrill Bin Mohd Sam	12,404,000	0.73
10.	Lam Ah Choi	10,500,000	0.62
11.	Danny Goh Lik Seng	10,000,000	0.59
12.	Lee Chong Chat	9,000,000	0.53
13.	Ahmad Razali Bin Nordin	8,990,000	0.53
14.	Kenanga Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Chew Wee Hong*	8,500,000	0.50
15.	Ng Ee Jiun	8,500,000	0.50
16.	Public Nominees (Tempatan) Sdn Bhd *– Pledged Securities Account for Tan Bun Chong (E-KPG/BKI)*	8,500,000	0.50
17.	Mohd Khairi Bin Che Rose	8,116,700	0.48
18.	Looi Yuen Yee	8,100,000	0.48
19.	Goh Thean Chye	8,000,000	0.47
20.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *– Pledged Securities Account for Teh Bee Lan (Penang-CL)*	7,800,000	0.46
21.	Lim Willie	7,324,200	0.43
22.	Mohd Ariffin Bin Yusoff	7,000,000	0.41
23.	Toh Bok Piew	7,000,000	0.41
24.	Wan Mohd Zuhdi Bin Wan Abdullah	7,000,000	0.41
25.	Lo Sheng Wei	6,500,000	0.38
26.	Chew Tan Joo Lee @ Chew Joo Lee	6,100,000	0.36
27.	Hafiz Salama Bin Md Noor	6,000,000	0.35
28.	Ting Tai Jin	6,000,000	0.35
29.	Wong Pick Yiing	6,000,000	0.35
30.	Lee Bee Geok	5,500,000	0.32

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting ("23rd AGM" or "the Meeting") of HONG SENG CONSOLIDATED BERHAD ("Hong Seng" or "the Company") will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024 at 9:00 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial period ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees and/or benefits of up to RM450,000.00 for the period commencing from the date immediately after this 23rd AGM until the date of the next Annual General Meeting ("AGM") of the Company. **(Ordinary Resolution 1)**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 107(1)(b) of the Company's Constitution:-

   (i) Mr. Christopher Chan Hooi Guan **(Ordinary Resolution 2)**
   (ii) Mr. Yap Kien Ming **(Ordinary Resolution 3)**

4. To re-elect Mr. Leong Seng Wui as a Director who retires pursuant to Clause 100 of the Company's Constitution. **(Ordinary Resolution 4)**

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS:

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

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** **(Ordinary Resolution 6)**

   "THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

   AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")** **(Ordinary Resolution 7)**

"THAT authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries ("the Group") to enter into any of the transactions with the related parties as set out in Section 2.4 of the Circular to shareholders dated 31 July 2024 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed; or

(ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

8. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** **(Special Resolution 1)**

"THAT the proposed amendments to the Constitution of the Company as set out "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretaries of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

9. **PROPOSED CHANGE OF NAME OF THE COMPANY FROM "HONG SENG CONSOLIDATED BERHAD" TO "HKL CONSOLIDATED BERHAD" ("PROPOSED CHANGE OF NAME")** **(Special Resolution 2)**

"THAT the name of the Company be changed from "Hong Seng Consolidated Berhad" to "HKL Consolidated Berhad" with effect from the date of the Notice of Registration of New Name to be issued by the Companies Commission of Malaysia AND all references in the Constitution of the Company in relation to the name "Hong Seng Consolidated Berhad", wherever the same may appear, shall be deleted and substituted with "HKL Consolidated Berhad".

AND THAT the Directors and/or Secretaries of the Company be and are hereby authorised to do or procure to be done all acts, deeds, things and to execute, enter into, sign and deliver on behalf of the Company all documents as they may consider necessary, expedient and/or appropriate and to carry out all necessary formalities to give full effect to the Proposed Change of Name."

10. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (CCM PC NO.: 201908001272)
LEE XIANG YEE (MAICSA 7068124) (CCM PC NO.: 202408000069)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
31 July 2024

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

Notes:

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-

- In hard copy form

  In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Poll Administrator appointed by the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- By electronic means

  The Proxy Form can be electronically lodged with the Poll Administrator via TIIH Online at https://tiih.online. Please refer to the Administrative Notes for the 23rd AGM on the Procedure for Electronic Submission of Proxy Form via TIIH Online.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68 of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 August 2024. Only members whose names appear in the General Meeting Record of Depositors as at 22 August 2024 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.hongseng.com.my for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. **Item 1 of the Agenda – Audited Financial Statements for the financial period ended 31 March 2024**

   This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. **Item 2 of the Agenda – Directors' Fees and/or Benefits**

   Pursuant to Section 230(1) of the Act, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the period from the date immediately after the 23rd AGM until the date of the next AGM of the Company.

   In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. **Items 3 and 4 of the Agenda – Re-election of Directors**

   Clause 107(1)(b) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if the number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office and an election of Directors shall take place PROVIDED ALWAYS THAT each Director shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of six (6) Directors of the Company (excluding Mr. Leong Seng Wui who will be retiring pursuant to Clause 100 of the Company's Constitution) are to retire pursuant to Clause 107(1)(b) of the Company's Constitution.

   Clause 100 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next AGM, but shall be eligible for re-election (but shall not be taken into account in determining the number of Directors to retire by rotation at that meeting).

   Mr. Christopher Chan Hooi Guan and Mr. Yap Kien Ming will retire by rotation pursuant to Clause 107(1)(b) of the Company's Constitution whereas Mr. Leong Seng Wui will retire pursuant to Clause 100 of the Company's Constitution ("collectively referred to as "Retiring Directors"). All these Retiring Directors being eligible, have offered themselves for re-election at the 23rd AGM.

   The Board has endorsed the Nomination Committee's recommendation to seek the shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

   The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

   The details and profiles of the Retiring Directors are provided in the Profile of the Board of Directors on the Company's Annual Report 2024.

4. **Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act**

   The Ordinary Resolution 6 proposed under item 6 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, is to empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve the issuance and allot of new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS (CONT'D)

4. **Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act (Cont'd)**

   This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further possible fund raising exercises and/or further placing of shares, for the purpose of funding existing and/or future business expansion and/or existing and/or future investment activities and/or existing and/or future project(s), working capital, repayment of borrowings and/or acquisition(s).

   As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the 22nd AGM which will lapse at the conclusion of this 23rd AGM.

5. **Item 7 of the Agenda – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature**

   The Ordinary Resolution 7 proposed under item 7 of the Agenda, if passed, will give the mandate for the Group to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities.

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

6. **Item 8 of the Agenda – Proposed Amendments to the Constitution of the Company ("Proposed Amendments")**

   The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

   The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seven-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

7. **Item 9 of the Agenda – Proposed Change of Name**

   On 4 July 2024, the Company announced to Bursa Securities that the Board of Directors had proposed to change the Company's name from "Hong Seng Consolidated Berhad" to "HKL Consolidated Berhad" ("Proposed Change of Name").

   The proposed name of "HKL Consolidated Berhad" was approved and reserved by the Companies Commission of Malaysia ("CCM") on 4 July 2024.

   The Proposed Change of Name is subject to the approval of shareholders of the Company by way of Special Resolution which requires a majority of not less than seven-five per centum (75%) of such members of the Company as being entitled to vote in person or by proxy at the Meeting. The Proposed Change of Name, if approved by the shareholder, will take effect from the date of issuance of the Notice of Registration of New Name by the CCM to the Company.

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

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF HONG SENG CONSOLIDATED BERHAD ("THE COMPANY")

This is Appendix A referred to in Agenda 8 of the Notice of Twenty-Third Annual General Meeting ("23rd AGM") of the Company dated 31 July 2024.

