

2024 SMRT

ANNUAL REPORT HOLDINGS BERHAD

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CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the Chairman's Statement for SMRT Holdings Berhad ("**SMRT**") for the financial year ended 30 June 2024. Building on the transformative initiatives undertaken during the prior financial period, our Group has continued to demonstrate resilience and strategic focus in what has been a pivotal year. The successful corporate restructuring we undertook last year has laid a solid foundation for the growth and performance we achieved in the current financial year, and I am confident that SMRT is well-positioned to capture future growth opportunities in the Internet of Things (IoT) sector.

The fiscal year 2024 marks the first 12-month reporting period since our shift to a pure-play IoT company, following the strategic divestments in our non-core segments, including the education and property management sectors. The results of these initiatives are clearly reflected in our financial and operational performance, as we solidify our standing as a leader in the IoT solutions industry.

Key Financial Highlights

For the 12-month period ended 30 June 2024, SMRT recorded impressive financial results, demonstrating a robust growth trajectory across all key financial metrics. Despite the shorter reporting period compared to the 18-month financial period ended 30 June 2023, the Group delivered solid revenue and profit growth, underscoring the strength of our strategic focus on the IoT sector.

The Group generated revenue of RM69.09 million, compared to RM87.72 million for the 18-month period ended June 2023. On an annualised basis, this represents continued strong performance, particularly given the prior period's extended reporting timeframe. SMRT achieved a profit before tax (PBT) and profit after tax (PAT) of RM26.20 million and RM26.04 million respectively, a significant improvement from RM17.56 million and RM17.33 million reported in the previous period, which speaks to the Group's ability to generate higher profitability despite the shorter reporting timeframe, reflecting our improved cost management and the success of our strategic initiatives in the IoT sector.

This Group's strong cash flow, coupled with continued support from institutional shareholders, has contributed to a significant improvement in our market capitalisation, which increased from RM360 million to RM519 million as at the end of August 2024.

These financial results are a testament to the effectiveness of our restructuring strategy, which has not only streamlined our business portfolio but also allowed us to focus our resources on our high-growth IoT segment. The improved market capitalisation further reflects the growing confidence of our shareholders in the Group's long-term growth prospects.

Operational Performance & Key Achievements

The fiscal year 2024 saw SMRT continued to expand its footprint in the IoT sector, with several key operational milestones achieved:

(i) New Strategic Projects

On 4 March 2024, our wholly owned indirect subsidiary, N'sairis Technology Solutions Inc. (NTSI), was awarded a significant project by Pito AxM Platform Inc. (PAPI) for the deployment of managed ATM infrastructure solutions across designated sites in Luzon, the Philippines. This project, a partnership with PAPI, a fully owned subsidiary of Seven Bank Ltd., represents a major step in our international expansion efforts and further solidifies our reputation as a trusted IoT solutions provider in the region. SMRT will deploy and manage the ATM network infrastructure for three years, beginning from the installation date of each site.

CHAIRMAN'S STATEMENT

(Continued)

(ii) Growth in Managed Services

The number of managed sites under NTS grew from 21,400 at the end of June 2023 to more than 25,500 by June 2024, reflecting a significant increase in recurring revenue. More than 50% of our total business is now driven by recurring revenue models, providing us with a stable and predictable income stream that positions us well for future growth.

(iii) Expansion of Overseas Revenue

We have also seen strong progress in expanding our international revenue contributions. Overseas revenue as a percentage of total revenue grew from 9.3% in the previous financial period to 14.4% in June 2024, demonstrating the success of our regional expansion strategy. The Philippines project, being our new geographical venture during the financial year in particular, is expected to further bolster this growth in the coming years.

These operational achievements underscore the effectiveness of our strategic focus on the IoT sector and highlight the scalability and profitability of our business model. As we continue to invest in regional expansion and innovation, we are confident that SMRT is well-positioned to capitalise on the growing demand for IoT solutions in Malaysia and across Southeast Asia.

Acknowledgment

As we conclude another successful year, I would like to take this opportunity to express my gratitude to all those who have contributed to the Group's achievements.

Firstly, I would like to extend my heartfelt appreciation to Mr Arthur Jack Hogarth, who stepped down from the Board of Directors in the month of July 2024. His contributions and leadership were instrumental in shaping the Group's strategic direction, and we are deeply grateful for his dedication and service.

I would also like to warmly welcome Ir Hj Kamaliah Binti Abdul Kadir, who joined us as the Board Member on 5th April 2024. Her wealth of experience and expertise in the power industry will undoubtedly be a valuable asset to the Group as we continue to pursue our growth objectives.

Finally, I would like to thank our shareholders, institutional investors, clients, and employees for their unwavering support and commitment to SMRT. Your confidence in our vision has been crucial to our success, and we look forward to continuing this journey together.

Sincerely,

ADJUNCT PROFESSOR SUBRAMANIAN AMAMALAY
Non-Independent Non-Executive Chairman

DIRECTORS' PROFILE



**ADJUNCT PROFESSOR SUBRAMANIAN AMAMALAY
("ADJUNCT PROFESSOR SUBRA")**

B.Soc.(USM); MBA (AMU); CIPD (UK)

Non-Independent Non-Executive Chairman

Adjunct Professor Subra, a Malaysian, aged 65, male, was appointed to the Board on 11 April 2022. He was redesignated from Non-Independent Non-Executive Director to Non-Independent Non-Executive Chairman on 4 January 2023.

Adjunct Professor Subra has worked with the industry upon completing his studies from University Sains Malaysia and followed by a Master's and Doctorate in Business Administration from Asia Metropolitan University. He has also acquired professional qualifications such as Certificate in Training Practice from the Chartered Institute of Personnel and Development (CIPD), UK and has achieved membership with CIPD, UK. He has also obtained his Accredited Competency Professional from Institute of Leadership & Management (ILM) UK. Adjunct Professor Subra is a qualified auditor of the International Register of Certified Auditors (IRCA) and certified in Total Quality Management and Strategic Planning. He is also a certified Trainer with HRDF Malaysia and an SMR accredited trainer besides being qualified to use the Myers Briggs Type Indicator (MBTI). He has also joined Senior Management Leadership Development program at the Harvard Faculty Club, Harvard University, Boston, USA.

Adjunct Professor Subra has over thirty years of management and leadership experience in a wide range of organisations from Finance, Education to Consulting. He has travelled extensively in Asia on business assignments. He has led and delivered consulting assignments for large GLCs and MNCs in designing, developing and implementing competency framework as well as Talent Development across Asia and the Middle East, including Malaysia, Indonesia, India, Sudan, Qatar, Abu Dhabi, Dubai, Bahrain, Saudi Arabia, Oman, Singapore and Hong Kong.

Adjunct Professor Subra's working experience includes working at the then Ministry of Social Welfare, Government of Malaysia, MBf Finance, Taylors Education and the SMR Group. He was an Executive Director for Asiamet Education Group Berhad from 4 November 2015 to 21 September 2018. He is currently the Chairman and Director of N'sairis Technology Solutions Sdn Bhd.

Adjunct Professor Subra has no directorship in any other public listed company.

DIRECTORS' PROFILE

(Continued)



**TAN SRI DATO' DR PALANIAPPAN A/L RAMANATHAN CHETTIAR
("TAN SRI DATO' DR R PALAN")**

B.Sc., M.A., M.Sc., Ph.D., A.P.T., FBILD (UK),
P.S.M. (Federal), D.P.M.P. (Perak), J.B.K. (Kuching)

Non-Independent Non-Executive Director

Tan Sri Dato' Dr R Palan, a Malaysian, aged 68, male. He was appointed to the Board on 13 August 2004. He was redesignated from Executive Chairman to Non-Independent Non-Executive Chairman on 12 November 2021 and to Non-Independent Non-Executive Director on 4 January 2023.

A lifelong learner, he completed his PhD (Education) at the Federation University, Ballarat, Australia, and the Advanced Management Programme at Harvard Business School besides his other numerous educational achievements. He has authored numerous articles and books including his 21st book, the 'The Thought Leader's Playbook: Essential Business Lessons' published in 2024. More details about Tan Sri Dato' Dr. Palan can be found at www.palan.org.

A lifelong entrepreneur, he has been deeply passionate about building and growing businesses. He has also worked with numerous organisations in different countries. Currently, he serves as the Pro-Chancellor of University of Cyberjaya (UoC). He is also a non-independent non-executive director of Cyberjaya Education Group Berhad besides serving as a Visiting Professor at his almae matres, the Federation University and the Madras School of Social Work.

A lifelong advocate of giving back to society, he founded Yayasan Palan to support Corporate Social Responsibility initiatives. His voluntary contributions include serving on the boards of non-profit organisations, both governmental and private. He was recently appointed by the Honourable Minister of Education to serve as a member of the committee advising on the development of the new Malaysian Higher Education Blueprint 2025-2035.

Tan Sri Dato' Dr R Palan sits in the board of Cyberjaya Education Group Berhad.

DIRECTORS' PROFILE*(Continued)*

MR MAHA RAMANATHAN PALAN ("MR MAHA")
Group Managing Director

Mr Maha, a Malaysian, aged 30, male, was appointed to the Board on 23 July 2018. He was redesignated from Non-Independent Non-Executive Director to Executive Director on 1 July 2021 and to Group Managing Director on 12 November 2021.

Mr Maha has a Masters in Risk Management & Financial Engineering from Imperial College London and a Bachelors (Hons) in Chemical Engineering from the University of Manchester.

Mr Maha joined the board in 2018 as SMRT operated a diverse set of organisations but remained loss-making to develop and lead the Strategic Turnaround Plan. Within three (3) years (and in spite of the COVID-19 pandemic), Mr Maha had successfully transformed the Group into a leading regional Internet-of-Things (IoT) company with SMRT returning to profitability in FY2021. Following this, Mr Maha was appointed as Group Managing Director to lead the Group further to meet its future growth and transformation goals, with earnings and market capitalisation reaching all-time highs.

Mr Maha also serves as the Group Managing Director of Cyberjaya Education Group Berhad ("CYBER"), amongst Malaysia's largest health sciences higher education platforms that offers accessible pathways to future careers. CYBER also works with many charitable foundations to further support improving access to Education for the underprivileged. Mr Maha is also a co-founder of the Palan Foundation, a registered non-profit organisation committed to improving the educational attainment of young disadvantaged individuals.

Prior to joining SMRT, Mr Maha has served in investment-focused roles in firms including British Petroleum Plc and Piton Capital LLP. During his tenure with these firms, he has invested in and helped grow a diverse range of companies that amongst others allowed for equitable access in market participation and improved the interoperability of energy infrastructure.

DIRECTORS' PROFILE*(Continued)***MR CHU KHEH WEE, DANNY ("MR DANNY CHU")**

C.A.(M), ACMA, CGMA, MPMA

Executive Director

Mr Danny Chu, a Malaysian, aged 54, male, was appointed to the Board on 31 December 2019.

Mr Danny Chu received a diploma in cost accounting from the London Chamber of Commerce and Industry (LCCI) in 1990. Mr Chu was admitted as a registered accountant and a chartered accountant of the Malaysian Institute of Accountants (MIA) in December 1999 and June 2001, respectively, an associate member of the Chartered Institute of Management Accountants (CIMA) in August 1996 and a Chartered Global Management Accountant (CGMA) in May 2011.

Mr Danny Chu founded Executive Prosight Resources ("EPR") in February 2011 for the purpose of providing business, corporate advisory and employment services. He has recorded numerous successful corporate exercises in the country such as Corporate Structuring, Initial Public Offering ("IPO") and Merger & Acquisition ("M&A").

Mr Danny Chu also has vast experiences during his employment journey, specialising in finance and corporate reporting, corporate restructuring and various fund raising activities, covering various industries from manufacturing, property development and construction industries. From October 2007 to October 2008, Mr Danny Chu worked for D'Tiara Corp. Sdn. Bhd., being a company engaging in investment, development and sale of properties and resorts, as the chief financial officer and was responsible for the proposed listing application of such company on the Alternative Investment Market (currently known as AIM) of the London Stock Exchange. From October 2004 to September 2007, Mr Danny Chu worked for Oil-Line Engineering and Associates Sdn. Bhd., being a subsidiary of OilCorp Berhad, as a senior manager and was responsible for advising on corporate finance matters of the aforesaid company. From May 2002 to September 2004, Mr Danny Chu worked for Tenaga Nazar (M) Sdn. Bhd., being an affiliated company of OilCorp Berhad (a company engaging in the provision of engineering, procurement, construction, technical and contract related services in Malaysia, the Middle East and the ASEAN countries), as a senior manager of corporate finance and was responsible for managing corporate finance matters of the aforesaid company. Mr Danny Chu was also responsible for managing the financial affairs for other companies namely Worthy Builders Sdn. Bhd., Chase Perdana Berhad and Golden Plus Builders Sdn. Bhd.

Mr Danny Chu sits in the board of Heng Hup Holdings Limited, a Main Board listed company at Hong Kong Stock Exchange.

DIRECTORS' PROFILE*(Continued)***MS LIM KWEE YONG ("MS LIM")**

C.A.(M), Bsc Acc RMIT, Australia

Senior Independent Non-Executive Director

Ms Lim, a Malaysian, aged 53, female, was appointed to the Board on 10 March 2020. She was appointed as the Chairman of the Audit and Risk Management Committee on 5 August 2020. She was redesignated as Chairman of the Nomination Committee and Remuneration Committee of the Company on 27 September 2021.

Ms Lim received a Bachelor of Business, Major in Accounting from Royal Melbourne Institute of Technology ("RMIT"), Australia in November 1995. Subsequently, Ms Lim was admitted as a registered accountant and a chartered accountant of the Malaysian Institute of Accountants (MIA) in October 1999.

Ms Lim has vast experiences during her employment journey, specialising in financial management, treasury, internal control and risk management, covering various industries from renewable energy, waste management and Oil & Gas Pipe Coatings and Pipeline manufacturing industries. From January 2014 to August 2018, Ms Lim worked for Cenviro Sdn Bhd, being a company engaged in provision of integrated waste management treatment, as the chief finance officer and was responsible for the financial and treasury management, risk management, procurement and Management Information System departments of the Company. From October 2008 to December 2013, Ms Lim worked for Wasco Energy Group of Companies, being a subsidiary of Wah Seong Corporation Berhad, as a Head of Finance, Pipeline Services Division and was responsible for all financial management and reporting matters as well as investment appraisal matters of the aforesaid company. On March 1995, Ms Lim initiated her working career with Pricewaterhousecoopers ("PWC") as Audit Associate and she left PWC in April 2008 with her last position held as Senior Audit Manager.

Ms Lim is currently the Executive Director cum Chief Finance Officer of Econas Sdn Bhd, a company engaged in provision of consultancy services in waste management and renewable energy services. She is responsible for all financial strategies and management, internal control and corporate governance matters in the said company.

Ms Lim has no directorship in any other public listed company.

DIRECTORS' PROFILE

(Continued)



MS NG KIT CHING ("MS NG")
Independent Non-Executive Director

Ms Ng, a Malaysian, aged 51, female, was appointed to the Board on 5 August 2020. She was appointed as the member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company on 5 August 2020.

Ms Ng received her Master of Science (Blockchain and Digital Currency) from the University of Nicosia, Cyprus in year 2023. She also has a Bachelor of Commerce (Finance and Marketing) from Curtin University of Technology, Perth, Western Australia in year 1997.

Ms Ng has vast experiences in digital transformation especially in the financial service sector. Her last 2 assignments as CEO of NEM Malaysia and Razer Fintech has brought her insight into the fintech industry. She also has over 25 years' experience in the financial services and technology sector. Her senior level assignments include leading blockchain layer 1 protocol companies in business transformation, applying and obtaining fintech operating licenses in new countries for expansion, setting up of financial services call centres, overseeing the card business regionalisation programmes, creating alliances with synergies for organisations and providing consultancy to the C-suites. Ms Ng loves to share her passion for business through her roles as investor and active business consultant to various start-ups. She is very attached to her values and believes strongly in economic empowerment through business and investing in the youth by helping them to maximise their potential. In recognition of her contribution to women in tech space, Ms Ng was also recently awarded the Global Women Empowerment Icon of 2023 for being an Exceptional Woman in Blockchain.

Ms Ng is currently the Co-founder to a game development company that helps businesses' digital customer engagement and a blockchain based self-sovereign identity project for the future of ID data management.

Ms Ng has no directorship in any other public listed company.

DIRECTORS' PROFILE*(Continued)*

IR HJH KAMALIAH BINTI ABDUL KADIR ("IR HJH KAMALIAH")
Independent Non-Executive Director

Ir Hjh Kamaliah, a Malaysian, aged 64, female, was appointed to the Board on 5 April 2024. She was appointed as the member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company on 5 July 2024.

Ir Hjh Kamaliah embarked on her academic journey in the United Kingdom, earning an Ordinary National Diploma from Brighton Technical College in 1980. Subsequently, she graduated with a Bachelor of Science in Electrical Engineering & Applied Science from the University of Sussex, United Kingdom in 1983. Her commitment to lifelong learning continued with a Master's in Business Administration from the University of Malaya in 1997.

Ir Hjh Kamaliah's professional journey is complemented by a range of certifications and memberships, including being a Professional Engineer recognised by the Board of Engineers Malaysia (BEM) and Institution of Engineers Malaysia (IEM) in 1997, as well as a Certified Energy Manager recognized by ASEAN Energy Management Scheme ("AEMAS") in 2015. She also holds the ISO 9001 Lead Auditor certification in year 1999, showcasing her commitment to quality standards. Additionally, Ir Hjh Kamaliah has honed her leadership skills through the Boardroom Essentials Soft Skills and Board Simulation program by Lead Women Supporting Diversity Leadership.

Ir Hjh Kamaliah was conferred with the medal Johan Mahkota Wilayah by the King of Malaysia, in year 2010, being recognition of her contribution to society.

Ir Hjh Kamaliah an Electrical Engineering with a range of exposure in the country's power industry, previously served on the boards of TNB Research Sdn. Bhd. and TNBES Sdn. Bhd., wholly-owned subsidiaries of TNB, contributing to strategic decision-making and governance since March 2014 and April 2014, respectively. She was retired in February 2021. Her illustrious career has been marked by transformative leadership roles, strategic contributions, and a commitment to excellence in every facet of the utility sector.

Ir Hjh Kamaliah has no directorship in any other public listed company.

Notes to Director Profiles:

- (i) *Tan Sri Dato' Dr R Palan is the husband of Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi, a substantial shareholder of the Company and the father of Mr Maha Ramanathan Palan, Group Managing Director of the Company. Save as disclosed above, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.*
- (ii) *None of the Directors have any conflict of interest with the Company.*
- (iii) *None of the Directors have been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalties by the relevant regulatory bodies during the financial year ended 30 June 2024.*
- (iv) *The attendance of the Directors at Board Meetings held during the financial year ended 30 June 2024 is disclosed in the Corporate Governance Overview Statement.*

KEY SENIOR MANAGEMENT'S PROFILES

MALAYANDI SUBU PALAN ("MR MALAYANDI")

***Managing Director, N'osairis Technology Solutions Sdn Bhd ("NTS"),
A wholly-owned subsidiary of The Company***

Mr Malayandi, a Malaysian, aged 29, male, joined NTS on 1 September 2019 and was formally appointed as Managing Director of NTS on 7 February 2021.

Mr Malayandi received a Bachelor of Arts in Applied Mathematics (with High Honours) from the University of California, Berkeley and was previously pursuing a PhD in Computer Science at Stanford University, until he dropped out to take on his current role.

Mr Malayandi has been part of SMRT's leadership team and has been leading N'osairis Technology Solutions and its subsidiaries ("NTS") (SMRT's primary operating entity) since 1 September 2019. In this time, he helped lead NTS to achieve significant growth at both the top and bottom lines while also doubling net profit margins (achieved a 5-year CAGR for PAT of 30+%); in this same period, SMRT's market capitalisation grew from RM40m in 2019 to an all-time high of RM600m+ in 2024.

Prior to joining SMRT, Mr Malayandi was a published researcher pursuing a PhD in Computer Science, with a focus in Artificial Intelligence and Machine Learning ("AI/ML"). He has published original research works at/in leading AI/ML conferences/journals, including the "International Conference on Machine Learning", "Proceedings of Robotics: Science and Systems", and the "International Journal of Robotics Research". These works have been cited over 500 times by other researchers/scientists. Mr Malayandi has also spent some time working at Waymo (formerly known as the "Google Self-Driving Car Project") and jointly published research with scientists from Waymo/Google during this time.

Mr Malayandi is the son of Tan Sri Dato' Dr. R. Palan, a substantial shareholder and Non-Independent Non-Executive Director of the Company as well as the son of Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi, a substantial shareholder of the Company. He is also the brother of Mr Maha Palan, the Group Managing Director of the Company. Save as disclosed above, Mr Malayandi has no family relationships with any director and/or major shareholder of the Company. His position in the NTS does not give rise to any conflict of interest situation. He has no conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

KEY SENIOR MANAGEMENT'S PROFILES

(Continued)

PARTHIBAN SEKARAN ("MR PARTHIBAN")

Chief Operating Officer, NTS

Mr Parthiban, a Malaysian, aged 43, male, joined NTS as the Head of Operations on 3 March 2020 and was promoted as the Chief Operating Officer of NTS on 1 August 2022.

Mr Parthiban has a Higher Diploma in Information Technology from NIIT Malaysia and has spent more than 17 years working in the technology (and particularly telecommunications) industry.

Mr Parthiban joined NTS as the Head of Operations in 3 March 2020 and was promoted to his current role in 1 August 2022, and has played a critical role in Company's growth. Upon joining NTS, he successfully restructured the Company's regional operations and project management functions to ensure that they could keep up with the Company's strong growth. In doing so, he helped ensure that NTS consistently met delivery targets and improved customer satisfaction even as the Company underwent a period of rapid growth. He is currently responsible for all technical operations in the Company, overseeing the Operations, Project Management, and Engineering departments at NTS, and also plays a critical role in the Company's commercial functions.