Clause No.	Existing Clause	Proposed Clause
56 *New shares to be offered to existing Members*	Subject to any direction to the contrary that may be given by the Company in a Meeting of Members, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of Meeting of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries or approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the preemptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.	Subject to any direction to the contrary that may be given by the Company in a Meeting of Members, all new shares or other convertible securities shall, before issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of Meeting of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. **Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or Securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.** For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries or approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

APPENDIX A (CONT'D)

PROPOSED AMENDMENTS TO THE CONSTITUTION OF HONG SENG CONSOLIDATED BERHAD ("THE COMPANY") (CONT'D)

Clause No.	Existing Clause	Proposed Clause
56 (Cont'd)		In any case and in respect of any issuance of shares or convertible securities, the preemptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply **and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members**.

ADMINISTRATIVE NOTES

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING OF HONG SENG CONSOLIDATED BERHAD ("HONG SENG" OR "COMPANY") ("23rd AGM" OR "MEETING")

Date	:	Thursday, 29 August 2024
Time	:	9:00 a.m. or at any adjournment thereof
Venue	:	Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia

REGISTRATION ON THE DAY OF MEETING

1. Registration will commence at 8:00 a.m.
2. Please present your original National Registration Identity Card (NRIC) or Passport to the registration staff for verification.
3. A voting slip and an identification wristband will be given to you thereafter. No one will be allowed to enter the meeting room without an identification wristband.
4. Registration must be done in person. No person is allowed to register on behalf of another.
5. The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate at the Meeting must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor Investor & Issuing House Services Sdn. Bhd. not later than **Tuesday, 27 August 2024 at 9:00 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:-

(i) <u>In hard copy form</u>

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Poll Administrator appointed by the Company, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Tuesday, 27 August 2024 at 9:00 a.m.**

(ii) <u>By electronic form</u>

The Proxy Form can be electronically lodged with the Poll Administrator via TIIH Online at <u>https://tiih.online</u>. Please refer to the Administrative Notes for the 23rd AGM on the Procedures for Electronic Submission of Proxy Form via TIIH Online.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Poll Adminstrator, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not later than Tuesday, 27 August 2024 at 9:00 a.m.to participate in the Meeting. 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.

ADMINISTRATIVE NOTES (CONT'D)

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE (CONT'D)

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Poll Adminstrator, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not later than **Tuesday, 27 August 2024 at 9:00 a.m.** to participate in the Meeting. The certificate of appointment should be executed in the following manner:-

(i) 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.
(ii) 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:-
  (a) at least two (2) authorised officers, of whom one shall be a director; or
  (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor's **TIIH Online** website are summarised below:-

	Procedure	Action
i.	**Steps for Individual Shareholders**	
(a)	Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services" by selecting "**Create Account by Individual Holder**". Please do refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**HONG SENG CONSOLIDATED BERHAD 23RD AGM – SUBMISSION OF PROXY FORM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your vote. • Review and confirm your proxy(ies) appointment. • Print proxy form for your record.

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM (CONT'D)

The procedures to submit your proxy form electronically via Tricor's **TIIH Online** website are summarised below:- (Cont'd)

	Procedure	Action
ii.	**Steps for Corporation or Institutional Shareholders**	
(a)	Register as a User with TIIH Online	● Access TIIH Online at https://tiih.online. ● Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". ● Complete the registration form and upload the required documents. ● Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ● Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under "**ENQUIRY**" section below if you need clarifications on the user registration.
(b)	Proceed with submission of Proxy Form	• Login to TIIH Online at https://tiih.online. • Select the corporate event: "**HONG SENG CONSOLIDATED BERHAD 23RD AGM – SUBMISSION OF PROXY FORM**" • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "**SUBMISSION OF PROXY FORM**" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate event: "**HONG SENG CONSOLIDATED BERHAD 23RD AGM – SUBMISSION OF PROXY FORM**". • Proceed to upload the duly completed proxy appointment file. • Select "**Submit**" to complete your submission. • Print the confirmation report of your submission for your record.