Prior to joining NTS, Mr Parthiban spent time with various telecommunications companies but most notably, with Time Dot Com ("Time"). He served in various roles during his 13-year tenure and in his final role at Time, he served as the Head of Regional Operations, where he was primarily responsible for managing all technical operations at Time.

Mr Parthiban has no directorship in any other public listed company. He has no family relationships with any other director and/or major shareholder of the Company and his position in NTS does not give rise to any conflict of interest situation. He has no conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

MANAGEMENT'S PROFILES

BAKHTIAR EFFANDI ("MR BAKHTIAR")

Director of Special Projects

Mr Bakhtiar, a Malaysian, aged 49, male, joined NTS as a Senior Project Manager on 30 July 2021 and was promoted as the Director of Special Projects of NTS on 23 March 2023.

Mr Bakhtiar holds a Bachelor of Engineering degree in electronics from Polytechnic University at Kanagawa Prefecture, Japan. He has over two decades of experience in the technology industry, during which time he predominantly worked at various multinational corporations.

As a Senior Project Manager, Mr Bakhtiar oversaw the Company's project deployments for all customers and the Company's internal transformation efforts. Following a successful stint in this role, during which he drove key automation initiatives and helped the Company's Service Operations Centre reduce its average first response time for customers from 14 minutes to 5 minutes, he was promoted to his current role as the Director of Special Projects – in this role, he now oversees the Company's regional expansion efforts, and continues to lead the Company's internal transformation efforts.

Before joining NTS, he was a Project Manager at Touch 'n Go Sdn Bhd ("TnG"), where he oversaw TnG's open payment initiatives. Prior to that, he spent six years at IBM, serving in various customer facing roles. In his career, he has also worked at Hewlett Packard, Freescale Semiconductor, and Matsushita Electronic Motor. Alongside his practical experience, he holds several valuable industry certifications – including ITIL Expert v3 and Scrum Master Certified (SMC) – and speaks Japanese fluently.

Mr Bakhtiar has no directorship in any other public listed company. He has no family relationships with any other director and/or major shareholder of the Company and his position in NTS does not give rise to any conflict of interest situation. He has no conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

MOHAMMED RIVAI ("MR RIVAI")

Principal Engineer

Mr Rivai, an Indonesian, aged 41, male, joined NTS on 1 August 2016 and was promoted as the Principal Engineer of NTS on 23 March 2023.

Mr Rivai holds a Bachelor of Engineering degree in Mechanical Engineering from University of Syiah Kuala, Indonesia. He has spent almost two decades in the IT industry in various roles, but specifically in network engineering and IT security.

Mr Rivai was a key member of the team that developed NTS' product offerings for the power sector, which has been the bedrock of the Company's growth since 2017. As the Company's principal engineer, he leads the technical aspects of the Company's engineering and product development efforts and supports the development of engineering talent at NTS by mentoring younger engineers. Mr Rivai also holds several industry certifications such as CCNP Service Provider, CCNP Enterprise, and JNCIS-SEC.

Prior to joining NTS, he was attached to several financial service institutions in Indonesia where he led various teams and projects in the IT domain.

Mr Rivai has no directorship in any other public listed company. He has no family relationships with any other director and/or major shareholder of the Company and his position in NTS does not give rise to any conflict of interest situation. He has no conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

MANAGEMENT'S PROFILES*(Continued)***MUHAMMAD AL-THAHIRIE ("MR AL-THAHIRIE")*****Director of Engineering***

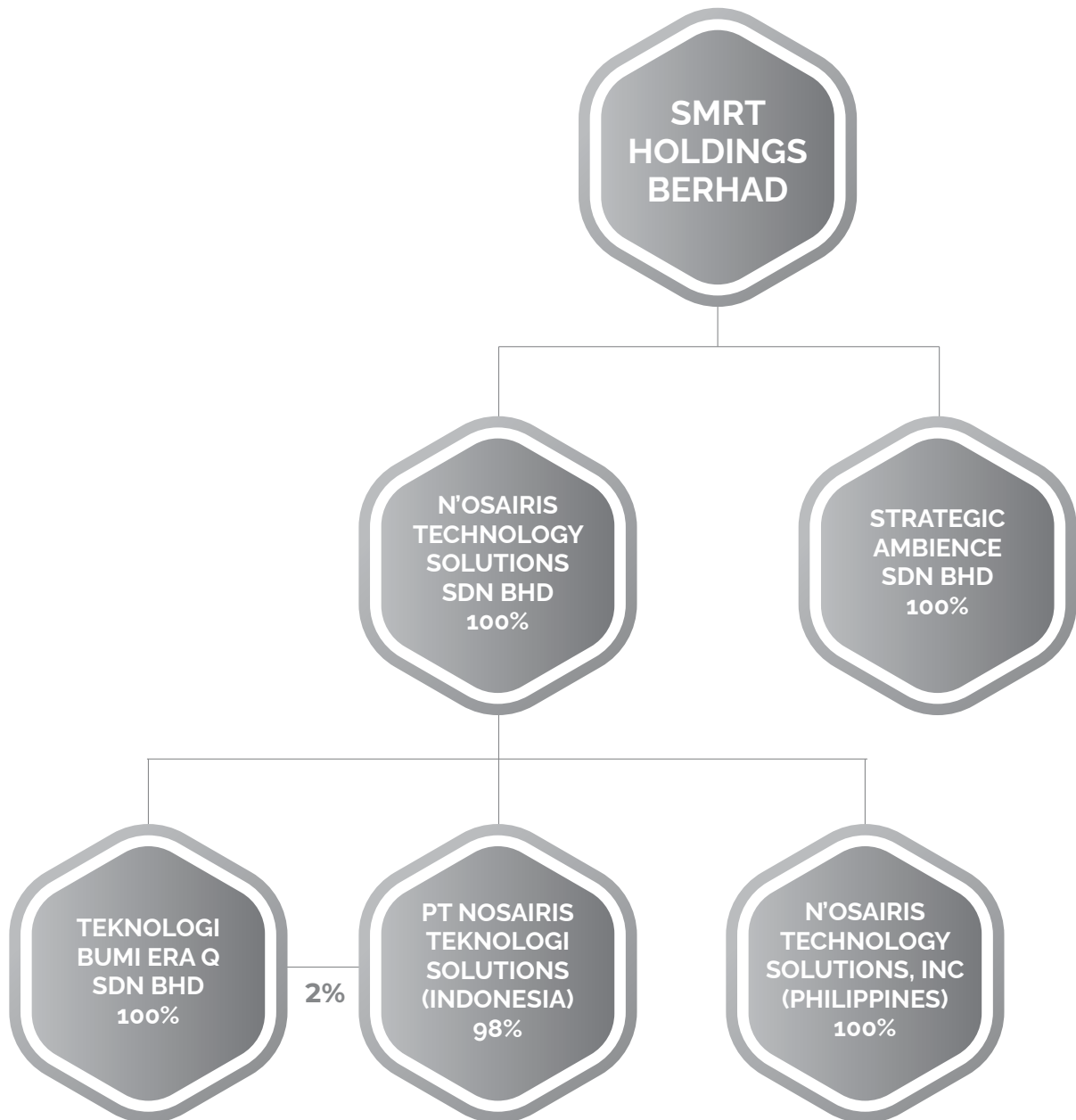
Mr Al-Thahirie, a Malaysian, aged 36, male, joined NTS as an Engineer on 18 September 2017 and was promoted as the Director of Engineering of NTS on 1 May 2021.

Mr Al-Thahirie holds a Diploma in Network Security from the German-Malaysian Institute. He has over a decade of dedicated service in the technology sector.

Since joining NTS as an Engineer, Mr Al-Thahirie has played a pivotal role in the organisation's growth. A specialist in network monitoring, Mr Al-Thahirie – who holds a Zabbix Certified Professional certification – was primarily responsible for designing and deploying NTS' monitoring infrastructure, which now reliably monitors over 21,000 remote sites today. Mr Al-Thahirie currently oversees the entire Engineering team and leads a dynamic team with expertise in systems engineering, network engineering, software development, information security, and also in operational technologies such as SCADA.

Prior to joining NTS, Mr Al-Thahirie worked in the telecommunications industry, with a Malaysian Internet Service Provider.

Mr Al-Thahirie has no directorship in any other public listed company. He has no family relationships with any other director and/or major shareholder of the Company and his position in NTS does not give rise to any conflict of interest situation. He has no conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2024.

GROUP CORPORATE STRUCTURE*As at 15 October 2024*

MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion & Analysis ("MDA") is provided to assist shareholders in developing a clearer understanding of the results of our operations and financial condition when reading our Financial Statements, which are detailed on pages 67 to 140. It should be noted that this MDA covers the financial year from 1 July 2023 to 30 June 2024 ("FY2024"). Our MDA is presented in the following sections:

- Overview
- Results of Operations
- Way Forward

Overview

Current Business Focus

The financial year ended 30 June 2024 marks the first full 12-month period following SMRT Holdings Berhad's transformation into a pure-play Internet of Things ("IoT") solutions provider during the last reporting period. Building on the momentum from our reorganisation initiatives, the Group has seen strong operational and financial growth, particularly within Malaysia's utility sector and expanding regional markets such as Indonesia and the Philippines.

The completion of our strategic restructuring exercise in the previous financial period has allowed SMRT to focus on the development and enhancement of its IoT capabilities, positioning us as a leading solutions provider in Southeast Asia.

Key Achievements for FY2024 include:

1. **Strengthened Regional Presence:** SMRT continued its expansion across the region, with a particularly new contract winning in the Philippines market in March 2024 and continuous strong revenue growth in Indonesia. This international expansion is reflected in the 14.4% contribution to revenue from overseas markets.
2. **Expansion in Water Utility Sector:** In FY2024, SMRT successfully entered the Water Utility sector by securing our first ever contract in the sector with Pengurusan Air Selangor. This new contract represents a critical step forward as we expand our expertise from power utilities into water management. By leveraging IoT solutions to enhance operational efficiencies in water distribution and management, we share the common objectives with the Water Operators towards reduction in the Non-Revenue Water ("NRW"). SMRT aims to establish a strong foothold in this essential service sector.
3. **Recurring Revenue Model:** Over 50% of our total revenue is now derived from managed services contracts, underpinning our recurring income model, which ensures a steady revenue stream while enhancing financial predictability.

Results of Operations

Financial Performance

For the 12-month period ended 30 June 2024, the Group posted total consolidated revenue of RM69.09 million, reflecting a significant growth trajectory when compared on a pro-rated basis with the previous 18-month financial period. Revenue from domestic operations accounted for RM59.25 million (85.8%) (post-inter-company elimination), while overseas markets contributed RM9.93 million (14.4%), driven primarily by projects in Indonesia and the Philippines.

In term of the Group's profitability, the Group reported a PBT of RM26.20 million, a significant increase from the pro-rated PBT of RM17.56 million for the 18-month prior period. This improvement reflects the Group's enhanced profitability through streamlined operations and improved cost management. Lastly, the Group's PAT increased to RM26.04 million, representing a 50% growth over the previous period. This highlights SMRT's success in maintaining strong bottom-line performance, driven by operational efficiencies and a robust sales pipeline.

MANAGEMENT DISCUSSION & ANALYSIS

(Continued)

Way Forward

SMRT remains committed to steady growth following our successful transformation into a leading IoT solutions provider. As we continue to expand across Southeast Asia, our focus will be on strengthening our presence in key markets while exploring new opportunities for innovation and sustainable growth. With a solid foundation in place, we aim to maintain operational efficiency and create lasting value for our shareholders.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

At SMRT Holdings Berhad ("**SMRT**" or the "**Group**"), we navigate the evolving digital landscape with adaptability and innovation. We recognise that in today's world, embracing change is not just an option, but a necessity for growth. SMRT's successful transition to a pure-play enterprise Internet of Things ("**IoT**") solutions provider exemplifies our commitment to embracing change and progress.

In FY2024, we expanded our IoT offerings to new sites and verticals as we continued to deliver value to our customers. During this time, sustainability remained at the forefront of our priorities. Building on the foundation of our efforts in the prior year, the Group remains steadfast in embedding Environmental, Social, and Governance ("**ESG**") considerations into our operations and work culture.

This Sustainability Statement ("**SS2024**") highlights our continued integration of sustainability in FY2024. In this statement, we strive to provide stakeholders with a transparent view of our key initiatives and performance metrics during the year.

Reporting Period and Scope

The SS2024 covers the reporting period from 1 July 2023 to 30 June 2024, following the financial year end of SMRT. Information in this report encompasses the business operations and activities of SMRT, including its wholly-owned subsidiaries, N'osairis Technology Solutions Sdn. Bhd. ("**N'osairis**") and Strategic Ambience Sdn. Bhd.

Reporting Framework

This statement has been prepared in accordance with Bursa Malaysia Securities Berhad's ("**Bursa Securities**") ACE Market Listing Requirements ("**Listing Requirements**") and in reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition).

Statement of Assurance

This SS2024 has not been subjected to an assurance process by an independent assurance provider. Nonetheless, information and data disclosed in this SS2024 have been verified for accuracy by respective data owners within the Group.

OUR SUSTAINABILITY COMMITMENT

SMRT champions a sustainable future, guided by the principles outlined in our ESG framework. As we grow, we are dedicated to balancing the needs of shareholders, communities, and the environment while pursuing economic success. Our approach encompasses three key pillars of **Environmental (E)**, **Social (S)**, and **Governance (G)** as illustrated in the diagram below.



SUSTAINABILITY STATEMENT

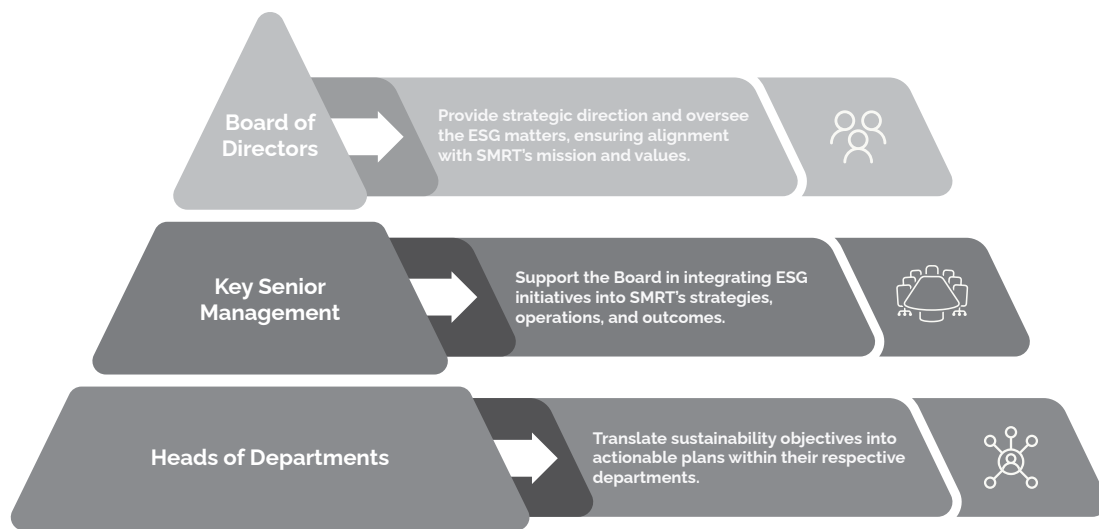
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SUSTAINABILITY GOVERNANCE

We prioritise sustainability governance to ensure accountability and ethical conduct across our operations. At SMRT, we adopt a top-down governance approach led by the Board. The Board holds ultimate responsibility for overseeing ESG matters within the Group's strategies, providing a strategic direction for implementing sustainable practices that align with our mission and values.

Our Key Senior Management ("**KSM**") team supports the Board, and is responsible for incorporating ESG-related initiatives into the Group. The KSM also tracks and monitors the Group's progress towards sustainability targets, maintaining accountability and continuous improvement.

For effective implementation, our sustainability efforts are further delegated to the Heads of Departments ("**HODs**") as well as to all SMRT employees. In their respective departments, HODs play crucial roles in translating the Group's sustainability objectives into actionable plans.



SMRT's Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

Stakeholders play a crucial role in our journey towards sustainability. The Group interacts with a broad range of stakeholder groups who impact or are impacted by our operations. With their input, we gain a deeper understanding of how our business practices affect stakeholders. This allows us to identify and address material issues, anticipate potential opportunities and risks, and ultimately make more informed decisions that benefit all stakeholders.

Stakeholder Group	Forms of Engagement	Areas of Interest
Shareholders/ Investors	<ul style="list-style-type: none"> Annual General Meetings Bursa Malaysia announcements Meetings and briefings Media interviews Press releases 	<ul style="list-style-type: none"> Business continuity Economic performance Shareholders' return Corporate governance Risk management
Customers	<ul style="list-style-type: none"> Regular engagements Products and services briefings Customer satisfaction survey Media announcements 	<ul style="list-style-type: none"> Customer service and satisfaction Pricing Product quality and safety Quality assurance Energy conservation

SUSTAINABILITY STATEMENT

(Continued)

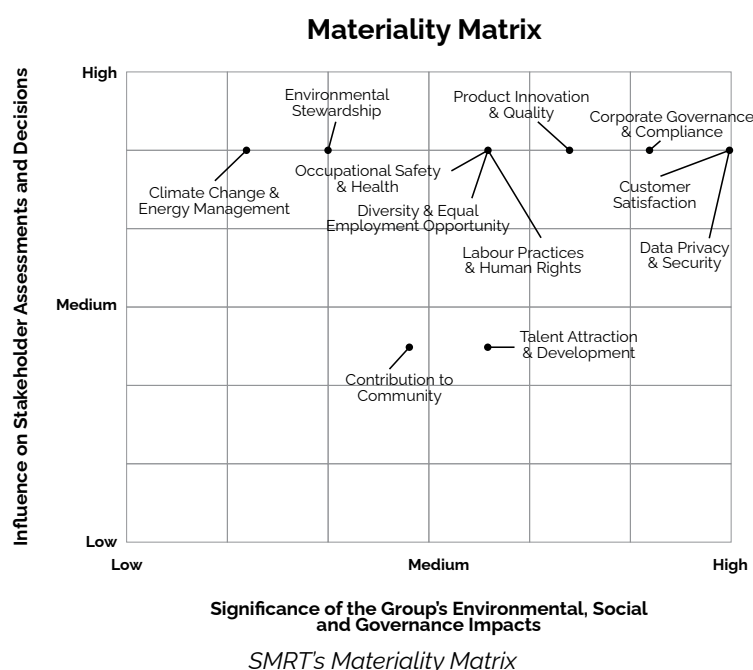
Stakeholder Group	Forms of Engagement	Areas of Interest
Suppliers/ Vendors/ Contractors	<ul style="list-style-type: none"> Regular interactions Procurement agreements Feedback to suppliers Audit on suppliers 	<ul style="list-style-type: none"> Supply chain management Ethical and transparent procurement policies Pricing Payment arrangements
Employees	<ul style="list-style-type: none"> Management meetings with employees Memos and intranet Annual performance reviews Training and development sessions Office events 	<ul style="list-style-type: none"> Fair Human Resources ("HR") policies and practices Job security Health and safety Workplace satisfaction Professional growth Key Performance Indicators
Local Communities	<ul style="list-style-type: none"> Corporate activities Meetings 	<ul style="list-style-type: none"> Fair and ethical practices Contribution toward socio-economic growth
Government/ Regulatory Agencies	<ul style="list-style-type: none"> Periodic site visits and meetings Consultation on regulatory matters 	<ul style="list-style-type: none"> Compliance with regulations Labour practices Anti-corruption practices

MATERIALITY ASSESSMENT

A Materiality Assessment Exercise ("MAE") was conducted in FY2024 involving both key internal and external stakeholders, guided by Bursa Securities' Sustainability Reporting Guide.

As part of the process, we conducted an internal review against regulatory requirements, including Bursa Securities' Listing Requirements, industry peers, and emerging developments. This allows us to anticipate and adapt to evolving regulatory landscapes and market trends. Apart from that, a stakeholder engagement survey was conducted online to gather views on the Group's proposed material matters.

The findings from this assessment enable us to prioritise 12 material topics under the ESG pillars. The resulting materiality matrix illustrates the significance of each material matter from the perspectives of SMRT and our stakeholders.



SUSTAINABILITY STATEMENT

(Continued)

ECONOMIC

Corporate Governance and Compliance

Strong governance is fundamental to the Group's sustainability efforts and in creating long-term value for our stakeholders. By upholding high standards of ethical conduct and accountability, we foster trust among our stakeholders and create a solid foundation for sustainable growth.

We have established a robust corporate governance framework, encompassing policies and procedures that guide our decision-making. These policies cover a wide range of areas, including ethical conduct and sustainability, among others.



Key Policies at SMRT

Integral to this framework is our zero-tolerance stance against corruption in all forms, including bribery, extortion, and fraud. To uphold this commitment, we implement an anti-corruption programme with clear guidelines to guarantee compliance with applicable laws and regulations.

In FY2024, we maintained adherence to local laws, and adopted the recommended practices in the Malaysian Code on Corporate Governance ("MCCG") 2021, whenever possible.

Code of Conduct

The Group's Code of Conduct ("**the Code**") is a key component of our foundation for ethical business practices. It outlines the standards of behaviours that we expect from all employees. Grounded in our core values of Commitment, Accountability, Respect and Excellence, the Code requires all employees to make ethical decisions that align with our values and comply with applicable laws and regulations.

In FY2024, 100% of our employees were informed of the Code with zero (0) instances of breaches.



Corporate Values at SMRT

SUSTAINABILITY STATEMENT

(Continued)

Anti-Bribery and Corruption Policy

Our Anti-Bribery and Corruption ("**ABC**") Policy outlines our dedication to preventing and combating corruption. This policy explicitly prohibits any form of bribery, corruption, extortion, embezzlement, or money laundering. It serves as a cornerstone for ethical conduct throughout our operations, ensuring the Group's employees and partners understand and uphold our high standards. We remain resolute in taking appropriate disciplinary action against any violation of this policy. The Board conducts reviews on a regular basis to maintain effectiveness of the policy.

Our operations are governed by the laws of Malaysia, including the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009, the MACC (Amendment) Act 2018, and any subsequent amendments or re-enactments enacted by the relevant authority. These laws guide our conduct both domestically and internationally.

The ABC Policy can be viewed on SMRT's corporate website at <https://www.smrt.holdings/corporate-governance>. In FY2024, there were zero (0) reported instances of non-compliance and corruption.

Whistleblowing Policy

SMRT fosters a culture of accountability and transparency through our Whistle-Blowing Policy. This confidential channel empowers individuals to report suspected misconduct or violations of our policies without fear of retaliation. We uphold strict confidentiality, protecting the identity of whistleblowers unless legal disclosure is required. The Whistle-Blowing Policy is periodically reviewed and updated to align with evolving best practices and regulatory requirements. In FY2024, there were zero (0) whistleblowing reports received.

Data Privacy and Security

In today's digital landscape where cyber threats are constantly evolving, safeguarding data is a crucial part of our sustainability pledge. We remain focused on protecting sensitive information, including employee and customer data, to mitigate risks associated with breaches and unauthorised access. This maintains trust and the continuity of our business operations.

Our approach to cybersecurity includes continual monitoring and assessment of our security systems, ongoing employee training and maintaining offsite data backups. We also conduct regular security audits to identify and mitigate potential risks. Additionally, we are pursuing ISO/IEC 27001:2013 Information Security Management System certification, aligning our practices with globally recognised standards for information security management.

Our steadfastness to data privacy is enshrined in our Data Protection Policy, developed in compliance with the Personal Data Protection Act 2010. This policy governs the collection, use, disclosure and management of personal data, securing individual privacy and complying with applicable laws. It details how we securely and responsibly handle information related to customers, employees, Directors and third parties throughout our business activities.

In FY2024, there were zero (0) data breaches and zero (0) complaints on breaches of customer privacy and losses of customer data.

Supply Chain Management

Effective supply chain management is essential to SMRT's operational success. It provides timely access to key components, optimises costs and maintains consistent product quality in a competitive market.

SMRT relies on a diverse array of products and services to support our operations, including essential technology infrastructure such as cloud computing services, data servers, software and hardware devices. We are committed to embedding sustainability throughout our supply chain by

SUSTAINABILITY STATEMENT

(Continued)

adopting responsible procurement practices, as reflected in our Group Procurement Policy. This policy guides our interactions with suppliers and helps them align with our values, which include high standards for ethics, labour rights, health and safety, and the environment, to name a few. To ensure compliance, we conduct due diligence on new suppliers.

Our procurement process is designed to be fair, transparent, and objective. When selecting suppliers, we look at a wide range of criteria, such as their commercial capabilities, technical expertise, financial stability, and operational efficiency. This evaluation process allows us to partner with reliable vendors that can meet our specific needs.

To maintain reliable and timely delivery of compliant products to our customers, we seek to mitigate risks in our supply chain. This includes adherence to relevant regulations and prioritising the use of non-hazardous materials. By minimising reliance on potentially hazardous substances, we reduce risks to human health and environmental contamination throughout the product lifecycle. This approach not only enhances safety but also assures our products meet environmental protection standards.

We also prioritise local sourcing whenever possible, aware of its benefit for cost-efficiency, quicker turnaround times, and the positive economic impact it has on the local economy.

As we progress, we will further strengthen our procurement responsibilities by incorporating ESG-related criteria into our Group Procurement Policy and vendor selection process.

Product Innovation and Quality

Innovation is the engine that drives progress in the evolving IoT industry. We recognise the importance of not only keeping pace with change, but actively driving the advancement of our industry. We foster a culture of creativity and continuous improvement, where employees are empowered to explore new ideas. This culture of innovation is reflected in our proactive approach to research and development ("**R&D**").

The IoT market holds significant potential, as it is projected to reach RM42.5 billion in year 2025 from RM9.5 billion in year 2020, according to the National IoT Strategic Roadmap. This growth is fuelled by the increasing interconnectedness of devices across various sectors, creating numerous opportunities for IoT solutions. SMRT's R&D activities are directed towards exploring and capitalising on these emerging prospects to maintain our position within this dynamic market.

Our dedication to innovation goes beyond simply developing new technologies; it involves understanding and anticipating the evolving needs of our customers. We aim to create solutions that are relevant today and also adaptable to opportunities of the future.

While innovation propels us forward, quality forms the solid foundation upon which we build our success. Our priority is to meet and even exceed the expectations of our customers by upholding stringent quality standards across all our offerings. To achieve this, we have implemented a robust Quality Management System ("**QMS**") based on the internationally recognised ISO 9001:2015 QMS standard.

The Group's QMS establishes a structured approach to managing quality throughout our operations. This enables us to continuously refine our processes and uphold the highest standards of reliability, performance, and safety for all the Group's products and services. By integrating these principles, we strive to deliver value to our customers and maintain our standing as a key player in the industry.

Customer Satisfaction

We value our customers and understand that their satisfaction is central to our continued success. Building strong and enduring customer relationships is a core part of our approach to sustainability. This involves delivering IoT solutions that address their needs and seamlessly integrating those solutions to support their operations.

SUSTAINABILITY STATEMENT

(Continued)

We aim to accomplish this by understanding and responding effectively to our customers' needs. This means equipping our team with the necessary skills and knowledge to deliver high-quality service and support. We maintain open communication through various channels and encourage them to provide feedback on the quality of our offerings. This input allows us to continuously improve, and align our offerings with customer expectations.

During the year, we continued to conduct customer satisfaction surveys to gather insights on various aspects of our performance, such as product quality, team competency, and operational flexibility, among others. We consider all customer feedback, incorporating it into our processes to enhance overall performance and deliverables. This steadfastness to customer-centricity helps us to build stronger relationships, improve customer loyalty, and contribute to sustainable growth.

ENVIRONMENTAL

Environmental Stewardship

Protecting the environment is a responsibility we embrace at SMRT as we work to minimise impact throughout our operations. This dedication is formalised in the Group's Sustainability Policy, guiding our efforts to preserve the planet and conserve resources. We adhere to this policy, as well as to environmental regulations and standards, including the Environmental Quality Act 1974 and its associated regulations.

Waste

The Group's Sustainability Policy emphasises the importance of efficient waste management. Minimising waste is an important step in combating climate change, as it helps lessen the production of harmful greenhouse gases like methane, which contribute to global warming. It also conserves resources and mitigates environmental damage.

Our waste management procedures cover the entire waste lifecycle, from collection and transportation to treatment and final disposal. This confirms that all forms of waste are handled responsibly.

As a company operating in the IoT ecosystem, we are cognisant of the environmental impact of electronic waste ("**e-waste**"). The disposal of IoT devices require energy and resources, making responsible e-waste management an important part of our sustainability efforts. In line with our Sustainability Policy, all electronic devices are disposed of in accordance with environmental regulations. Within our offices, we promote waste reduction through initiatives such as minimising paper usage.

For hazardous waste, we engage a licensed third-party contractor for the safe and responsible handling, treatment, and disposal in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

Meanwhile, we encourage the recycling of materials whenever possible, including e-waste and other recyclable items. By doing so, we contribute to a more circular economy where materials are reused, extending their lifecycle and reducing environmental strain.

Water

At SMRT, we are mindful of the importance of responsible water use, even though our operations are not situated in water-stressed regions.

Despite our technology-focused business having a relatively low water footprint compared to other industries, we practise responsible water use. This is reflected in our Sustainability Policy, which guides our efforts to conserve water and minimise our water footprint.

SUSTAINABILITY STATEMENT

(Continued)

The majority of our water consumption is for sanitary purposes and employee amenities. To encourage water conservation, we display water-saving signage in restrooms and break areas, and we communicate water-saving tips to employees through internal newsletters and announcements.

By integrating these efforts into our daily operations, we aim to minimise our water footprint while empowering our team to contribute positively to sustainable resource management.

In FY2024, the Group's total water consumption amounted to 246 m³. This relatively low figure reflects the nature of our operations as an IoT company unlike manufacturing industries, which often require substantial water resources.

During the year under review, there were zero (0) major incidents involving fines, penalties, non-monetary sanctions, or non-compliance with environmental laws and regulations.

Climate Change & Energy Management

SMRT recognises the urgent need for collective action to address climate change. As such, we remain determined to play our part in the global effort to mitigate its impact. We understand that climate change presents both challenges and opportunities for businesses. With this in mind, we are working to enhance our resilience and contribute to a low-carbon future. Our approach focuses on leveraging our expertise in IoT solutions and optimising energy efficiency across the Group.

IoT Solutions for a Sustainable Future

IoT solutions are powerful tools for addressing climate change. By connecting systems and enabling real-time data insights, we empower businesses to optimise their operations and make informed decisions that contribute to a more sustainable use of resources. This transparency allows businesses to accurately track their environmental performance, identify areas for improvement, and reduce their carbon footprint.

Energy Efficiency

Efficient energy management also contributes towards reducing greenhouse gas ("GHG") emissions. Electricity is the primary source of energy consumption in our operations, and we remain resolute in optimising our energy use to minimise associated emissions.

We have implemented various initiatives to enhance energy efficiency at SMRT, including:

- **Utilising smart building technologies:** Integrating IoT-enabled sensors and monitoring devices at our premises to gain insights into energy consumption patterns.
- **Prioritising energy-efficient infrastructure:** Replacing lighting systems and appliances with energy-efficient alternatives, such as light emitting diode ("LED") lights and Energy-Star-certified equipment.
- **Optimising equipment performance:** Undertaking regular maintenance of equipment to ensure all equipment operates at peak efficiency. Regular servicing and preventive maintenance help minimise energy waste and extend the lifespan of our assets.
- **Promoting energy-conscious behaviour:** Fostering a culture of energy conservation among our employees, encouraging simple yet effective habits like turning off lights and air-conditioning when not in use.

While our efforts are ongoing, we continue to explore new avenues to mitigate our environmental impact, including exploring renewable energy sources like solar power. Additionally, we plan to track our GHG emissions to measure progress and identify further areas for improvement.

In FY2024, the Group's total energy consumption amounted to approximately 15,328 kWh.

SUSTAINABILITY STATEMENT

(Continued)

SOCIAL

Labour Practices & Human Rights

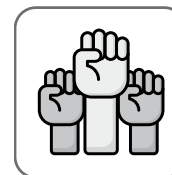
With the belief that our employees' well-being is directly linked to our company's success, we strive to uphold human rights and fair labour practices, fostering a positive and productive work environment where our employees feel valued and respected. This supportive environment naturally encourages employee engagement and performance, which ultimately benefits our clients and strengthens the Group's reputation.

SMRT is committed to the universal application of human rights, regardless of individual characteristics. This pledge is embedded in our company policies and practices, ensuring that human rights are upheld throughout our operations. These include:

- **Fair Employment:** We provide equal opportunities for all by implementing fair recruitment and promotion practices.
- **Safe and Healthy Workplace:** We maintain a safe workplace, promoting a culture of well-being.
- **Diversity:** We value diversity and seek to create an inclusive workplace, free from discrimination.
- **Employee Development:** We invest in our employees' growth by equipping them with the necessary skills and know-how to perform in their roles.
- **Open Communication:** We encourage feedback, establishing channels for employees to voice their concerns and suggestions without retaliation.

To further strengthen our practices, we aim to formalise a Labour Policy in the future. At the moment, our existing Employee Handbook outlines SMRT's key employment practices, expectations, and employee benefits, among other things.

In FY2024, SMRT maintained full compliance with all labour laws and regulations, including the Employment Act 1955 and the Employment (Amendment) Act 2022. We received zero (0) substantiated complaints concerning human rights violations during the year.



Zero

Cases of
Human Rights
Violations

Talent Attraction & Development

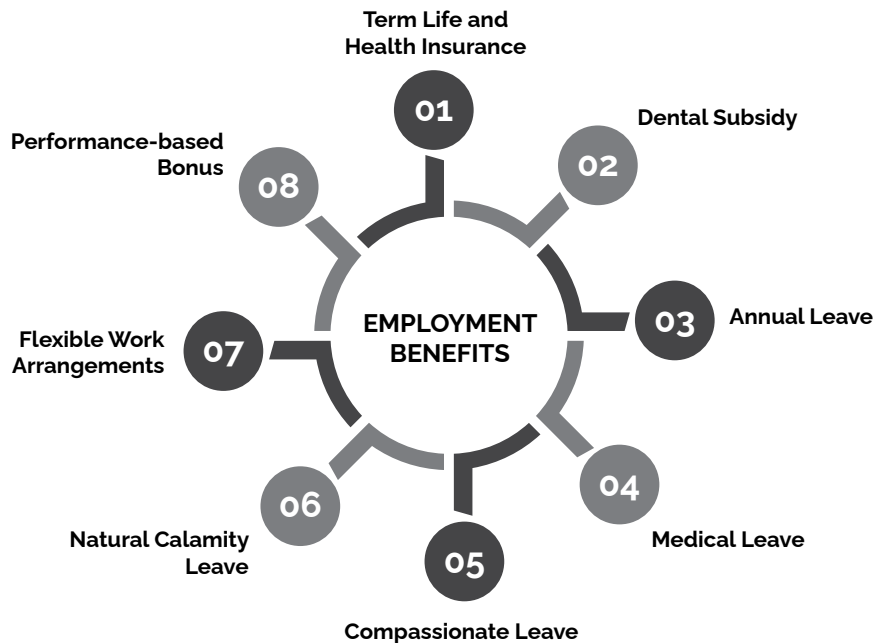
Our employees are the driving force behind SMRT's success, translating strategic vision into tangible results. A skilled and engaged workforce is essential to achieving the Group's goals. That is why we remain steadfast in attracting, developing, and retaining the right talent by creating a rewarding and supportive work environment where everyone thrives.

As part of our human resources strategy to attract and retain talents, we strive to promote a holistic work environment where individuals feel valued and empowered to grow. Our efforts are demonstrated through the following key areas:

- **Competitive Remuneration:** We offer competitive remuneration structures benchmarked against industry standards, and legal requirements, including the Minimum Wages Order 2022. As part of our packages, we offer a wide range of benefits, and performance-based bonuses to recognise and reward employees for their achievements and contributions to the Group.

SUSTAINABILITY STATEMENT

(Continued)



- **Career Development:** We believe in investing in our employees' future. We provide opportunities for professional growth through training programmes covering areas such as safety, leadership development, and personal growth, among others. Furthermore, we offer internal mobility options, allowing employees to explore various roles and departments within SMRT to broaden their experience and advance their careers. In FY2024, our employees participated in 10 training programmes, accumulating 104 training hours.

As we grow, we will continue to adapt and strengthen our human capital resources efforts to meet the evolving needs our workforce and the Group.

Diversity & Equal Employment Opportunity

A diverse and inclusive workforce is essential for driving innovation and success. As such, we champion equal opportunities for all employees to thrive, regardless of their age, gender, ethnicity, or background. This focus on inclusivity allows us to attract a broader talent pool and foster a workplace where varied perspectives are valued.

Our pledge to equal opportunity starts with our hiring process, which is designed to be fair and unbiased, evaluating candidates solely on their skills and qualifications. This commitment extends beyond recruitment and is embedded in our company policies and practices. Our Equal Employment Opportunity ("EEO") Policy, as outlined in the Employee Handbook, promotes fair treatment and prohibits discrimination in all employment practices.

To further support an inclusive environment, we offer flexible work arrangements to accommodate employees with diverse needs and promote a healthy work-life balance. By creating a workplace where everyone feels valued and respected, we can unlock the full potential of our diverse workforce.

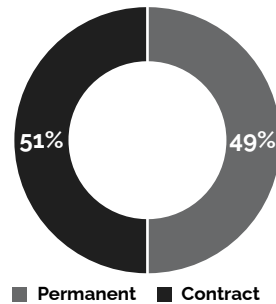
Moreover, we maintain a zero-tolerance policy against any form of discrimination. We encourage open communication and assure employees that their concerns will be addressed effectively.

As we progress, we plan to carry out awareness programmes to educate our workforce about the value of inclusivity and help to mitigate unconscious bias.

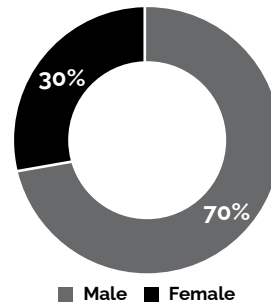
SUSTAINABILITY STATEMENT

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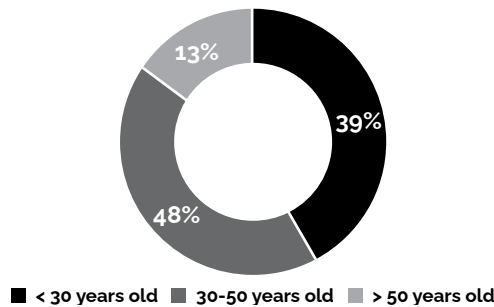
WORKFORCE BY EMPLOYMENT TYPE



EMPLOYEES BY GENDER



EMPLOYEES BY AGE GROUP



Occupational Safety & Health

At SMRT, we prioritise the well-being of our employees, contractors, and the wider community. We are dedicated to fostering a safe and healthy work environment where our employees feel secure to perform their duties without risk.

Our resolve for safety is embedded in our company culture, guided by our Safety, Health, and Environmental ("SHE") Policy. This policy outlines key principles such as prioritising safety in operations, promoting employee health and well-being, and mitigating environmental impact, among others. This policy also clearly defines the shared responsibility between management and employees in fostering a safe work environment.

We identify and mitigate potential hazards through regular safety inspections and risk evaluations. Our Health and Safety Department leads these efforts, developing and implementing clear Standard Operating Procedures ("SOPs") to guide safe work practices and ensure we meet or exceed the requirements of the Occupational Safety and Health Act ("OSHA") 1994 and other regulations.

We empower our employees to take an active role in maintaining a safe environment. Through safety training programmes, awareness campaigns, and regular drills, we cultivate a sense of shared responsibility for safety. This ensures everyone is equipped to identify and address potential hazards.

In the event of an incident, our dedicated Emergency Response Team ("ERT") is trained to manage emergency situations effectively. They are responsible for coordinating evacuations, providing first aid, and collaborating with external emergency services to guarantee the safety of our employees and the surrounding community. The ERT also plays a crucial role in ensuring compliance with emergency preparedness protocols, and minimising risks in crisis situations.

Our strong safety track record speaks for itself. In FY2024, we achieved zero (0) workplace accidents and fatalities.



Zero

Lost-Time Incidents



Zero

Fatalities

SUSTAINABILITY STATEMENT

(Continued)

Contribution to Community

Our commitment to success lies in the well-being of those around us, and this understanding guides our community engagement initiatives.

In FY2024, we continued to engage with the community through various Corporate Social Responsibility (“**CSR**”) programmes, driven by our belief in fostering social and environmental well-being. Community engagement is a shared endeavour and we encourage our employees to actively participate in CSR programmes.

- **Supporting Education through Resource Sharing:** We donated second-hand office furniture to Universiti Malaya, helping to furnish their facilities while promoting sustainability through the reuse of resources. This initiative reflects our support for the educational sector and our pledge to environmental responsibility.
- **“GrowIn Sprouts” - Nurturing Healthy Smiles:** In partnership with the Dentistry Department of Universiti Malaya, we launched the “GrowIn Sprouts” initiative to promote dental health awareness among children. The programme featured interactive sessions led by dental professionals who educated children about oral hygiene through fun activities, games, and demonstrations of effective brushing techniques.

Beyond these initiatives, we also prioritise local hiring whenever possible. This helps to stimulate the local economy and contribute to the socio-economic development of the surrounding areas.

We encourage employee volunteerism in CSR programmes that support the well-being of the community. As we grow, we plan to continue our involvement in CSR initiatives that align with our values of promoting health awareness, education, and sustainability. We believe that by working together, we can create a brighter future for all.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") presents this statement to provide shareholders with an overview of the corporate governance practices of the Company and its subsidiaries (collectively referred to as "**Group**") which were based on the principles and best practices as set out in the Malaysian Code on Corporate Governance ("**MCCG**"), the governance standards prescribed in the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the requirements under the Companies Act 2016 and applied under the leadership of the Board during the financial year ended 30 June 2024.

The Board is committed to the maintenance of high standards of corporate governance throughout the Group. The Board is supportive of the corporate governance framework and continues to enhance existing practices to achieve the corporate governance objectives of the Group.

This statement is to be read together with the Corporate Governance Report 2024 ("**2024 CG Report**") of the Company which is available on the Company's website at www.smrt.holdings. The detailed explanation on the application of the corporate governance practices is reported under the 2024 CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD LEADERSHIP

Board Duties and Responsibilities

The Board is primarily responsible for the stewardship and strategic direction of the Group including assessing and agreeing with the Group's corporate objectives and goals and targets to be met by management while management is responsible for the execution of the policies and attainment of the objectives of the Group.

The respective roles and responsibilities of the Board and management are clearly set out and understood by both parties to ensure accountability.

The Executive Directors hold the principal obligations in guiding, regulating, managing and communicating the Group's goals and objectives as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Directors assisted by the management are responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors are responsible for providing impartial and independent opinions, advice and contributing their knowledge and experience to the formulation of policies and the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process.