PROCEDURES OF THE MEETING

In the interest of public health including the well-being of our members, members must cooperate with the following precautionary measures put in place by the Company should members or proxies wish to attend the Meeting in person. Your safety and health are the Company's top priority.

The date of Record of Depositors for the Annual General Meeting ("AGM") is 22 August 2024. As such, only members whose name appears in the Record of Depositors of the Company as at 22 August 2024 shall be entitled to attend the AGM and to attend, participate, speak and vote thereat.

(a) Members are encouraged to appoint the Chairman of the Meeting to act as a proxy to attend and vote at the Meeting on their behalf by submitting the Proxy Form with predetermined voting instructions.

(b) Members or proxies must sanitise their hands and to wear a face mask throughout the Meeting if they are attending the Meeting in person. Please note that no face mask will be provided at the Meeting venue.

(c) Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.

ADMINISTRATIVE NOTES (CONT'D)

PROCEDURES OF THE MEETING (CONT'D)

(d) Members or proxies are advised to arrive early at the Meeting venue given the above-mentioned precautionary measures which may cause a delay in the registration process.

(e) **NO door gift** will be provided to the members/proxies.

(f) The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting.

(g) **Recording/Photography**

By participating in this AGM, you agree that no part of the AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

Kindly check Bursa Malaysia Securities Berhad's and Company's website at http://www.hongseng.com.my/ for the latest updates on the status of the Meeting.

ENQUIRY

If you have any questions regarding the Proxy Form, please contact the Company's Poll Administrator during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except public holidays) prior to the Meeting:-

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Person	:	Nur Qaisara Naaila +603-2783 9272 (Nur.Qaisara.Naaila@my.tricorglobal.com) Mohammad Amirul Iskandar +603-2783 9279 (Mohammad.Amirul@my.tricorglobal.com)

HONG SENG CONSOLIDATED BERHAD
REGISTRATION NO. 200101001581 (537337-M)

PROXY FORM

(Before completing this form please refer to the notes below)

NO. OF SHARES HELD	CDS ACCOUNT NO.

I/We*____
(Full name in block)
_______________________ NRIC/Passport/Registration No.* _______________

of ____
(Address)
with email address: _______________________ mobile phone no.: _______________

being a member/members* of **HONG SENG CONSOLIDATED BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twenty-Third Annual General Meeting ("23rd AGM" or "the Meeting") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024 at 9:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and/or benefits of RM450,000.00 for the period commencing from the date immediately after this 23rd AGM until the date of the next Annual General Meeting ("AGM") of the Company.		
2.	To re-elect Mr. Christopher Chan Hooi Guan as a Director of the Company.		
3.	To re-elect Mr. Yap Kien Ming as a Director of the Company.		
4.	To re-elect Mr. Leong Seng Wui as a Director of the Company.		
5.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company.		
6.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed New Shareholders' Mandate.		
	SPECIAL RESOLUTION		
8.	To approve the Proposed Amendments to the Constitution of the Company.		
9.	To approve the Proposed Change of Company's name.		

** delete whichever not applicable*

Dated this ____________ day of ________________ 2024

____
Signature of Member(s) / Common Seal

Notes:-

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-

- In hard copy form

  In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Poll Administrator appointed by the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- By electronic means

  The Proxy Form can be electronically lodged with the Poll Administrator via TIIH Online at https://tiih.online. Please refer to the Administrative Notes for the 23rd AGM on the Procedure for Electronic Submission of Proxy Form via TIIH Online.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68 of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 August 2024. Only members whose names appear in the General Meeting Record of Depositors as at 22 August 2024 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.hongseng.com.my for the latest updates on the status of the Meeting.

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AFFIX
STAMP

The Poll Administrator of

HONG SENG CONSOLIDATED BERHAD
c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

Fold this flap for sealing

HONG SENG CONSOLIDATED BERHAD
Reg No: 200101001581 (537337-M)

C-01-3, Block C, Plaza Glomac
No. 6, Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya, Selangor

Tel: 603-7887 1666
Fax: 603-7887 1766

www.hongseng.com.my