The Board had assumed the following duties and responsibilities during the financial year ended 30 June 2024:

- (a) Evaluated the conduct of the Group's business based on the monthly and quarterly financial and other reports prepared by management and concluded that the business is being managed sustainably.
- (b) Reviewed the interim financial statements and the annual report and was satisfied that the financial statements and the contents of the annual report reflected the true and fair view of the financial position and results of the Group and presented its activities accurately.
- (c) Reviewed the Sustainability Report of the Group and was satisfied that the report reflects the sustainability of its business and the environment it operates in.
- (d) Reviewed succession planning including appointing, training and fixing of compensation of Executive Directors and senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

- (e) Reviewed the efficiency and quality of the Group's financial reporting process and the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines and was satisfied that the internal control systems and information systems were adequate in all material aspects and that the Group complied with applicable laws and regulations.
- (f) Monitoring and reviewing compliance with internal control policies and risk management systems.
- (g) Identified principal risks of all aspects of the business and ensured that appropriate systems were implemented to manage these risks.
- (h) Ensured continuing education or training for Directors to keep abreast of relevant changes in laws and regulations and the development of the industry.
- (i) Ensured that the Company's investor relation programmes and shareholders' communication policy were implemented effectively.

Board and Board Committees

The Board has delegated specific duties to three (3) main board committees in discharging its fiduciary duties, namely the Audit and Risk Management Committee ("**ARMC**"), the Remuneration Committee and the Nomination Committee (collectively referred to as "**Board Committees**"). The Board Committees are guided by their respective terms of reference approved by the Board. All the Board Committees report to the Board with the necessary recommendations and the ultimate responsibility for final decisions on all matters is governed by the Board.

Non-Independent Non-Executive Chairman

The Board is currently led by a Non-Independent Non-Executive Chairman, Mr Subramanian A/L Amamalay. Mr Subramanian A/L Amamalay was appointed as Non-Independent Non-Executive Director of the Company on 11 April 2022 and was redesignated as Non-Independent Non-Executive Chairman on 4 January 2023. The Board, notwithstanding that the Chairman is a Non-Independent Non-Executive Director, is of the opinion that the element of independence which currently exists is adequate to provide assurance that there is a balance of power and authority of the Board. In addition, the Chairman is not involved in the day-to-day management of the Group's business.

Separation of Position of Chairman and Group Managing Director

During the financial year ended 30 June 2024, the Company has complied with the recommendation of the MCCG where the positions of chairman and chief executive officer are held by different individuals and that the chairman is a non-executive member of the board. The Board is chaired by the Non-Independent Non-Executive Chairman, Mr Subramanian A/L Amamalay and the Group Managing Director is Mr Maha Ramanathan Palan.

Roles and Responsibilities of Chairman and Group Managing Director

The roles of the Chairman and the Group Managing Director are clearly defined and segregated to ensure an appropriate balance of power and authority, increased accountability and enhanced capacity of the Board for independent decision-making. The Chairman is responsible for leading the Board in the oversight and supervision of the Group's management while the Group Managing Director together with the Executive Directors are responsible for the day-to-day management of the business and operations of the Group, making strategic business decisions and implementing Board's policies and decisions. They are supported by a management team and other committees established under the Group's management framework. The relevant members of the management attended Board meetings by invitation to support the Group

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Managing Director and the Executive Directors in presenting the updates on the progress of key initiatives, business targets and achievements to-date, and to provide clarification on significant operational issues and queries raised by the Board.

Key Senior Management

The Group Managing Director and the Executive Directors are responsible for the identification and development of the key senior management as well as to review the succession planning for key senior management team from time to time. Potential candidates are identified from within and outside the Company and groomed to take more responsibilities in due course. All the current key senior management of the Company are members of the Board. During the financial year ended 30 June 2024, no new key senior management was appointed by the Company.

Company Secretary

The Board is supported by qualified and competent Company Secretaries who are both members of the Malaysian Institute of Chartered Secretaries and Administrators and the Companies Commission of Malaysia for practising company secretaries. They are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated by the Company Secretaries on any new statutory and regulatory requirements that affect the duties and responsibilities of the Directors. In this respect, the Company Secretaries have attended relevant continuous professional development programmes to keep themselves abreast with the regulatory requirements and corporate governance development. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretaries in the discharge of their duties. The Company Secretaries attended all the Board's meetings and Board Committees' meetings held in the financial year of 30 June 2024.

Board Charter

The Board is guided by the Board Charter which sets out the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board reviews the Board Charter periodically to ensure that it continues to remain relevant and appropriate. The Board Charter is published on the Company's website at www.smrt.holdings.

Code of Conduct and Ethics for Directors

The Company has put in place a Code of Conduct and Ethics for Directors which governs the standards of ethics and good conduct expected of Directors. The Board reviews the Code of Conduct and Ethics for Directors periodically to ensure that it continues to remain relevant and appropriate. The Code of Conduct and Ethics for Directors is published on the Company's website at www.smrt.holdings.

Whistle Blowing Policy

The Board has formalised a Whistle Blowing Policy with the aim to provide an avenue for raising concerns related to a possible breach of business conduct, any actual or potential fraud or breach of trust involving employees, management and Directors of the Group, non-compliance with laws and regulatory requirements as well as other malpractices. The Group's Whistle Blowing Policy seeks to foster an environment of integrity and ethical behaviour and to expose any illegal or improper action in the Group. In the financial year ended 30 June 2024, no complaints were received by the Board. The Whistle Blowing Policy is accessible by the public through the Company's website at www.smrt.holdings.

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted the ABAC Policy which set out the Group's responsibilities in

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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providing principles, guidelines and recommendations to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities. The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ABAC Policy to foster the commitment of the employees in instilling the spirit of integrity and to avoid all forms of corruption practices within the organisation. The ABAC Policy is accessible by the public through the Company's website at www.smrt.holdings.

Fit and Proper Policy

In line with the new rule of the AMLR of Bursa Securities on 19 January 2022, the Board had on 30 May 2022 adopted the Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors and key senior management of the Group. The execution is delegated to the Nomination Committee and to be reviewed and approved by the Board. The Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company. The Fit and Proper Policy is published on the Company's website at www.smrt.holdings.

Promote Sustainability

The Board has formalised and adopted a Sustainability Policy which is posted on the Company's website at www.smrt.holdings. The Sustainability Policy sets out the way the Group operates its business, which is conducted in a socially responsible, trustworthy and ethical manner while accepting responsibility for impact on the environment, social and governance areas. The Sustainability Policy focuses on social awareness and betterment, environmental preservation and effective corporate governance. The details of the sustainability efforts are set out in the Sustainability Statement of the 2024 Annual Report.

Access to Information and Advice

The Board is supplied with all meeting materials in a timely manner. The Company Secretaries and the management are responsible for ensuring that the Board receives the agenda and board papers at least seven (7) days prior to the meetings to ensure that the Directors have sufficient time to go through the board papers before the meeting. The proceedings of meetings are properly recorded by the Company Secretary and circulated to the Board members in a timely manner. The decisions made at the Board meetings are communicated to the management in a timely manner too to ensure appropriate execution. The Board has access to the services and the advice of the Company Secretaries and professional advice from third parties. The non-executive Directors also have access to information from the management.

II. BOARD COMPOSITION

Current Board Composition

The current Board consists of seven (7) Directors, comprising of one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, one (1) Group Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. The Board members are as follows:

Board Members	Directorship
Mr Subramanian A/L Amamalay	Non-Independent Non-Executive Chairman
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar	Non-Independent Non-Executive Director
Mr Maha Ramanathan Palan	Group Managing Director
Mr Chu Kheh Wee	Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT*(Continued)*

Board Members	Directorship
Ms Lim Kwee Yong	Senior Independent Non-Executive Director
Ms Ng Kit Ching	Independent Non-Executive Director
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Director on 5 April 2024)	Independent Non-Executive Director
Mr Arthur Jack Hogarth (Resigned as Director on 5 July 2024)	Former Independent Non-Executive Director

Pursuant to Rule 15.02 of the AMLR of Bursa Securities, a listed corporation must ensure that at least two (2) directors or one-third (1/3) of the board of directors, whichever is the higher, are independent directors and one (1) director of the listed corporation is a woman. If the number of directors of the listed corporation is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. In the event of any vacancy in the board of directors resulting in non-compliance with the above, a listed corporation must fill the vacancy within three (3) months.

The Company complies with Rule 15.02 of the AMLR of Bursa Securities as the current Board consists of seven (7) Directors, of whom three (3) are Independent Non-Executive Directors and three (3) are women Directors. The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness.

Independence

The current Board comprises of seven (7) Directors, of whom three (3) are Independent Non-Executive Directors. They constitute 43% of the Board and this is not in line with the MCGG's recommendation which states at least half (1/2) of the board shall comprise of independent directors. The Board will endeavour to seek suitable independent candidates in the future to apply the recommended best practice.

The Independent Non-Executive Directors satisfy the independence test under the AMLR of Bursa Securities. All Independent Directors of the Company are independent of management and have no family or business relationships with the Executive Directors and major shareholders which could interfere with the exercise of their independent judgement. The presence of the Senior Independent Non-Executive Director provides an additional channel for Independent Non-Executive Directors to voice any opinion or concern that they believe have not been properly considered or addressed by the Board or which they feel may not be appropriate to raise in the open forum.

Tenure of Independent Directors

The Company does not have a policy on the tenure for independent directors as the Board is of the view that by imposing a fix term of limit for independent directors may not necessarily guarantee the independence and judgement of a director. Therefore, the Board believes it not necessary to impose a fixed term of limit for Independent Non-Executive Directors of the Company at this juncture.

Pursuant to MCGG, the tenure of an independent director must not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

independent director beyond nine (9) years, the board must justify its decision and seek annual shareholders' approval through a two-tier voting process.

On 19 January 2022, Bursa Securities had enhanced the listing requirements, among others, to further strengthen the board independence where a person can serve as an independent director for not more than a cumulative tenure of twelve (12) years and all long-serving independent directors impacted by this enhancement must resign or be redesignated as non-independent directors by 1 June 2023.

As present, none of the Independent Non-Executive Directors of the Company serves beyond nine (9) years.

Board Diversity

The Company has out in place the Gender Diversity Policy for the Board. The Board acknowledges the importance of the diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board is committed to ensure that the appointments made to the Board are based on objective criteria, merit and with due regard for diversity in terms of skills, experience, age, gender, cultural background and ethnicity.

Appointment of new Directors is undertaken by the Board after considering the recommendations from the Nomination Committee. In searching for suitable candidates, the Nomination Committee may receive suggestions from existing Board Members, the management and/or major shareholders. The Nomination Committee is also open to referrals from external sources such as industry and professional associations as well as independent search firms.

During the financial year ended 30 June 2024, there was one (1) new additional Director, Ir Hj Kamaliah Binti Abdul Kadir was appointed to the Board on 5 April 2024, the appointment of Ir Hj Kamaliah as Director of the Company was sourced through the business network of Board Members. The Nomination Committee reviewed and recommended to the Board the appointment of the new candidate based on the candidate's competency, skills, character, time commitment, knowledge and experience.

At present, there are three (3) female Directors in the Board which represents 43% women directors on Board. This is in line with the MCCG's recommendation of at least 30% representations of women directors on Board.

Time Commitment and Directorship in Other Public Listed Companies

The directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his/her roles and responsibilities. Directors are required to notify the Chairman before accepting any new directorship. Any Director is, while holding office, at liberty to accept other board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is expected to achieve at least 50% attendance of total board meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

During the financial year ended 30 June 2024, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. This is evidenced by the attendance records of the Directors at all Board meetings held during the financial year under review. The Board is satisfied with the level of

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities.

Board Meetings

The Board met five (5) times during the financial year ended 30 June 2024. Details of the Directors' attendance at the Board meetings held are as follows:

Board Members	Board Meetings Attended
Mr Subramanian A/L Amamalay	5/5
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar	5/5
Mr Maha Ramanathan Palan	5/5
Mr Chu Kheh Wee	5/5
Ms Lim Kwee Yong	5/5
Ms Ng Kit Ching	5/5
Ir Hjh Kamaliah Binti Abdul Kadir (Appointed as Director on 5 April 2024)	1/1
Mr Arthur Jack Hogarth (Resigned as Director on 5 July 2024)	5/5

All the Directors have complied with the minimum 50% attendance requirement in respect of the Board meetings held during the financial year ended 30 June 2024.

The Board meets on a quarterly basis to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings will be convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors may also approve various matters requiring the approval of the Board by means of circular resolutions.

Directors' Training

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The new Director, Ir Hjh Kamaliah Binti Abdul Kadir who was appointed to the Board during the financial year under review had undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities on 10 June 2024 and 11 June 2024.

On 6 June 2023, the Securities Commission Malaysia and Bursa Securities had announced the roll out of a new MAP for directors of public listed companies known as MAP Part II. The existing MAP is now known as MAP Part I. All current Directors must complete the MAP Part II within 24 months from 1 August 2023 to be deemed to have completed the MAP and be issued with the certificate of completion of MAP. The Directors undertake to complete the MAP within the prescribed period.

During the financial year ended 30 June 2024, the Directors have attended the following training:

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Board Members	Courses Attended
Mr Subramanian A/L Amamalay	<ul style="list-style-type: none"> • MBTI® Step 1™ & Step II™ • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar	<ul style="list-style-type: none"> • Society of Human Resources Management USA • Technology in HR • Webinar State of the Global Workplace Trends
Mr Maha Ramanathan Palan	<ul style="list-style-type: none"> • Nomura ASEAN Conference • The Asia HRD Congress® 2023 • Education in Malaysia Forum
Mr Chu Kheh Wee	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Introduction to Environment, Social & Governance (ESG) and Sustainable Finance • ESG - Role of the Accountant and Financial Reporting
Ms Lim Kwee Yong	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • MFRS/IFRS Technical Update 2024 • Optimising on Latest Tax Incentives in Malaysia • Excel Modelling for Project Financing– Financing Module
Ms Ng Kit Ching	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • ICDM BRMC session: Tech, Risk & Talent • SCxSC innopolicy roundtable on Digital Assets • ICDM PowerTalk: Being Sued as an INED – A Personal Journey
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Director on 5 April 2024)	<ul style="list-style-type: none"> • Mandatory Accreditation Programme (MAP)
Mr Arthur Jack Hogarth (Resigned as Director on 5 July 2024)	<ul style="list-style-type: none"> • The Asia HRD Congress® 2023

During the financial year ended 30 June 2024, the Directors were updated on the recent developments in the areas of statutory and regulatory requirements from the briefing by the external auditors, the internal auditors and the Company Secretaries during the Board's and Board Committees' meetings. The Directors will continue to undergo relevant training programmes to enhance their skills and knowledge.

Nomination Committee

The current Nomination Committee consists of not less than three (3) members and comprises wholly of Independent Non-Executive Directors. The members of the Nomination Committee are as follows:

Nomination Committee Members	Position	Directorship
Ms Lim Kwee Yong	Chairman	Senior Independent Non-Executive Director
Ms Ng Kit Ching	Member	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

Nomination Committee Members	Position	Directorship
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	Member	Independent Non-Executive Director
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	Former Member	Former Independent Non-Executive Director

The Board has established the Nomination Committee with the responsibilities of assessing the balanced composition of the Board members, nominating the proposed Board member by looking into his/her skills and expertise for contribution to the Company on an ongoing basis.

The summary of activities undertaken by the Nomination Committee during the financial year ended 30 June 2024 were as follows:

- Reviewed the effectiveness of the Board as a whole, the Board Committees and the individual Directors and made appropriate recommendations to the Board.
- Reviewed and recommended the retirement and re-election of Directors at the forthcoming Annual General Meeting ("**AGM**") in accordance with the Company's Constitution.
- Reviewed and recommended to the Board the appointment of new Directors based on the Directors' competency, skills, characters, time commitment, knowledge and experience.

The annual evaluation of the Company for the financial year ended 30 June 2024 was conducted internally by the Nomination Committee on 19 August 2024. Based on the assessment conducted, the Board was satisfied with the size, composition as well as the mixture of qualifications, skills and experience among the Directors and the members of the Board Committees and the independence of its Independent Non-Executive Directors. The Nomination Committee found the individual Directors to be consistently good in discharging their duties and responsibilities. Additionally, there was mutual respect among individual Directors who contributed to a healthy environment for constructive deliberation and a robust decision-making process.

Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year shall retire by casual vacancy at the Company's AGM following his/her appointment. The Company's Constitution also provides for at least one-third (1/3) of the remaining Directors who do not retire as aforesaid shall retire by rotation at every AGM. The Company's Constitution further provides for every Director to retire once in every three (3) calendar years. All retiring Directors are eligible for re-election by shareholders at the AGM.

The Nomination Committee had on 19 August 2024 reviewed the annual re-election of Directors based on the characteristic, integrity, competency and time commitment of the Directors in discharging their duties and responsibilities and recommended to the Board, the re-election of the retiring Directors pursuant to the Company's Constitution before tabling the same at the Company's Twentieth (20th) AGM for shareholders' approval. The details of Directors seeking re-election at the forthcoming 20th AGM and a statement which supports the re-election of the retiring Directors are set out in the Notice of 20th AGM and the Statement Accompanying Notice of 20th AGM in the 2024 Annual Report.

The Nomination Committee met once during the financial year ended 30 June 2024. Details of the attendance of the Nomination Committee members at the Nomination Committee meeting held are as follows:

Nomination Committee Members	Nomination Committee Meeting Attended
Ms Lim Kwee Yong	1/1
Ms Ng Kit Ching	1/1
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	N/A

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

Nomination Committee Members	Nomination Committee Meeting Attended
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	1/1

The terms of reference of the Nomination Committee are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.smrt.holdings.

Remuneration Committee

The current Remuneration Committee consists of not less than three (3) members and comprises wholly of Independent Non-Executive Directors. The members of the Remuneration Committee are as follows:

Remuneration Committee Members	Position	Directorship
Ms Lim Kwee Yong	Chairman	Senior Independent Non-Executive Director
Ms Ng Kit Ching	Member	Independent Non-Executive Director
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	Member	Independent Non-Executive Director
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	Former Member	Former Independent Non-Executive Director

The Company has put in place a formalised remuneration policies and procedures for Directors and senior management. The Board believes in a remuneration package that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package for senior management to attract, motivate and retain high calibre talents.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted based on the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board based on the recommendation of the Remuneration Committee, with the Director concerned abstaining from deliberations and voting in respect of his/her remuneration. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on the recommendations of the Board.

The level of remuneration for Executive Directors is fairly guided by market norms and industry practice. The Remuneration Committee recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

The remuneration of the senior management is evaluated annually by the Group Managing Director and/or Executive Directors against the set targets to determine the recommendation on their remuneration levels. The Group Managing Director and/or Executive Directors would ensure that the Company offers fair compensation and is able to attract and retain talent who can add value to the Company.

The summary of activities undertaken by the Remuneration Committee during the financial year ended 30 June 2024 are as follows:

- (a) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT*(Continued)*

- (b) Reviewed and recommended the revision of the remuneration of the Executive Directors.
- (c) Reviewed and recommended the payment of bonus to the Group Managing Director and/or Executive Directors.

The annual review on the remuneration of the Board for the financial year ended 30 June 2024 was conducted by the Remuneration Committee on 29 August 2023.

The Remuneration Committee met once during the financial year ended 30 June 2024. Details of the attendance of the Remuneration Committee members at the Remuneration Committee meetings are as follows:

Remuneration Committee Members	Remuneration Committee Meetings Attended
Ms Lim Kwee Yong	1/1
Ms Ng Kit Ching	1/1
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	N/A
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	1/1

The terms of reference of the Remuneration Committee are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.smrt.holdings.

III. REMUNERATION

The details of the Directors' remuneration for the financial year ended 30 June 2024 are as follows:

Company (RM'000)

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
1.	Mr Subramanian A/L Amamalay Non-Independent Non-Executive Chairman	36.0	5.5	-	-	-	-	41.5
2.	Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar Non-Independent Non-Executive Director	480.0	3.0	-	-	-	-	483.0
3.	Mr Maha Ramanathan Palan Group Managing Director	120.0	3.0	-	-	-	-	123.0
4.	Mr Chu Kheh Wee Executive Director	-	2.0	-	-	-	-	2.0
5.	Ms Lim Kwee Yong Senior Independent Non-Executive Director	36.0	9.0	-	-	-	-	45.0

CORPORATE GOVERNANCE OVERVIEW STATEMENT*(Continued)*

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
6.	Ms Ng Kit Ching Independent Non-Executive Director	36.0	6.0	-	-	-	-	42.0
7.	Ir Hj Kamaliah Binti Abdul Kadir Independent Non-Executive Director (Appointed as Director on 5 April 2024)	5.6	0.5	-	-	-	-	6.1
8.	Mr Arthur Jack Hogarth Former Independent Non-Executive Director (Resigned as Director on 5 July 2024)	36.0	6.0	-	-	-	-	42.0

Group (RM'000)

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
1.	Mr Subramanian A/L Amamalay Non-Independent Non-Executive Chairman	36.0	5.5	120.0	-	-	15.1	176.6
2.	Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar Non-Independent Non-Executive Director	480.0	3.0	240.0	-	-	19.9	742.9
3.	Mr Maha Ramanathan Palan Group Managing Director	120.0	3.0	120.0	-	-	15.6	258.6
4.	Mr Chu Kheh Wee Executive Director	-	2.0	157.1	-	-	20.0	179.1
5.	Ms Lim Kwee Yong Senior Independent Non-Executive Director	36.0	9.0	-	-	-	-	45.0
6.	Ms Ng Kit Ching Independent Non-Executive Director	36.0	6.0	-	-	-	-	42.0
7.	Ir Hj Kamaliah Binti Abdul Kadir Independent Non-Executive Director (Appointed as Director on 5 April 2024)	5.6	0.5	-	-	-	-	6.1

CORPORATE GOVERNANCE OVERVIEW STATEMENT*(Continued)*

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
8.	Mr Arthur Jack Hogarth Former Independent Non-Executive Director (Resigned as Director on 5 July 2024)	36.0	6.0	-	-	-	-	42.0

During the financial year ended 30 June 2024, all the current key senior management of the Company are members of the Board. The chief executive officer's duties are governed by the Group Managing Director, Mr Maha Ramanathan Palan. The Executive Director, Mr Chu Kheh Wee is responsible for the chief financial officer's duties. There was no new key senior management appointed by the Company during the financial year ended 30 June 2024. Hence, the disclosure on a named basis the key senior management's remuneration component in bands of RM50,000 is not applicable to the Company for the financial year ended 30 June 2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**I. AUDIT AND RISK MANAGEMENT COMMITTEE**

The Board had on 11 April 2017 resolved to have the risk management of the Company to be under the purview of the audit committee. The audit committee was renamed the "Audit and Risk Management Committee". The ARMC assumes the role in overseeing the risk management functions of the Group in addition to overseeing the integrity of the financial statements and compliance with relevant accounting standards.

Composition of ARMC

The current ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The members of the ARMC are as follows:

ARMC Members	Position	Directorship
Ms Lim Kwee Yong	Chairman	Senior Independent Non-Executive Director
Ms Ng Kit Ching	Member	Independent Non-Executive Director
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	Member	Independent Non-Executive Director
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	Former Member	Former Independent Non-Executive Director

The Chairman of the ARMC is not the Chairman of the Board.

The primary objective of the ARMC is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, a system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations.

Independence of the ARMC

The Company recognises the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. As a measure to safeguard the independence and objectivity of the audit process, the ARMC has incorporated a policy specification that governs the appointment of a former key audit partner to the audit committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

The policy, which is codified in the terms of reference of the ARMC, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a member of the audit committee.

At present, none of the ARMC members are former key audit partners of the external auditors appointed by the Group.

Financial Literacy of the ARMC Members

The ARMC members have the relevant experience and expertise in finance and accounting and have carried out their duties in accordance with the terms of reference of the ARMC. The ARMC Chairman, Ms Lim Kwee Yong is a member of the Malaysian Institute of Accountants, thus fulfilling Rule 15.09(1)(c) of the AMLR of Bursa Securities, which requires at least one (1) member of the audit committee to be a member of a professional accountancy body.

During the financial year ended 30 June 2024, the ARMC members have attended relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively. The training attended by the ARMC members is disclosed under "Directors' Training" in this statement.

ARMC Meetings

The ARMC met five (5) times during the financial year ended 30 June 2024. Details of the attendance of the ARMC members at the ARMC meetings are as follows:

ARMC Members	ARMC Meetings Attendance
Ms Lim Kwee Yong	5/5
Ms Ng Kit Ching	5/5
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	N/A
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	5/5

The terms of reference of the ARMC are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.smrt.holdings.

Compliance with Applicable Financial Reporting Standards

The ARMC exercises professional oversight of the integrity of the financial statements and reports before presenting them to the Board for approval. The ARMC provides assurance to the Board, with support and clarifications from the external auditors, that the financial statements and reports presented are prepared in accordance with the Malaysian Financial Reporting Standards, the Listing Requirements and the Companies Act 2016 and give a true and fair view of the Group's performance and financial position.

Assessment of Suitability and Independence of External Auditors

The ARMC has a formal and transparent relationship with the external auditors to meet their professional requirements. The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditors. The ARMC ensures that the external auditors are independent of the activities they audit and reviews the contracts for non-audit services by the external auditors. The amount of non-audit fees charged by external auditors for the financial year ended 30 June 2024 was RM6,000.

The external auditors, Messrs Baker Tilly Monteiro Heng PLT ("BTMH") had provided assurance that they have been independent throughout the audit engagement for the financial year ended 30 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

The ARMC had on 19 August 2024 discussed and was satisfied with the suitability of the external auditors, BTMH based on the quality of services and sufficiency of resources provided by them to the Group in terms of the firm and the professional staff assigned to the audit. In view of the above, the ARMC recommended to the Board the re-appointment of BTMH as the auditors of the Company which is subject to approval of shareholders at the 20th AGM whilst their remuneration is to be determined by the Board. The external auditors will be invited to attend the 20th AGM to respond to the shareholders' enquiries on the conduct of the statutory audit and the contents of the audited financial statements.

The ARMC meets with the external auditors without the presence of the Executive Directors and the management to ensure that the independence and objectivity of the external auditors are not compromised and matters of concern expressed by the ARMC are duly recorded. During the financial year ended 30 June 2024, the ARMC met with the external auditors twice in the absence of the Executive Directors and the management on 29 August 2023 and 20 May 2024.

Directors' Responsibilities Statement

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards to give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2024, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors have ensured that all applicable approved accounting standards and the provisions of the Companies Act 2016 have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control

The Board recognises that risk management is an integral part of the Group's business objectives and is critical for the Group to achieve sustainable growth in shareholders' value. A Registry of Risk and a Risk Management Handbook are adopted. The Registry of Risk is maintained to identify principal business risks and the corresponding actions taken by the management to manage the identified risks. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities and various risk management concepts. Enhancements are made, where necessary, in line with the Board's commitment to improve the Group's governance, risk management and control framework.

The Board believes that the Group's system of internal control, financial or otherwise, should provide reasonable assurance regarding the achievement of the Group's objectives in ensuring efficiency and effectiveness of operations, reliability and transparency of financial information and compliance with laws and regulations. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement, fraud and loss.

The ARMC assists the Board in maintaining a sound and effective system of risk management and internal control to safeguard shareholders' investments and the Group's assets, as well as reviewing the adequacy and effectiveness of these systems to support the Group's strategy and operations to achieve its business objectives. The internal control system is designed to access current and emerging risks and respond appropriately to the risks of the Group.

As an effort to enhance the system of internal control, the Executive Directors and the management are responsible for the identification and evaluation of key risks applicable to the Group's business activities on a continuous basis. Risks identified are reported on a timely manner during the periodic management meetings and is regularly updated to the ARMC. The ARMC reviews the risks identified regularly and ensure corrective actions are taken.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The Statement on Risk Management and Internal Control which provides an overview on the state of risk management and internal control of the Group is disclosed in the Company's 2024 Annual Report.

Internal Audit Activities

The Group has outsourced its internal audit functions to an independent consulting company as part of its strategy to assure the Board on its adequacy and effectiveness of the internal control system of the Group. The professional company will carry out internal audits to review the adequacy and effectiveness of the internal control system and to identify areas of risks and report their findings and recommendations to the ARMC. The ARMC Chairman would then report to the Board. The Board is of the view that the system of internal control and risk management are in place and sufficient in safeguarding the Group's assets and shareholders' investments and the interest of all stakeholders.

During the financial year ended 30 June 2024, the Group's internal audit functions was carried out by an outsourced internal audit company, Messrs Sterling Business Alignment Consulting Sdn Bhd ("**Sterling Business**"). Sterling Business has a total of four (4) professional staff and is led by Ms So Hsien Ying as the Head of Internal Audit. Ms So Hsien Ying is a professional member of the Institute of Internal Auditors Malaysia.

Sterling Business remains independent and has no direct operational responsibility or authority over any of the activities audited and is free from any relationship or conflict of interest which could impair their objectivity and independence. The internal auditors assign different audit teams for each audit review to maintain an independent view and approach to the internal audit review.

The internal auditors perform its duties in accordance with the standards set by the relevant professional body, namely the Institute of Internal Auditors Malaysia and conduct the internal audit activities in accordance with a recognised framework.

The ARMC had on 29 August 2023 reviewed and approved the Group's internal audit plan for the financial year ending 30 June 2024 as proposed by the internal auditors and the management.

During the financial year ended 30 June 2024, the internal auditors have performed and reviewed the internal audit findings on IT Managed Services of N'sairis Technology Solutions Sdn Bhd and have reviewed the follow-up audit status on previously reported audit findings on Billing and Collection and Service Delivery of N'sairis Technology Solutions Sdn Bhd and IT Managed Services of N'sairis Technology Solutions Sdn Bhd.

The ARMC and the Board agreed that the internal audit review was done in accordance with the internal audit plan and the coverage is adequate.

The ARMC and the Board are satisfied with the performance and independence of the internal auditors and have decided to continue with the outsourcing of the internal audit functions.

The cost incurred by the Group for the internal audit functions during the financial year ended 30 June 2024 was RM19,006.97.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Continued)

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board believes that a constructive and effective investor relationship is essential in enhancing stakeholders' value. As such, the Board endeavours to ensure that communication with stakeholders is conducted in a regular manner.

The Company aims to ensure that stakeholders and investors are kept informed of all major corporate developments, financial performance and other relevant information by promptly disseminating such information to them via announcements to Bursa Securities, its website, circulars and press releases.

The Company also leverages on several other formal channels for effective dissemination of information to stakeholders and investors, particularly through the annual report, media releases, quarterly financial results, AGM and the Company's website at www.smrt.holdings.

The Company endeavours to provide additional disclosure of information on a voluntary basis, where necessary. The Board believes that maintaining a high level of disclosure consistently and extensive communication is vital to stakeholders and investors in making informed investment decisions.

II. CONDUCT OF GENERAL MEETINGS

The Company is of the view that general meetings are an important platform to engage with its shareholders and to address their concerns. The Chairman chaired the Nineteenth (19th) AGM of the Company which was held on 6 December 2023 in an orderly manner and allowed the shareholders and proxies to speak at the meeting. The voting at the 19th AGM was conducted by way of manual polling.

The 19th AGM of the Company was held at the University of Cyberjaya, Selangor Darul Ehsan. To ensure effective participation of and engagement with shareholders at the 19th AGM of the Company, the Chairman, the Board members, the senior management and the Company Secretary were present at the 19th AGM to respond to questions from the shareholders during the Question-and-Answer ("Q&A") Session. The external auditors were also present at the 19th AGM to provide their professional and independent clarification on the conduct of the audit and the contents of the audit report.

At the 19th AGM, the Chairman ensured that all the resolutions set out in the notice of meeting were properly moved and voted by poll. The Company has appointed a poll administrator to conduct the manual polling and an independent scrutineer to verify the poll results.

The 20th AGM of the Company is scheduled to be held on 10 December 2024 and notice for the upcoming 20th AGM will be sent to the shareholders on 30 October 2024, giving shareholders at least twenty-eight (28) days' notice in advance.

COMPLIANCE STATEMENT

Other than as disclosed and explained in the 2024 Annual Report and 2024 Corporate Governance Report, the Board is of the view that the Group has complied with and shall remain committed to ensure the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable.

This Corporate Governance Overview Statement was approved by the Board on 15 October 2024.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee ("**ARMC**") is pleased to present the ARMC Report for the financial year ended 30 June 2024 pursuant to Rule 15.15 of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code of Corporate Governance ("**MCCG**").

The Board of Directors ("**Board**") had on 11 April 2017 resolved to have the risk management of the Company to be under the purview of the audit committee. In view of this, the audit committee was renamed as the "Audit and Risk Management Committee". The ARMC assumes the role in overseeing the risk management functions of the Company and its subsidiaries (collectively referred to as "**Group**") in addition to overseeing the integrity of the financial statements and compliance with relevant accounting standards.

COMPOSITION OF ARMC

The ARMC is appointed by the Board from among the Directors and shall consist of not fewer than three (3) members. The ARMC comprises wholly of Independent Non-Executive Directors.

The current ARMC consists of three (3) members as follows:

ARMC Members	Designation	Directorship
Ms Lim Kwee Yong	Chairman	Senior Independent Non-Executive Director
Ms Ng Kit Ching	Member	Independent Non-Executive Director
Ir HjH Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	Member	Independent Non-Executive Director
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	Former Member	Former Independent Non-Executive Director

The ARMC Chairman is not the Chairman of the Board. The ARMC Chairman is appointed from among its members who is an Independent Non-Executive Director. In the absence of the ARMC Chairman, the remaining members present shall elect one (1) of their members as Chairman of the meeting. No alternate director is appointed as ARMC member.

The ARMC Chairman, Ms Lim Kwee Yong is a member of the Malaysian Institute of Accountants, thus fulfilling Rule 15.09(1)(c) of the AMLR of Bursa Securities, which requires at least one (1) member of the audit committee to be a member of the professional accountancy body.

MEETING OF ARMC

The ARMC shall meet at least four (4) times in a financial year although additional meetings may be called at any time at the discretion of the ARMC Chairman.

During the financial year ended 30 June 2024, the ARMC met five (5) times and details of the attendance of the ARMC members at the meetings are set out below:

ARMC Members	Position	Attendance
Ms Lim Kwee Yong	Chairman	5/5
Ms Ng Kit Ching	Member	5/5
Ir HjH Kamaliah Binti Abdul Kadir (Appointed as Member on 5 July 2024)	Member	N/A
Mr Arthur Jack Hogarth (Resigned as Member on 5 July 2024)	Former Member	5/5

In addition to the ARMC members, the representatives from Finance shall normally attend the meetings as invitees. The external auditors shall attend meetings where matters concerning the

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(Continued)

audit of the statutory accounts, annual financial statements, and/or the external auditors are to be discussed. The internal auditors shall attend meetings to present their internal audit plan and internal audit reports which encompass findings, recommendations and management's responses and action plans. Other Board members, senior management and employees may attend the meeting as invited by the ARMC Chairman.

Notice of the meeting shall be sent to all the ARMC members and any other person who may be required or invited to attend. All unaudited quarterly results, annual financial statements and any other related financial reports and announcements shall be reviewed and discussed by the ARMC members in the meeting before recommending the same to the Board for approval. The ARMC Chairman shall report on each meeting to the Board.

The Company Secretary shall be the secretary of the ARMC meeting and will be responsible for sending out notice of meetings, preparing and keeping minutes of meetings and circulating minutes of meetings to all the ARMC members. Notice of meeting and supporting documents are to be circulated to the ARMC members at least seven (7) days prior to the meeting to provide the ARMC members with relevant and timely information for effective discussions during the meeting.

SUMMARY OF ARMC ACTIVITIES

In line with the terms of reference of the ARMC, the following activities were carried out by the ARMC during the financial year ended 30 June 2024:

1. Financial Reporting

(a) Review of Quarterly Results

The ARMC reviewed the financial positions, quarterly results and announcements for the respective financial quarters prior to submission to the Board for consideration and approval.

During the financial year ended 30 June 2024, there were four (4) quarterly results tabled at the ARMC meetings which were held on 29 August 2023, 28 November 2023, 28 February 2024 and 20 May 2024.

(b) Audited Financial Statements

The ARMC reviewed the audited financial statements together with the Directors' Report and Auditors' Report and recommended the same to the Board for approval. The ARMC ensures the reports are prepared in compliance with the Malaysian Financial Reporting Standards, the Applicable Accounting Standards, the Companies Act 2016 and the AMLR prior to submission to the Board for approval.

On 26 October 2023, the ARMC reviewed the audited financial statements for the financial period ended 30 June 2023 duly audited by the auditors, Messrs Baker Tilly Monteiro Heng PLT ("BTMH").

(c) Statement on Risk Management and Internal Control ("SORMIC")

The ARMC reviewed the SORMIC together with the internal auditors and external auditors and received assurance from the Executive Directors and the management that the Group's risk management and internal control systems are operating adequately and effectively in all aspects before recommending the same to the Board for approval.

On 26 October 2023, the ARMC reviewed the SORMIC for publication in the 2023 Annual Report.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(Continued)

2. External Auditors

The ARMC had on 29 August 2023 considered the findings presented by the external auditors in their Audit Committee Memorandum for the financial period ended 30 June 2023 and the responses from the management.

The ARMC had on 20 May 2024 reviewed the Audit Planning Memorandum for the financial year ending 30 June 2024 which outlined the audit scope, audit process and areas of emphasis based on the presentation of the audit plan of the external auditors.

The ARMC reviewed the fees and types of non-audit services provided by the external auditors. The non-audit fees incurred for the financial year ended 30 June 2024 were in respect of the review of the SORMIC.

The ARMC had on 29 August 2023 discussed and was satisfied with the suitability of BTMH as the external auditors of the Group based on their independence, the quality of services and sufficiency of resources provided by them to the Group in terms of the firm and the professional staff assigned to the audit and recommended to the Board the re-appointment of BTMH as the auditors of the Company at the forthcoming Annual General Meeting.

3. Internal Audit

The Group engaged internal auditors to conduct regular reviews and appraisals on the effectiveness of the internal control process, governance and risk management within the Group. The internal auditors are given full access to all the documents relating to the governance, financial statements and operational assessments of the Group.

The ARMC had on 29 August 2023 reviewed and approved the Group's internal audit plan and scope of work for the financial year ending 30 June 2024.

On 28 November 2023, the ARMC reviewed the internal audit findings on IT Managed Services of N'sairis Technology Solutions Sdn Bhd, the recommendations from the internal auditors and the management's responses.

The ARMC had on 20 May 2024 reviewed and approved the follow-up audit status review on previously reported audit findings on Billing and Collection and Service Delivery of N'sairis Technology Solutions Sdn Bhd and IT Managed Services of N'sairis Technology Solutions Sdn Bhd.

The ARMC ensured appropriate actions were taken to safeguard the effectiveness of the internal control systems based on feedback received from the internal auditors.

4. Risk Management and Internal Control

The ARMC reviewed the operational and financial performance of the Group to ensure that appropriate measures are taken to address any significant risk.

The ARMC reviewed the ARMC Report and SORMIC and received assurance from the Executive Directors and the management that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

5. Related Party Transaction ("RPT") and Conflict of Interest ("COI")

At each quarterly meeting, the ARMC reviewed the RPT and COI situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(Continued)

The ARMC reviewed whether the RPT and COI situations determined by the Executive Directors and the management are fair, reasonable and on normal commercial terms and in the best interest of the Company prior to the Company entering such transaction.

During the financial year ended 30 June 2024, there was no COI situation reported. The RPT for the financial year ended 30 June 2024 is as disclosed in Note 35 to the financial statements.

EXTERNAL AUDIT FUNCTIONS

The Company's independent external auditors, BTMH plays an essential role in enhancing the Company's reliability in its financial reporting. The external auditors have an obligation to highlight any significant weakness in the Company's control and compliance systems and bring the same to the attention of the management, the ARMC and the Board.

The ARMC has a formal and transparent relationship with the external auditors. The ARMC shall meet with the external auditors without the presence of the Executive Directors and the management at least twice a year. During the financial year ended 30 June 2024, the ARMC met with BTMH twice (2) without the presence of the Executive Directors and the management to discuss their audit findings and the level of co-operation and assistance rendered by the management to the audit personnel during their audit. The ARMC met with BTMH on 29 August 2023 and 20 May 2024. The ARMC is pleased to report that there was no significant matter of disagreement that arose between the external auditors and the management.

During the financial year ended 30 June 2024, the external auditors provided both the audit and non-audit related services as follows:

	Audit Related Fees RM'000	Non-Audit Related Fees RM'000
Company	68	6
Group	119	6

INTERNAL AUDIT FUNCTIONS

During the financial year ended 30 June 2024, the Group had outsourced its internal audit functions to an independent professional company to assist the ARMC in discharging its duties and responsibilities.

The internal auditors report directly to the ARMC and provide an independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes within the Group. The internal auditors adopt a risk-based approach in planning and conducting audits. The internal auditors have organised their work in accordance with the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

The scope and plan of the internal audit activities are identified annually and approved by the ARMC. The ARMC receives report of the findings of the internal audit with recommendations from the internal auditors and responses from the management. The ARMC reviews the findings with the management to ensure that the necessary corrective actions are implemented. Thereafter, the ARMC Chairman will report to the Board.

The total cost incurred for the internal audit functions of the Group for the financial year ended 30 June 2024 was RM19,006.97.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board affirms its commitment in maintaining a sound system of internal control and risk management practices within the Group in accordance with the MCCG 2021. The Board is pleased to present the Statement on Risk Management and Internal Control ("**the Statement**") which outlines the Group's risk management framework and the internal control system of the Group during the financial year ended 30 June 2024 and up to the date of this Statement. The Statement has been prepared in accordance to Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**AMLR**"), MCCG and Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers.

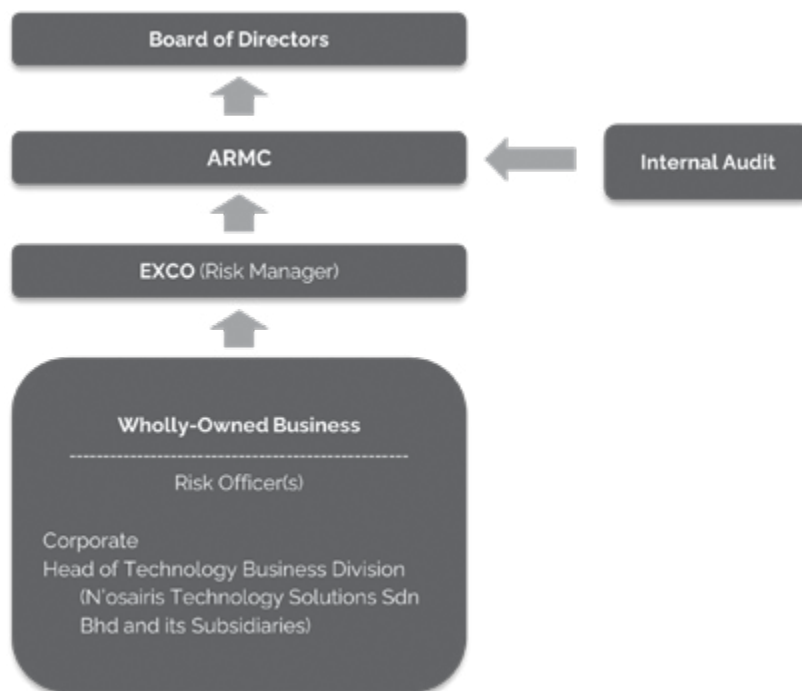
BOARD RESPONSIBILITY

The Board's responsibility includes the establishment of appropriate systems of control as well as reviewing the adequacy and integrity of the system in managing the Group's business risks. A sound system of internal control is important to safeguard the shareholders' investments and the Group's assets. The system of internal control, due to its inherent limitations is designed to manage and control risk rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business objectives and is critical for the Group to achieve sustainable growth in shareholders' value.

Risk Management Structure



A Registry of Risk and a Risk Management Handbook are adopted. The Registry of Risk is maintained to identify principal business risks and the corresponding actions for the Executive Management team to objectively manage the identified risks which is updated for on-going changes. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. Enhancements are made, where necessary, in line with the Board's commitment to improve the Group's governance, risk management and control framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

The Executive Management team assists the Audit and Risk Management Committee ("**ARMC**") and the Board in the process of identifying, measuring, controlling, monitoring, and reporting significant risks affecting the achievement of the Group's business objectives. It provides the Board with the framework to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in the business and regulatory environment and the Group's strategies and functional activities throughout the year.

Significant business risks, financial risks and operations risks and mitigating action plans are discussed and addressed during the ARMC meeting. The Board is aware of the importance of identifying potential threats to the organization and the impact such threats may have on business operations.

During the year, the Board considered all key risks that have been highlighted, and how these had been addressed. Some of the key risks and mitigating action plans considered include the following:

- In relation to susceptibility to potential external business uncertainties and reliance on major clients, the Group is focused on expanding its clientele base, including in non-government related markets.
- The effects of an economic slowdown are being mitigated by periodical business strategic reviews with continuous assessment of its existing products and services, the positioning, target customers and markets.
- The impact of any changes in government policy and regulatory requirements are addressed by the rationalisation of programme portfolio and an effective marketing strategy.
- The Group's business divisions operate in competitive environments. Regular evaluations of business strategy are performed as a counter to competition.
- The increasing trend in costs is mitigated by the implementation of cost reduction exercises and strict cost control measures.

INTERNAL CONTROL

The Board recognises that reviewing the Group's system of internal control is a concerted and continuous process, designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable and not absolute assurance against material misstatement, fraud and loss.

The Board believes that the Group's system of internal control, financial or otherwise, should provide reasonable assurance regarding the achievement of the Group's objectives in ensuring efficiency and effectiveness of operations, reliability and transparency of financial information and compliance with laws and regulations.

The key internal control elements that the Board has established in facilitating the adequacy and integrity of the system of internal controls are as follows:

- The Group has its Board Committees and Management team to assist the Board in discharging its responsibilities. They comprise individuals with high integrity and caliber who meet regularly in the discharge of their duties. Terms of Reference have been written for the Board Committee namely the ARMC, Nomination Committee and Remuneration Committee. The Committees have the authority to examine all matters within their scope and report to the Board with their recommendations.
- The ARMC works independently with the outsourced internal audit team to ensure further corporate governance and internal controls are in place and ensure systems and processes meet the required standards.
- The Group maintains a formal and clearly defined organisation structure with delineated lines of authority, responsibility and accountability within the Group. The Board has put in place suitably

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

qualified and experienced Management personnel to head the Group's diverse Business Divisions to deliver results and their performance is measured against Key Performance Indicators (KPIs).

- The Group implements a budgeting process where budgets for key operating business divisions are prepared and approved by the Management and the Board and monthly monitoring of results against budget with major variances highlighted and management action taken where necessary.
- The Board monitors the Group's performance by reviewing the quarterly financial and operational performance and examines the announcement to Bursa Securities. These are reviewed by the ARMC before they are tabled to the Board.
- Financial, operating and business risks are managed by ensuring appropriate controls, systems and people are in place throughout the Group's businesses. Key organisational controls employed in managing operating risks include segregation of duties, transactions verification and authorisation, financial performance tracking and management reporting.
- Internal operating procedures and guidelines are documented and easily accessible by all staff on the Microsoft One Drive. The Group periodically reviews and updates these to ensure that they continue to support the Group's business activities.
- Necessary actions are taken on the weaknesses identified in the internal control systems with the implementation of improved control measures and processes.
- Proper guidelines are in place for hiring and termination of employees, formal training programmes, training needs analysis, performance appraisals and other relevant procedures within the Group to ensure employees are competent and are adequately trained in performing their responsibilities.
- The Group conducts a Succession Planning programme (Senior Leadership and Young Leadership Program) that trains the selected talent-pool management employees with the necessary experience, skills and leadership for key management roles.
- In line with the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") was amended in 2018 to incorporate Section 17A on corporate liability for corruption, the Group have implemented the Anti-Bribery and Anti-Corruption Policy, the Group must prove that adequate procedures were in place to prevent its employee(s) and/or associated persons from undertaking corrupt practices in relation to its business activities.

INTERNAL AUDIT FUNCTION

The Board, through the ARMC, endorsed and approved the scope of work for the Internal Audit function through the review of its one-year detailed audit plan.

The Group has outsourced its internal audit function to an independent professional firm of consultants, Sterling Business Alignment Consulting, which is a corporate member of The Institute of Internal Auditors Malaysia (IIAM), to provide the Board with the assurance it requires regarding the adequacy and integrity of the system of internal control. With the engagement, the internal auditors have disclosed that there are no relationships or conflicts of interest in the discharge of their responsibilities and that they remained independent and have no direct operational responsibility or authority over any of the activities audited.

The internal audit exercises are carried out based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework in assessing the effectiveness of the Group's internal control system.

During the financial year, the internal auditor reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Company and its major business divisions and recommended improvements to the internal control process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

The Internal Auditors report directly to the ARMC on improvement measures pertaining to internal controls, including subsequent follow-up to determine the extent that their recommendations have been implemented by the Management. The status of implementation is monitored through follow-up audits which are reported at quarterly Executive Management meetings and Quarterly ARMC meetings. The Management is responsible in ensuring that corrective actions to control weaknesses are implemented within a defined time frame. The ARMC keeps track and addresses any issues that relates to this matter at every quarterly meeting and its members are constantly being updated on any activities that relates to the above. For the financial year ended 30 June 2024, the total costs incurred for the outsourced internal audit function is RM19,006.97.

For the financial year ended 30 June 2024, the Internal Auditor audited and reviewed various subsidiaries/Business Divisions of the Group and also presented their status report comprising follow-up actions on previously reported audited findings, details of which are set out below :-

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
July - October 2023	November 2023	N'sairis Technology Solutions Sdn Bhd	IT Managed Services <ul style="list-style-type: none"> • Service operation centre processes and procedures • Network infrastructure support and maintenance processes and procedures • Hardware/Devices maintenance processes and procedures • Software management and maintenance processes and procedures • IT Managed Services contract management • Service Level Agreements fulfilment procedures and processes • Issues or network outage reporting processes and procedures • Troubleshoot of issues or network outage procedures • Manpower allocation for troubleshoot of issues or network outage • Closure of the issues or network outage reported processes and procedures • Training and Technical support arrangement • Client assets/devices monitoring, recording and reporting
-	February 2024 & May 2024	N'sairis Technology Solutions Sdn Bhd	Follow-up actions on previously reported audited findings. <ul style="list-style-type: none"> • IT Managed Services • Billing and Collection • Service Delivery • Other Related Observations

REVIEW OF THE STATEMENT BY THE BOARD OF DIRECTORS

This Statement on Risk Management and Internal Control is made in accordance with the MCCG 2021, "Statement on Internal Control and Risk Management: Guidance for Directors of Public Listed Companies" and the Bursa Malaysia Securities Berhad Listing Requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

In making this Statement, the Board has received assurance from the Chairman and the Executive Director who are also responsible for the Group's financial matters, that the risk management and internal control systems of the Group are operating effectively, in all material aspects.

The Board is of the view that the risk management and internal control systems in place during the period under review up to the date of approval of the annual report, is adequate and effective to safeguard the shareholders' investment, the interests of employees and the Group's assets. The Board is satisfied that there is an ongoing process of identifying, evaluating and managing significant risks faced by the Group in its achievement of objectives and strategies. The existing system of internal control is adequate and properly implemented and there are no major weaknesses within the businesses of the Group. For the financial year under review, there were no material losses, incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report.

The Board recognises that the risk management and internal control systems must continuously improve to meet the challenging business environment and will continue to take appropriate action plans to strengthen the Group's systems.

REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa's Listing Requirements, the External Auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2024. Their engagement was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants which does not require the auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on their procedures performed, the External Auditors reported that nothing has come to their attention that would cause them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is the same factually inaccurate.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 30 June 2024.

2. AUDIT AND NON-AUDIT SERVICES

During the financial year under review, the total audit and non-audit fees paid to Messrs Baker Tilly Monteiro Heng PLT by the Company and Group are set out below :-

	Company	Group
	RM'000	RM'000
Audit fees	68	119
Non-audit fees		
- Review of Statement of Risk Management and Internal Control	6	6

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the current Directors' and major shareholders' interests which were subsisting at the end of the financial year ended 30 June 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Company will be seeking its proposed new shareholders' mandate for Recurrent Related Party Transactions ("RRPTs") at its forthcoming 20th Annual General Meeting to be held on 10 December 2024. The details of the proposed new shareholders' mandate for RRPTs to be entered by the Company and/or its subsidiaries with the related parties are disclosed in the Circular to Shareholders dated 30 October 2024.

5. SHARE GRANT PLAN ("SGP")

On 17 April 2023, the Company announced that Bursa Securities had approved the listing and quotation for the SGP Shares, representing up to 20% of the total number of issued Shares (excluding treasury shares) to be issued pursuant to the SGP. The Company obtained the approval from the shareholders for the Proposed SGP at the extraordinary general meeting of the Company held on 18 April 2023. The effective date for the implementation of the Proposed SGP was 28 June 2023.

On 30 June 2023, the Company has offered a total of 15,150,460 shares to eligible directors, employees of the Company and its subsidiaries (excluding dormant subsidiaries). The SGP shares offered, where applicable, are subject to the achievement of certain performance criteria by the eligible holders over a performance period determined by the SGP Committee.

There were no new offers of SGP shares during the financial year ended 30 June 2024. The details of the SGP shares are outlined below:-

	Number of SGP shares (Units)
Balance as at 1 July 2023	15,150,460
Total number of shares granted	-
Total number of shares vested	7,720,276
Balance as at 30 June 2024	7,430,184

The actual allocation of SGP shares to the Directors and Senior Management since the commencement of the SGP is 73%.

ADDITIONAL COMPLIANCE INFORMATION*(Continued)*

There were no new offers of SGP shares to the Independent Non-Executive Directors of the Company during the financial year ended 30 June 2024. The numbers of options offered and vested by the Independent Non-Executive Directors of the Company during the financial year ended 30 June 2024 are as follows:-

Board Members	Directorship	As of 1 July 2023	Number of shares offered	Number of shares vested	As of 30 June 2024
Ms Lim Kwee Yong	Senior Independent Non-Executive Director	50,000	-	50,000	-
Ms Ng Kit Ching	Independent Non-Executive Director	50,000	-	50,000	-
Ir Hj Kamaliah Binti Abdul Kadir (Appointed as Director on 5 April 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A
Mr Arthur Jack Hogarth (Resigned as Director on 5 July 2024)	Former Independent Non-Executive Director	-	-	-	-

CONSOLIDATED 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 year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries include investment holdings and IT solutions related telecommunication.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	26,039	33,805
Attributable to:		
Owners of the Company	26,039	33,805
Non-controlling interests	-	-
	26,039	33,805

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2024.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

DIRECTORS' REPORT (CONTINUED)

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances which would require the writing off of bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***DIRECTORS' REPORT (CONTINUED)****CHANGE OF CIRCUMSTANCES**

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year were RM119,000 and RM68,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 7,720,276 new ordinary shares for cash pursuant to cash pursuant to the exercise of the Company's Share Grant Plan ("SGP") at exercise price of RM0.76 per ordinary share.

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

During the financial year, no new issue of debentures was made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the SGP.

At an Extraordinary General Meeting held on 18 April 2023, the Company's shareholders approved the establishment of SGP which is governed by the by-laws to eligible directors and/or employees of the Group. The SGP shall be in force for a minimum period of 10 years from the date of implementation.

As at 30 June 2024, the Company had granted a total of 15,150,460 shares under the SGP.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***DIRECTORS' REPORT (CONTINUED)****OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)**

The details of the options over ordinary shares of the Company are as follows:

Grant date	Expiry date	Option price	Number of options			
			At 1 July 2023 '000	Granted '000	Vested '000	At 30 June 2024 '000
28 June 2023	27 June 2033	RM0.76	7,720	-	(7,720)	-
28 June 2023	27 June 2033	RM0.31	3,716	-	-	3,716
28 June 2023	27 June 2033	RM0.30	3,715	-	-	3,715
			15,151	-	(7,720)	7,431

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 June 2024, the Company held a total of 2,283,100 of its 455,243,351 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM294,252.

DIRECTORS

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

Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar
Maha Ramanathan Palan
Chu Kheh Wee
Lim Kwee Yong
Ng Kit Ching
Subramanian A/L Amamalay*
Ir Hj Kamaliah Binti Abdul Kadir
Arthur Jack Hogarth

(Appointed on 5 April 2024)
(Resigned on 5 July 2024)

* Directors of the Company and certain subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Fazyanie Binti Fadzil
 Russaliza Binti Yaakop
 Novi Mardiyansa
 Malayandi Subu Palan
 Datuk Ahmad Shalimin Bin Ahmad Shaffie
 Ong Ai Chin
 Parthiban A/L Sekaran
 Bakhtiar Effendi

(Appointed on 16 May 2024)
 (Appointed on 26 August 2024)

DIRECTORS' INTERESTS

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

	Number of ordinary shares		
	At 1 July 2023	Bought	Sold
			At 30 June 2024
The Company			
SMRT Holdings Berhad			
<u>Direct Interests</u>			
Tan Sri Dato' Dr. Palaniappan			
A/L Ramanathan Chettiar	60,704,515	-	-
Subramanian A/L Amamalay	1,182,033	600,000	(415,000)
Maha Ramanathan Palan	100,000	2,885,138	-
Lim Kwee Yong	-	50,000	-
Ng Kit Ching	-	50,000	-
Chu Kheh Wee	-	500,000	-
<u>Indirect Interest</u>			
Tan Sri Dato' Dr. Palaniappan			
A/L Ramanathan Chettiar #	71,589,272	-	-

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***DIRECTORS' REPORT (CONTINUED)****DIRECTORS' INTERESTS (CONTINUED)**

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

	Number of shares granted under SGP				At 30 June 2024
	At 1 July 2023	Granted	Exercised	Forfeited	
The Company					
SMRT Holdings Berhad					
Maha Ramanathan Palan	4,475,230	-	(2,685,138)	-	1,790,092
Subramanian A/L Amamalay	1,000,000	-	(600,000)	-	400,000
Lim Kwee Yong	50,000	-	(50,000)	-	-
Ng Kit Ching	50,000	-	(50,000)	-	-
Chu Kheh Wee	1,000,000	-	(500,000)	-	500,000

Deemed interested as per Section 8 and 197 of the Act, by virtue of his shareholding and his spouse, Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi's shareholding in Special Flagship Holdings Sdn. Bhd.

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***DIRECTORS' REPORT (CONTINUED)****DIRECTORS' BENEFITS**

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

	Group 2024 RM'000	Company 2024 RM'000
Directors of the Company:		
Salaries, bonus and allowances	672	35
Fees	750	750
Contribution to Employees' Provident Fund	67	-
Share grant expenses	411	411
Other emoluments	4	-
	1,904	1,196

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage effected and insurance premium paid for the directors and officers of the Company were RM20,000,000 and RM25,450 respectively.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***DIRECTORS' REPORT (CONTINUED)****SUBSIDIARIES**

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

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest 2024 %	Principal activities
Direct subsidiaries			
Strategic Ambience Sdn. Bhd.	Malaysia	100	Investment holdings
N'osairis Technology Solutions Sdn. Bhd.	Malaysia	100	Investment holding and IT solutions related telecommunication
Subsidiaries of N'osairis Technology Solutions Sdn. Bhd.			
Teknologi Bumi Era Q Sdn. Bhd.	Malaysia	100	IT solutions related to telecommunication
PT Nosairis Teknologi Solutions	Indonesia	100	IT solutions related to telecommunication
N'osairis Technology Solutions, Inc	Philippines	100	IT solutions related to telecommunication

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

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

.....
TAN SRI DATO' DR. PALANIAPPAN
A/L RAMANATHAN CHETTIAR
Director

.....
SUBRAMANIAN A/L AMAMALAY
Director

Date: 25 October 2024

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024**

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,899	4,190	-	2
Right-of-use assets	6	-	168	-	-
Investment properties	7	14,235	14,529	-	-
Investment in subsidiaries	8	-	-	82,909	82,860
Goodwill on consolidation	9	2,822	2,822	-	-
Deferred tax assets	11	75	71	-	-
Total non-current assets		22,031	21,780	82,909	82,862
Current assets					
Inventories	14	2,575	2,089	-	-
Trade and other receivables	15	17,282	15,883	1,054	23
Contract assets	16	20,873	4,737	-	-
Current tax assets		268	75	-	-
Short-term investments	17	10,382	-	-	-
Fixed deposits placed with licensed banks	18	968	589	-	-
Cash and bank balances		10,918	16,296	204	3,959
Total current assets		63,266	39,669	1,258	3,982
TOTAL ASSETS		85,297	61,449	84,167	86,844

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)**

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	94,662	88,795	94,662	88,795
Treasury shares	20	(294)	(294)	(294)	(294)
Share grant reserve	21	1,135	5,867	1,135	5,867
Foreign currency translation reserve	23	(406)	(183)	-	-
Accumulated losses		(26,549)	(52,588)	(12,709)	(46,514)
		68,548	41,597	82,794	47,854
Non-controlling interests		-	(2,112)	-	-
TOTAL EQUITY		68,548	39,485	82,794	47,854
Non-current liabilities					
Term loan	24	9,800	10,584	-	-
Lease liabilities	25	-	57	-	-
Total non-current liabilities		9,800	10,641	-	-
Current liabilities					
Trade and other payables	26	6,165	8,756	866	4,721
Amounts due to subsidiaries	27	-	-	507	34,269
Term loan	24	784	784	-	-
Lease liabilities	25	-	59	-	-
Contract liabilities	16	-	1,724	-	-
Total current liabilities		6,949	11,323	1,373	38,990
TOTAL LIABILITIES		16,749	21,964	1,373	38,990
TOTAL EQUITY AND LIABILITIES		85,297	61,449	84,167	86,844

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

		Group Period from		Company Period from	
		1.7.2023	1.1.2022	1.7.2023	1.1.2022
		to	to	to	to
		30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	28	69,089	87,718	34,269	4,215
Cost of sales		(26,341)	(38,379)	-	-
Gross profit		42,748	49,339	34,269	4,215
Other income		1,541	4,104	1,308	7,492
Administrative expenses		(17,014)	(35,883)	(2,463)	(35,536)
Other expenses		-	-	(696)	(1,362)
Net impairment losses on financial assets		(600)	-	1,387	2,616
Operating profit/(loss)		26,675	17,560	33,805	(22,575)
Finance income	29	183	340	-	-
Finance costs	30	(654)	(338)	-	-
Profit/(Loss) before tax	31	26,204	17,562	33,805	(22,575)
Income tax expense	32	(165)	(230)	-	-
Profit/(Loss) for the financial year/ period from continuing operations		26,039	17,332	33,805	(22,575)
Loss for the financial period from discontinued operations	33	-	(17,555)	-	-
Profit/(Loss) for the financial year/period		26,039	(223)	33,805	(22,575)
Other comprehensive income/(loss), net of tax		26,039	(223)	33,805	(22,575)
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Foreign currency translation		(223)	(94)	-	-
Other comprehensive loss for the financial year/period		(223)	(94)	-	-
Total comprehensive income/(loss) for the financial year/period		25,816	(317)	33,805	(22,575)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Owners of the Company				
- From continuing operations	26,039	7,450	33,805	(22,575)
- From discontinued operations	-	(24,118)	-	-
	26,039	(16,668)	33,805	(22,575)
Non-controlling interests				
- From continuing operations	-	9,882	-	-
- From discontinued operations	-	6,563	-	-
	-	16,445	-	-
	26,039	(223)	33,805	(22,575)
Total comprehensive income/(loss) attributable to:				
Owners of the Company				
- From continuing operations	25,816	7,356	33,805	(22,575)
- From discontinued operations	-	(24,118)	-	-
	25,816	(16,762)	33,805	(22,575)
Non-controlling interests				
- From continuing operations	-	9,882	-	-
- From discontinued operations	-	6,563	-	-
	-	16,445	-	-
	25,816	(317)	33,805	(22,575)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

		Group Period from	
		1.7.2023 to 30.6.2024	1.1.2022 to 30.6.2023
	Note		
Earnings/(Loss) per share attributable to ordinary equity holders of the Company (sen):			
Basic earnings/(loss) per ordinary share			
- From continuing operations	34(a)	5.75	1.67
- From discontinued operations	34(a)	-	(5.42)
		<hr/> 5.75	<hr/> (3.75)
<hr/>			
Diluted earnings/(loss) per ordinary share			
- From continuing operations	34(b)	5.65	1.62
- From discontinued operations	34(b)	-	(5.24)
		<hr/> 5.65	<hr/> (3.62)

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Note	Share capital RM'000	Treasury shares RM'000	Share grant reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2023		88,795	(294)	5,867	(183)	(52,588)	41,597	(2,112)	39,485
Total comprehensive income/(loss) for the financial year									
Profit for the financial year		-	-	-	-	26,039	26,039	-	26,039
Other comprehensive loss for the financial year		-	-	-	(223)	-	(223)	-	(223)
Total comprehensive income/(loss)		-	-	-	(223)	26,039	25,816	-	25,816
Transactions with owners									
Disposal of subsidiaries	8(a)	-	-	-	-	-	-	2,112	2,112
Issuance of ordinary shares pursuant to exercise of SGP		5,867	-	(5,867)	-	-	-	-	-
Employee's Share Grant Contributions		-	-	1,135	-	-	1,135	-	1,135
Total transactions with owners		5,867	-	(4,732)	-	-	1,135	2,112	3,247
At 30 June 2024		94,662	(294)	1,135	(406)	(26,549)	68,548	-	68,548

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

Group	Share capital RM'000	Treasury shares RM'000	Share grant reserve RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings/ Accumulated loss RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022	88,795	(294)	-	5,396	(89)	18,505	112,313	91,391	203,704
Total comprehensive (loss)/income for the financial period									
(Loss)/Profit for the financial period	-	-	-	-	-	(16,668)	(16,668)	16,445	(223)
Other comprehensive loss for the financial period	-	-	-	-	(94)	-	(94)	-	(94)
Total comprehensive (loss)/income	-	-	-	-	(94)	(16,668)	(16,762)	16,445	(317)
Transactions with owners									
Disposal of subsidiaries	-	-	-	(5,396)	-	5,574	178	(120,097)	(119,919)
Acquisition from non-controlling interests	-	-	-	-	-	(51,289)	(51,289)	(20,711)	(72,000)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(8,710)	(8,710)	33,695	24,985
Employee's Share Grant Contributions	-	-	5,867	-	-	-	5,867	-	5,867
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(2,835)	(2,835)
Total transactions with owners	-	-	5,867	(5,396)	-	(54,425)	(53,954)	(109,948)	(163,902)
At 30 June 2023	88,795	(294)	5,867	-	(183)	(52,588)	41,597	(2,112)	39,485

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	Note	Share capital RM'000	Treasury shares RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company						
At 1 July 2023		88,795	(294)	5,867	(46,514)	47,854
Total comprehensive income for the financial year						
Profit for the financial year		-	-	-	33,805	33,805
Transaction with owners						
Issuance of ordinary shares pursuant to exercise of SGP		5,867	-	(5,867)	-	-
Employee's Share Grant Contributions		-	-	1,135	-	1,135
Total transaction with owners		5,867	-	(4,732)	-	1,135
At 30 June 2024		94,662	(294)	1,135	(12,709)	82,794
At 1 January 2022						
		88,795	(294)	-	(23,939)	64,562
Total comprehensive loss for the financial period						
Loss for the financial period		-	-	-	(22,575)	(22,575)
Transactions with owners						
Employee's Share Grant Contributions		-	-	5,867	-	5,867
At 30 June 2023		88,795	(294)	5,867	(46,514)	47,854

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL ENDED 30 JUNE 2024**

		Group		Company	
		Period from		Period from	
		1.7.2023	1.1.2022	1.7.2023	1.1.2022
		to	to	to	to
		30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit/(Loss) before tax					
- Continuing operations		26,204	17,562	33,805	(22,575)
- Discontinued operations	33	-	(13,971)	-	-
		26,204	3,591	33,805	(22,575)
Adjustments for:					
Amortisation of:					
- contract cost		-	8,180	-	-
- intangible assets		-	765	-	-
Depreciation of:					
- property, plant and equipment		1,847	12,587	2	3
- right-of-use assets		103	17,060	-	-
- investment properties		294	171	-	-
Fair value gain on quoted equity securities		-	(2,400)	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		-	(1,290)	-	-
- other investments		-	(788)	-	-
- investment in subsidiaries		-	-	110	20,217
- subsidiaries	8(a)	(1,059)	22,047	-	-
Loss/(Gain) on derecognition and termination of lease		65	(20,033)	-	-
Impairment loss for:					
- investment in subsidiaries		-	-	696	1,362
- trade receivables		-	1,653	-	-
- other receivables		600	-	600	-
- goodwill on consolidation		-	27,172	-	-
Inventories written down		60	-	-	-
Inventories written off		-	31	-	-
Property, plant and equipment written off		4	-	-	-
Other receivables written off		-	5,206	-	5,206
Operating profit before changes in working capital, carried forward		28,118	73,952	35,213	4,213

CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(Continued)				
Operating profit before changes in working capital, brought forward	28,118	73,952	35,213	4,213
Adjustments for (Continued):				
Share based payment expenses	1,135	5,867	510	3,750
Interest expense	654	21,134	-	-
Interest income	(183)	(360)	-	-
Dividend income	-	-	(34,269)	(4,215)
Waiver of debt on amount owing to former subsidiaries	-	-	(2,687)	(7,491)
Reversal of impairment loss no longer required for:				
- investment in subsidiaries	-	-	(110)	-
- amount due from subsidiaries	-	-	(1,387)	(2,616)
- right-of-use assets	-	(10,331)	-	-
- trade receivables	-	(13)	-	-
- other receivables	-	(586)	-	-
	29,724	89,663	(2,730)	(6,359)
Changes in working capital:				
Inventories	(546)	223	-	-
Payables	636	12,465	(3,855)	3,496
Receivables	(2,054)	(32,750)	(31,319)	30,002
Contract assets	(16,136)	1,562	-	-
Contract liabilities	(1,724)	889	-	-
Net cash generated from/ (used in) operations	9,900	72,052	(37,904)	27,139
Income tax paid	(362)	(615)	-	-
Interest received	183	360	-	-
Net cash from/(used in) operating activities	9,721	71,797	(37,904)	27,139

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

		Group		Company	
		Period from		Period from	
		1.7.2023	1.1.2022	1.7.2023	1.1.2022
		to	to	to	to
		30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Additional investment in a subsidiary		-	-	(120)	(6,394)
Acquisition of subsidiary from non-controlling interest		-	(72,000)	-	(72,000)
Dividend income		-	-	34,269	4,215
Placement of short-term investments		(18,976)	-	-	-
Purchase of property, plant and equipment	(a)	(2,560)	(44,836)	-	-
Proceeds from disposal of:					
- subsidiaries, net of cash (outflows)/ inflows	8(b)	(1)	49,941	-	49,455
- property, plant and equipment		-	-	-	-
- short-term investments		-	1,417	-	-
- other investments		8,594	-	-	-
		-	4,849	-	-
Net cash (used in)/from investing activities		(12,943)	(60,629)	34,149	(24,724)
Cash flows from financing activities					
Dividends paid to non-controlling interest		-	(2,835)	-	-
Interest paid		(654)	(11,157)	-	-
Placement of bank accounts pledged for term loan		-	(224)	-	-
(Placement)/Drawdown of fixed deposit pledged to licensed banks		(379)	14,880	-	-
Proceeds from subscription of ordinary shares by non-controlling interests		-	24,985	-	-
Repayments of:	(d)				
- term loan		(784)	(20,121)	-	-
- lease liabilities		(116)	(25,310)	-	-
Net cash used in financing activities		(1,933)	(19,782)	-	-

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	Group		Company	
	Period from	Period from	Period from	Period from
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Note	RM'000	RM'000	RM'000	RM'000
Net change in cash and cash equivalents	(5,155)	(8,614)	(3,755)	2,415
Cash and cash equivalents at the beginning of the financial period	16,296	25,004	3,959	1,544
Effect on foreign exchange rate change	(223)	(94)	-	-
Cash and cash equivalents at the end of the financial year	10,918	16,296	204	3,959
Analysis of cash and cash equivalents				
Cash and bank balances	10,918	16,296	204	3,959
Fixed deposits placed with licensed banks	968	589	-	-
	11,886	16,885	204	3,959
Less: Deposits held as security value	(968)	(455)	-	-
Less: Deposits with maturity period more than 3 months	-	(134)	-	-
	10,918	16,296	204	3,959

- (a) During the financial year, the Group made the following cash payment to purchase property, plant and equipment:

	Group	
	2024	2023
	RM'000	RM'000
Purchase of property, plant and equipment	2,560	195,492
Financed by way of term loan	-	(150,656)
Cash payments on purchase of property, plant and equipment	2,560	44,836

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

- (b) During the financial year, the Group made the following cash payment to purchase investment properties:

	Group	
	2024	2023
	RM'000	RM'000
Purchase of investment properties	-	14,700
Financed by way of term loan	-	(14,700)
Cash payments on purchase of investment properties	-	-

- (c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM308,000 (2023: RM38,796,000).

- (d) Reconciliation of liabilities arising from financing activities:

Group

	1 July	Cash	30 June
	2023	flows	2024
	RM'000	RM'000	RM'000
Term loan	11,368	(784)	10,584
Lease liabilities	116	(116)	-
	11,484	(900)	10,584

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

(d) Reconciliation of liabilities arising from financing activities (Continued):

Group (Continued)

	1 January 2022 RM'000	Cash flows RM'000	Acquisition RM'000	Non-cash			30 June 2023 RM'000
				Modification, derecognition and termination of lease RM'000	Disposal of subsidiaries RM'000	Others RM'000	
Term loan	19,390	(20,121)	165,356	-	(153,257)	-	11,368
Lease liabilities	155,550	(25,310)	17,090	(132,717)	(24,474)	9,977	116
	174,940	(45,431)	182,446	(132,717)	(177,731)	9,977	11,484

Company

Changes in liabilities arising from financing activities are changes arising from cash flows.

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 8, Tower Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000, Cyberjaya, Selangor. The principal place of business of the Company is located at Level 8, Tower Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 October 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

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

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***2. BASIS OF PREPARATION (CONTINUED)****2.2 Adoption of new MFRS and amendments to MFRSs (Continued)**

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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

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

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2. BASIS OF PREPARATION (CONTINUED)

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

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

MFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Continued)**

- (b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below (Continued).

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

The initial application of the above applicable amendments to MFRSs is not expected to have material impact to the current and priors years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation

(a) Subsidiaries and business combination

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

(b) Non-controlling interests

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

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

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.3 Financial instruments (Continued)****Financial liabilities - subsequent measurement and gains and losses**

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

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

3.4 Property, plant and equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Computer	20%
Office equipment	20% - 25%
Furniture and fittings	10% - 20%
Renovation	20% - 33%
Router	20%

3.4 Leases**(a) Lessee accounting**

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Right-of-use assets

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases (Continued)

(a) Lessee accounting (Continued)

Lease liabilities

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

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

(b) Lessor accounting

The Group recognises leases payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives as follows:

Buildings	2%
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3.7 Intangible assets

Intangible assets, other than goodwill and trademark, are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories cost is determined on a first-in-first-out method.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.9 Revenue and other income**Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Income from consultancy, training and software development

Income from consultancy, training and software development is recognised upon services rendered to customers and customers' acceptance, net of discounts.

(b) Technical supports

Revenue from technical supports is recognised when services are rendered because the customer receives and uses the benefits simultaneously. This is determined on the time elapsed method (output method).

(c) Sales of hardware

Revenue from sales of hardware are recognised upon delivery of products and customer's acceptance and when the significant risks and rewards of ownership have been transferred to the buyer.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(f) Dividend income

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

3.10 Share-based compensation

The Company's share grant plan ("SGP"), an equity-settled, share based compensation plan, allows eligible employees and directors of the Group to be entitled to ordinary shares of the Company. The total fair value of shares granted to employees and directors are recognised as an employee cost with a corresponding increase in the share grant reserve within equity over the vesting period while taking into account the probability that the shares will vest. The fair value of shares are measured at grant date, taking into account, if any, the market vesting conditions upon which the shares were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions in respect of the number of shares that are expected to be granted on vesting date.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of trade receivables (Note 15)

The provisions of expected credit losses for receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the expected credit losses ("ECL") calculation which is, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the receivables.

(b) Impairment assessment of investment in subsidiaries (Note 8)

As at reporting date, the Company determines whether there is any indications of impairment on its investment in subsidiaries. Where there is indication of impairment, the Company carries out the impairment test based on value-in-use of the cash-generating unit. Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5. PROPERTY, PLANT AND EQUIPMENT

	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Router RM'000	Total RM'000
Group 2024 Cost						
At 1 July 2023	736	6,038	148	651	964	8,537
Additions	17	1,237	22	1,162	122	2,560
Written off	-	(7)	-	-	-	(7)
At 30 June 2024	753	7,268	170	1,813	1,086	11,090
Accumulated depreciation and impairment						
At 1 July 2023	623	2,183	126	579	836	4,347
Depreciation for the financial year	76	1,556	9	83	123	1,847
Written off	-	(3)	-	-	-	(3)
At 30 June 2024	699	3,736	135	662	959	6,191
Carrying amount						
At 30 June 2024	54	3,532	35	1,151	127	4,899

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Library RM'000	Computer equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Router RM'000	Signage RM'000	Total RM'000
Group											
2023											
Cost											
At 1 January 2022	-	43,808	203	4,170	5,351	6,020	-	44,218	559	3	104,332
Additions	26,000	161,383	7	1,005	4,144	1,156	305	708	405	379	195,492
Disposals	-	-	(2)	(110)	(79)	(75)	-	(118)	-	-	(384)
Reclassification	-	-	-	-	(27)	-	-	-	-	-	(27)
Disposal of subsidiaries	(26,000)	(205,191)	(208)	(4,329)	(3,351)	(6,953)	(305)	(44,157)	-	(382)	(290,876)
At 30 June 2023	-	-	-	736	6,038	148	-	651	964	-	8,537
Accumulated depreciation and impairment											
At 1 January 2022	-	937	149	3,829	2,155	2,435	-	16,124	559	-	26,188
Depreciation for the financial period	-	1,854	24	371	1,596	1,569	248	6,580	277	68	12,587
Disposals	-	-	(2)	(110)	(49)	(60)	-	(36)	-	-	(257)
Disposal of subsidiaries	-	(2,791)	(171)	(3,467)	(1,519)	(3,818)	(248)	(22,089)	-	(68)	(34,171)
At 30 June 2023	-	-	-	623	2,183	126	-	579	836	-	4,347
Carrying amount											
At 30 June 2023	-	-	-	113	3,855	22	-	72	128	-	4,190

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Furniture and fittings RM'000	Total RM'000
Company		
2024		
Cost		
At 1 July 2023/30 June 2024	12	12
Accumulated depreciation		
At 1 July 2023	10	10
Depreciation for the financial year	2	2
At 30 June 2024	12	12
Carrying amount		
At 30 June 2024	-	-
2023		
Cost		
At 1 January 2022/30 June 2023	12	12
Accumulated depreciation		
At 1 January 2022	7	7
Depreciation for the financial period	3	3
At 30 June 2023	10	10
Carrying amount		
At 30 June 2023	2	2

(a) Revaluation of buildings

In the previous financial period, the buildings were derecognised as a result of disposal of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***6. RIGHT-OF-USE ASSETS**

The Group leases several assets including land, buildings, computer equipment and motor vehicles.

Information about leases for which the Group is lessee is presented below:

	Buildings RM'000
Group Cost	
At 1 July 2023	261
Derecognition and termination of lease	(261)
At 30 June 2024	-
Accumulated depreciation	
At 1 July 2023	93
- Depreciation charge for the financial year	103
- Derecognition and termination of lease	(196)
At 30 June 2024	-
Carrying amount	
At 30 June 2024	-

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***6. RIGHT-OF-USE ASSETS (CONTINUED)**

Information about leases for which the Group is lessee is presented below (Continued):

	Leasehold land RM'000	Buildings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Group Cost					
At 1 January 2022	25,300	168,835	229	822	195,186
Additions	-	17,090	-	-	17,090
Modification, derecognition and termination of lease	-	(151,449)	-	-	(151,449)
Disposal of subsidiaries	(25,300)	(34,215)	(229)	(822)	(60,566)
At 30 June 2023	-	261	-	-	261
Accumulated depreciation and impairment loss					
At 1 January 2022					
- Accumulated depreciation	1,578	35,758	229	555	38,120
- Accumulated impairment loss	3,993	10,331	-	-	14,324
	5,571	46,089	229	555	52,444
- Depreciation charge for the financial period	777	16,136	-	147	17,060
- Modification, derecognition and termination of lease	-	(38,765)	-	-	(38,765)
- Disposal of subsidiaries	(2,355)	(13,036)	(229)	(702)	(16,322)
	(1,578)	(35,665)	(229)	(555)	(38,027)
- Reversal of impairment loss charge for financial period	-	(10,331)	-	-	(10,331)
- Disposal of subsidiaries	(3,993)	-	-	-	(3,993)
	(3,993)	(10,331)	-	-	(14,324)
At 30 June 2023					
- Accumulated depreciation	-	93	-	-	93
Carrying amount					
At 30 June 2023	-	168	-	-	168

The Company leases buildings to be used as office. The leases of buildings generally have lease terms of between 2 to 3 years. The buildings was derecognised during the financial year.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***7. INVESTMENT PROPERTIES**

	Group	
	2024 RM'000	2023 RM'000
Buildings		
Cost		
At 1 July 2023/1 January 2022	14,700	-
Additions	-	14,700
At 30 June	14,700	14,700
Accumulated depreciation		
At 1 July 2023/1 January 2022	171	-
Depreciation for the financial year/period	294	171
At 30 June	465	171
Carrying amount		
At 30 June	14,235	14,529
Fair value	17,200	17,200

The Group's investment properties comprise of a number of commercial properties that are leased to a former subsidiary.

The valuation of Level 3 of the investment properties of the Group as at 30 June 2024 and 30 June 2023 were determined by directors' estimation based on indicative market price of similar properties in the vicinity.

There are no Level 1 investment properties during the financial years ended 30 June 2024 and 30 June 2023. There was no transfer between Level 2 and Level 3 during the financial years ended 30 June 2024 and 30 June 2023.

The fair value of the investment properties is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
- Buildings	-	-	17,200	17,200
2023				
- Buildings	-	-	17,200	17,200

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***7. INVESTMENT PROPERTIES (CONTINUED)****(a) Security**

The investment properties has been pledged to secure bank loans as disclosed in Note 23 to the financial statements.

(b) The following are recognised in profit or loss in respect of investment properties:

	Group	
	1.7.2023 to 30.6.2024 RM'000	Period from 1.1.2022 to 30.6.2023 RM'000
Rental income	360	105
Direct operating expenses:		
- income-generating expenses	-	(16)
- non-income generating expenses	(648)	(925)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
At cost		
Unquoted shares		
At 1 July 2023/1 January 2022	80,278	25,278
Add: Addition during the financial year/period	-	75,000
Less: Disposal of the subsidiaries	(110)	(20,000)
At 30 June	80,168	80,278
Capital contributions to subsidiaries	37,320	36,575
	117,488	116,853
Less: Accumulated impairment losses		
At 1 July 2023/1 January 2022	(33,993)	(32,631)
Charge for the financial year/period	(696)	(1,362)
Reversal of disposal of the subsidiary	110	-
At 30 June	(34,579)	(33,993)
	82,909	82,860

Capital contributions represent unsecured, interest free, non-trade balances with subsidiaries. The settlement of these balances is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat them as long-term source of capital to the subsidiaries.

Included in the capital contribution is an amount of RM2,741,000 (2023: RM2,117,000) representing the share grant to the eligible directors and/or employees of a subsidiary.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***8. INVESTMENT IN SUBSIDIARIES (CONTINUED)****Impairment loss**

An impairment loss of RM696,000 (2023: RM1,362,000) was recognised in profit or loss as a result of the recoverable amounts of subsidiaries were lower than their carrying amount.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activities
		2024 %	2023 %	
Direct subsidiaries				
Strategic Ambience Sdn. Bhd.	Malaysia	100	100	Investment holdings
N'osairis Technology Solutions Sdn. Bhd.	Malaysia	100	100	Investment holding and IT solutions related telecommunication
Talentoz Sdn. Bhd. # ^	Malaysia	-	55	Development and marketing software of human resources
Indirect subsidiaries				
Subsidiaries of N'osairis Technology Solutions Sdn. Bhd.				
Teknologi Bumi Era Q Sdn. Bhd.	Malaysia	100	100	IT solutions related to telecommunication
PT Nosairis Teknologi Solutions # *	Indonesia	100	100	IT solutions related to telecommunication
N'osairis Technology Solutions, Inc **	Philippines	100	-	IT solutions related to telecommunication

Audited by auditors other than Baker Tilly Monteiro Heng PLT.

^ In the previous financial period, the subsidiary has temporarily ceased its business. During the financial year, the subsidiary has been disposed off.

* 2% held through Teknologi Bumi Era Q Sdn. Bhd.

** Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***8. INVESTMENT IN SUBSIDIARIES (CONTINUED)****(a) Disposal of Talentoz Sdn. Bhd. (“Talentoz”)**

On 29 March 2024, the Company entered into an agreement with Cekal Akasia Sdn. Bhd. to dispose of 110,000 ordinary shares, representing 55% equity interest in Talentoz for a total consideration of RM1.

On 8 April 2024, the disposal of Talentoz has been completed.

The summary of effects of disposal of Talentoz are as follows:

	2024 RM'000
Recognised:	
Cash consideration received	#
Derecognised:	
Property, plant and equipment	#
Trade and other receivables	55
Cash and cash equivalents	1
Trade and other payables	(25)
Amount owing to holding company	(3,202)
Non-controlling interest	2,112
	<hr/> (1,059) <hr/>
Loss on disposal of Talentoz	<hr/> 1,059 <hr/>

Effects of disposal on cash flows:

	2024 RM'000
Consideration received in cash	#
Less: Cash and cash equivalents of subsidiary disposed	1
Net cash outflows on disposal	<hr/> (1) <hr/>

represents RM1.

(b) Disposal of subsidiaries - Educational Segment**(i) SMR Education Sdn. Bhd. and its subsidiary (“SMRE Group”)**

In the previous financial period, the Company entered into a conditional share sale agreement to dispose of 20,000,000 ordinary shares, representing the entire equity interest in SMRE Group for a total consideration of RM49,455,015 on 7 February 2023.

In the previous financial period, the share sale agreement has become unconditional and hence the disposal of SMRE Group has been completed on 19 May 2023.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***8. INVESTMENT IN SUBSIDIARIES (CONTINUED)****(b) Disposal of subsidiaries - Educational Segment (Continued)****(ii) Disposal of SMR Properties Management Sdn. Bhd. ("SMRPM")**

In the previous financial period, the Company entered into an agreement to dispose of 2 ordinary shares, representing the entire equity interest in the SMRPM for a total consideration of RM1 on 7 February 2023.

In the previous financial period, the disposal of SMRPM has been completed on 31 March 2023.

The summary of the effects of disposal of the subsidiaries are as follows:

	2023 RM'000
Recognised:	
Cash consideration received	49,455
Derecognised:	
Fair value of identifiable net assets at disposal date:	
Property, plant and equipment	256,705
Right-of-use assets	40,251
Other intangible assets	95,187
Deferred tax assets	4,149
Contract costs	10,391
Trade and other receivables	39,055
Current tax assets	524
Cash and bank balances	7,402
Non-current assets held for sales	27,725
Loans and borrowings #	(156,256)
Lease liabilities	(24,474)
Deferred tax liabilities	(29,880)
Trade and other payables	(49,827)
Contract liabilities	(29,091)
Current tax liabilities	(262)
Non-controlling interest	(120,097)
	71,502
Loss on disposal of SMRE Group	(22,047)

Includes bank overdraft of RM2,999,000.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***8. INVESTMENT IN SUBSIDIARIES (CONTINUED)****(b) Disposal of subsidiaries - Educational Segment (Continued)**

Effects of disposal on cash flows

	2023 RM'000
Consideration received in cash	49,455
Less: Cash and cash equivalents of subsidiaries disposed *	486
Net cash inflows on disposal	<u>49,941</u>

*** Analysis of cash and cash equivalents:**

	2023 RM'000
Cash and bank balances	7,402
Bank overdraft	(2,999)
	<u>4,403</u>
Less: Deposits held as security value	(942)
Bank account pledged for term loan	(3,947)
Cash and cash equivalents	<u>(486)</u>

(c) Acquisition of additional interest in N'osairis Technology Solutions Sdn. Bhd. ("NTS")

In the previous financial period, the Company entered into a conditional share sale agreement to acquire of 1,800,000 ordinary shares, representing an additional 36% equity interest in NTS for a total consideration of RM72,000,000 on 7 February 2023. The Company's effective ownership in NTS increased from 64% to 100% as a result of the additional shares purchased.

Effect of the increase in the Company's ownership interest is as follows:

	2023 RM'000
Fair value of consideration transferred	72,000
Increase in share of net assets	20,711
Excess charged directly to equity	<u>51,289</u>

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***9. GOODWILL ON CONSOLIDATION**

	Education unit RM'000	Technology unit RM'000	Total RM'000
Group 2024			
At 1 July 2023/30 June 2024	-	2,822	2,822
2023			
At 1 January 2022	27,172	2,822	29,994
Less: Impairment loss charged for the financial period	(27,172)	-	(27,172)
At 30 June 2023	-	2,822	2,822

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each cash generating units ("CGUs").

The recoverable amount of CGUs has been determined based on value-in-use calculations using cash flows projection from forecasts approved by the Group covering a five-year period. The same method has been used in the previous financial period.

(a) Technology unit

The calculation of value-in-use for the CGU is most sensitive to the following key assumptions:

- Cash flows were projected over 5 years based on past experience and actual operating results;
- Revenue is projected based on existing and future expected sales of hardware and maintenance contracts; and
- The 19% (2023: 18%) pre-tax discount rate is the weighted average cost of capital which reflects the risk relating to the information technology business.

The values assigned to the above key assumptions represent the Group's assessment of future trends in the industry and are based on both external sources and internal sources of information.

The estimated recoverable amounts exceed the carrying amounts of the CGUs. Based on the sensitivity analysis performed, the Group believes that no reasonably possible change in base case key assumptions would cause the carrying value of the CGUs to exceed their recoverable amount.

(b) Education unit

In the previous financial period, the goodwill on education unit was impaired following the disposal of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***10. OTHER INTANGIBLE ASSETS**

	Education licenses RM'000	Trademark RM'000	Development costs RM'000	Intellectual rights RM'000	Softwares RM'000	Franchise fee RM'000	Total RM'000
Group							
2023							
Costs							
At 1 January 2022	91,715	1,500	23,495	1,075	992	53	118,830
Disposal of a subsidiary	(91,715)	(1,500)	(23,495)	(1,075)	(992)	(53)	(118,830)
At 30 June 2023	-	-	-	-	-	-	-
Accumulated amortisation							
At 1 January 2022	-	-	13,218	1,075	807	11	15,111
Amortisation for the financial period	-	-	558	-	199	8	765
Disposal of a subsidiary	-	-	(13,776)	(1,075)	(1,006)	(19)	(15,876)
At 30 June 2023	-	-	-	-	-	-	-
Accumulated impairment loss							
At 1 January 2022	-	-	7,767	-	-	-	7,767
Disposal of subsidiaries	-	-	(7,767)	-	-	-	(7,767)
At 30 June 2023	-	-	-	-	-	-	-
Carrying amount							
At 30 June 2023	-	-	-	-	-	-	-

(a) Amortisation

The amortisation of development costs of the Group is included in cost of sales. The amortisation of software and intellectual rights of the Group is included in administrative expenses.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***10. OTHER INTANGIBLE ASSETS (CONTINUED)****(b) Trademark**

Trademark represents the rights to use the Asia HRD Congress brand which the Company has assessed to have indefinite useful lives. Trademark is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount to its recoverable amount. The recoverable amount of trademark has been determined based on value-in-use calculations using cash flows projection from forecast approved by the Company covering five-year period.

In the previous financial period, trademark was derecognised as a result of disposal of subsidiaries.

(c) Education licenses

Education licenses to conduct the Bachelor of Medicine and Bachelor of Surgery ("MBBS") programme in universities are allocated to the education segment that generates revenue from MBBS programme. The useful lives of these licenses are estimates to be indefinite.

Education licenses are assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of the CGUs.

In the previous financial period, the education licenses was derecognised as a result of disposal of subsidiaries.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year/period	71	(22,600)
Disposal of subsidiaries	-	25,731
Transfer to profit or loss		
- from continuing operations (Note 32)	4	(142)
- from discontinued operations	-	(2,918)
At end of the financial year/period	<u>75</u>	<u>71</u>

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**

The components and movements of deferred tax assets and liabilities during the financial year/period prior to offsetting are as follows:

	As at 1 July 2023 RM'000	Recognised in profit or loss RM'000	As at 30 June 2024 RM'000
Group			
Deferred tax assets			
Other deductible temporary differences	2	4	6
Unabsorbed capital allowances	69	-	69
	<u>71</u>	<u>4</u>	<u>75</u>

	As at 1 January 2022 RM'000	Recognised in profit or loss RM'000	Disposal of subsidiaries RM'000	As at 30 June 2023 RM'000
Group				
Deferred tax assets				
Other deductible temporary differences	215	(314)	101	2
Unabsorbed capital allowances	821	337	(1,089)	69
Unutilised tax losses	-	302	(302)	-
Contract liabilities	5,248	(1,301)	(3,947)	-
Right-of-use assets	1,956	(3,044)	1,088	-
	<u>8,240</u>	<u>(4,020)</u>	<u>(4,149)</u>	<u>71</u>

Deferred tax liabilities				
Education licenses	(22,012)	960	21,052	-
Property, plant and equipment	(5,697)	-	5,697	-
Other taxable temporary differences	(130)	-	130	-
Revaluation reserves	(3,001)	-	3,001	-
	<u>(30,840)</u>	<u>960</u>	<u>29,880</u>	<u>-</u>
	<u>(22,600)</u>	<u>(3,060)</u>	<u>25,731</u>	<u>71</u>

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)**

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Unutilised tax losses	99	1,344

The unutilised tax losses are available for offset against future taxable profits of the subsidiaries which will expire in the following financial year:

	Group	
	2024	2023
	RM'000	RM'000
2028	99	1,344

12. CONTRACT COSTS

Contract costs are amortised in accordance with the pattern of transfer of services under the contracts with customers. In the previous financial period, amortisation amounting to RM8,180,000 was recognised as part of administrative expenses. The contract cost was derecognised as a result of the disposal of subsidiaries.

13. OTHER INVESTMENT

Investment in quoted equity securities were obtained as settlement consideration for the disposal of a business operation. In the previous financial period, other investments was derecognised upon the completion of disposal of the quoted equity securities.

14. INVENTORIES

	Group	
	2024	2023
	RM'000	RM'000
At cost		
Consumable inventories	2,575	2,089

During the financial year, the cost of inventories recognised as an expense in cost of sales of the Group is RM23,956,000 (2023: RM32,905,000).

During the financial year, the amount recognised as an expense in other expense in respect of write down of inventories to net realisable value amounting to RM60,000.

In the previous financial period, the Group has written off of inventories amounting to RM31,000.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

15. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
	Note				
Trade	(a)				
External parties		10,960	14,312	-	-
Non-trade					
External parties		1,685	41	1,630	4
Amount due from former subsidiaries	(b)	-	377	-	-
Prepayments		1,057	966	21	16
Deposits	(d)	4,180	187	3	3
		6,922	1,571	1,654	23
Less: Impairment losses	(c)	(600)	-	(600)	-
		6,322	1,571	1,054	23
		17,282	15,883	1,054	23

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (2023: 30 to 90 days) from date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables is retention sum of RM4,804,000 (2023: RM7,467,000) which is non-interest bearing and are normally settled on 30 days from the date of final project account certified as follows:

	Group	
	2024	2023
	RM'000	RM'000
Within one year	3,177	230
Later than one year	1,627	7,237
	4,804	7,467

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***15. TRADE AND OTHER RECEIVABLES (CONTINUED)****(a) Trade receivables (Continued)**Receivables that are impaired

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

	Group	
	2024 RM'000	2023 RM'000
At 1 July 2023/1 January 2022	-	48,843
Charge for the financial year/period		
- individually assessed	-	911
- collectively assessed	-	742
Reversal of impairment loss	-	(13)
Disposal of subsidiaries	-	(50,483)
At 30 June	-	-

The information about the credit exposures is disclosed in Note 37(ii) to the financial statements.

(b) Amounts due from former subsidiaries

In the previous financial period, the amounts due from former subsidiaries were non-trade in nature, unsecured, interest free and repayable on demand and were expected to be settled in cash. The amount has been fully settled upon disposal of the subsidiaries.

(c) Other receivablesReceivables that are impaired

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 July 2023/1 January 2022	-	827	-	-
Charge for the financial year/period				
- individually assessed	600	-	600	-
Reversal of impairment loss	-	(586)	-	-
Disposal of subsidiaries	-	(241)	-	-
At 30 June	600	-	600	-

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***15. TRADE AND OTHER RECEIVABLES (CONTINUED)****(d) Deposits**

Included in deposits of the Group are:

- (i) rental deposits amounting to RM108,000 (2023: RM118,000); and
- (ii) bank guarantee for the purpose of bidding new project amounting to RM4,007,000 (2023: Nil).

(e) Foreign currency exposure profile

The Group's foreign currency exposure profiles on trade and other receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Philippine Peso	96	-
Indonesian Rupiah	933	1,536
	1,029	1,536

16. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024	2023
	RM'000	RM'000
Contract assets		
Accrued income	20,873	4,737
Contract liabilities		
Deferred income	-	(1,724)

(a) Contract assets

The contract assets represent the Group's right to consideration for the work performed for the construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 30 days and payments is expected within 30 days.

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 30 days.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***16. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)**

(c) Significant changes in contract assets/(liabilities):

	Group	
	2024	2023
	RM'000	RM'000
Contract assets		
Increased due to revenue recognised for unbilled goods or services transferred to customers	20,873	4,737
Transfer from contract assets recognised at the beginning of the financial year/period to receivables	(4,737)	(6,299)
Contract liabilities		
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	1,724	29,926
Increases due to billing/cash received in advance not recognised as revenue at the end of the financial year/period	-	(30,815)
Transfer due to disposal of subsidiaries	-	29,091

17. SHORT-TERM INVESTMENTS

The short-term investments are in respect of investments in unit trust funds placed with fund management companies. These short-term investments are readily convertible to cash and have insignificant risk of changes in value.

18. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Included in the fixed deposits placed with licensed banks of the Group is an amount of RM968,000 (2023: RM455,000), which is pledged to a financial institution for bank guarantee facility.

The interest rates of the deposits placed with licensed banks of the Group range from 1.00% to 2.30% (2023: 1.50% to 2.85%) per annum at the end of the reporting period. All deposits have maturity period of 30 to 365 days (2023: 30 to 365 days).

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***19. SHARE CAPITAL**

	Group and Company			
	Number of ordinary shares		Amounts	
	2024	2023	2024	2023
	Units ('000)	Units ('000)	RM'000	RM'000
Issued and fully paid up (no par value):				
At 1 July 2023/1 January 2022	447,523	447,523	88,795	88,795
Issuance of shares pursuant to share options exercised	7,720	-	5,867	-
At 30 June	455,243	447,523	94,662	88,795

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

During the financial year, the Company issued 7,720,276 new ordinary shares for cash pursuant to the exercise of the Company's SGP at exercise price of RM0.76 per ordinary share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

As at 30 June 2024, the Company held as treasury shares a total of 2,283,100 (2023: 2,283,100) of its 455,243,351 (2023: 447,523,075) issued ordinary shares. Such treasury shares are held at a carrying amount of RM294,000 (2023: RM294,000).

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***21. SHARE GRANT RESERVE**

At an Extraordinary General Meeting held on 18 April 2023, the Company's shareholders approved the establishment of a SGP which is governed by the by-laws to eligible directors and/or employees of the Group. The SGP shall be in force for a period of 10 years from the date of implementation.

The salient terms of the SGP are as follows:

- (a) The aggregate maximum number of SGP shares which may be made available under the SGP whether in the form of new shares to be issued under the plan or the aggregate number of new shares together with existing shares made available for the purposes of the SGP, shall not in aggregate exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the SGP.
- (b) The aggregate maximum number of SGP shares that may be granted to any 1 category/designation of employment of the SGP grantees shall be determined entirely at the discretion of the SGP (subject to the by-laws and any applicable law).
- (c) Employees and directors of the Group and of the Company who fulfil the following conditions as at the award date shall be eligible to participate in the SGP:
 - (i) he/she is at least eighteen (18) years of age on the award date and is not an undischarged bankrupt;
 - (ii) he/she is employed and is on the payroll or has been appointed as a director of any company in the Group;
 - (iii) his/her employment has been confirmed by any company in the Group; and
 - (iv) such employee or director falls within any other eligibility criteria that may be determined by the SGP Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (d) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares so issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders date of allotment of such new ordinary shares.

The movement in the total number of share grants during the financial year/period is as follows:

	Group and Company			
	At 1 July 2023 '000	Granted '000	Vested '000	At 30 June 2024 '000
2024				
SGP	15,151	-	(7,720)	7,431
	At 1 Jan 2022 '000	Granted '000	Vested '000	At 30 June 2023 '000
2023				
SGP	-	15,151	-	15,151

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***21. SHARE GRANT RESERVE (CONTINUED)**

The fair value SGP shares granted on 30 June 2023 were measured at grant date and the assumptions were as follows:

- (i) The fair value of 7,720,276 SGP shares was valued by reference to the market price at the grant date of RM0.76.
- (ii) The performance conditions for the remaining 7,430,184 SGP shares include non-market conditions and market conditions. The non-market conditions were estimated based on the Binomial Option Pricing Model. The key assumptions used in these models are as follows:

Grant date	2023
Fair value of share options at grant date (RM)	
- Tranche 1	0.7600
- Tranche 2	0.3053
- Tranche 3	0.2950
Expected dividend yield	Nil
Expected volatility (%)	70.72
Risk free rate (%)	3.22 - 3.36

22. REVALUATION RESERVE

	Group	
	2024	2023
	RM'000	RM'000
At 1 July 2023/1 January 2022	-	5,396
Transfer to retained earnings upon disposal of subsidiaries	-	(5,396)
At 30 June	-	-

In the previous financial period, the revaluation reserve represented surplus arising from revaluation of land and buildings in the discontinued operations as disclosed in Note 33.

23. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***24. TERM LOAN**

	Group	
	2024	2023
	RM'000	RM'000
Secured		
Non-current		
Term loan (Islamic)	9,800	10,584
Current		
Term loan (Islamic)	784	784
Total term loan	10,584	11,368

Term loan (Islamic) represents the term loan of a subsidiary which bears a profit rate of 4.86% (2023: 4.86%) per annum and is repayable by 180 monthly instalments over 15 years commencing from the following month after the date of first drawdown and is secured and supported as follows:

- (i) First party first legal charge over the investment properties as disclosed in Note 7 to the financial statements;
- (ii) Personal guarantee by a director; and
- (iii) Corporate guarantee by the Company.

25. LEASE LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Lease liabilities	-	57
Current		
Lease liabilities	-	59
	-	116

In the previous financial period, certain buildings, computers and motor vehicles of the Group as disclosed in Note 6 to the financial statements are pledged for leases. Such leases do not have terms for renewal which would give the Group an option to purchase at nominal values at the end of lease term.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***25. LEASE LIABILITIES (CONTINUED)**

	Group	
	2024	2023
	RM'000	RM'000
Minimum lease payments:		
- not later than one year	-	66
- later than one year but not later than five years	-	58
	-	124
Less: Future interest charges	-	(8)
Present value of minimum lease payables	-	116
Present value of minimum lease payments:		
- not later than one year	-	59
- later than one year but not later than five years	-	57
	-	116
Less: Amount due within 12 months	-	(59)
Amount due after 12 months	-	57

26. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Trade					
Trade payables	(a)	2,096	1,024	-	-
Non-trade					
Other payables	(b)	828	3,455	456	3,376
Amount due to former subsidiaries	(c)	-	63	-	63
Deposits		623	640	-	-
Accruals		2,417	3,125	410	1,282
SST payables		201	449	-	-
		4,069	7,732	866	4,721
Total trade and other payables		6,165	8,756	866	4,721

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***26. TRADE AND OTHER PAYABLES (CONTINUED)****(a) Trade payables**

The normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days).

(b) Other payables

Included in other payables of the Company was an amount of RM2,667,000 in respect of profit guarantee compensation payable to a former subsidiary in the previous financial period.

(c) Amounts due to former subsidiaries

Amounts due to former subsidiaries are non-trade in nature, unsecured, interest free, repayable on demand and are expected to be settled in cash.

(d) Foreign currency exposure profile

The Group's foreign currency exposure profile on the trade and other payables is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Philippine Peso	8	-
Indonesian Rupiah	2,069	131
	<u>2,077</u>	<u>131</u>

27. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Amounts due from subsidiaries	-	4,674
Less: Accumulated impairment losses	-	(4,674)
	<u>-</u>	<u>-</u>
Amounts due to subsidiaries	<u>(507)</u>	<u>(34,269)</u>

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand and are expected to be settled in cash.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***27. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)**

The movement in the allowance for impairment loss of amounts due from subsidiaries are as follows:

	Company	
	2024	2023
	RM'000	RM'000
At 1 July 2023/1 January 2022	4,674	17,358
Reversal of impairment loss no longer required	(1,987)	(2,616)
Waiver of debt	(2,687)	-
Bad debt written off	-	(10,068)
At 30 June	-	4,674

28. REVENUE

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue from contract with customers:				
Software consultancy and development	-	52	-	-
IT solutions	68,729	87,561	-	-
	68,729	87,613	-	-
Revenue from other sources:				
Dividend income	-	-	34,269	4,215
Rental income	360	105	-	-
	69,089	87,718	34,269	4,215
Discontinued operations (Note 33)				
Revenue from contract with customers:				
Course fee	-	174,722	-	-
	69,089	262,440	34,269	4,215

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***28. REVENUE (CONTINUED)****(a) Disaggregation of revenue**

The Group reports the following technology segment comprise operation related to investment holding and non-active companies in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary, major goods or services and timing of revenue recognition.

	Group	
	Period from	
	1.7.2023	1.1.2022
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
<i>Revenue from contract with customers:</i>		
Software consultancy and development	-	52
IT solutions	68,729	87,561
	<u>68,729</u>	<u>87,613</u>
<i>Timing of revenue recognition:</i>		
At a point in time	20,969	24,464
Over time	47,760	63,149
	<u>68,729</u>	<u>87,613</u>

(b) Transaction price allocated to remaining performance obligations

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

29. FINANCE INCOME

	Group	
	Period from	
	1.7.2023	1.1.2022
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Continuing operations		
Interest income	183	340
Discontinued operations (Note 33)		
Interest income	-	20
	<u>183</u>	<u>360</u>

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***30. FINANCE COSTS**

	Group	
	Period from	
	1.7.2023	1.1.2022
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Continuing operations		
Interest expenses		
- borrowings	648	317
- lease liabilities	6	21
	<hr/> 654	<hr/> 338
Discontinued operations (Note 33)		
Interest expenses		
- borrowings	-	10,840
- lease liabilities	-	9,956
	<hr/> -	<hr/> 20,796
	<hr/> 654	<hr/> 21,134

31. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit:				
- Baker Tilly Monteiro Heng PLT	119	210	68	147
- other auditors	12	27	-	-
- other services:				
- Baker Tilly Monteiro Heng PLT	10	86	-	86
Impairment loss for:				
- other receivables	600	-	600	-
- investment in subsidiaries	-	-	696	1,362
Depreciation of:				
- property, plant and equipment	1,847	1,460	2	-
- investment properties	294	171	-	-
- right-of-use assets	103	180	-	-

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)**

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

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Fair value gain on quoted equity securities	-	(2,400)	-	-
Loss on disposal of:				
- investment in subsidiaries	-	-	110	20,217
Inventories written down	60	-	-	-
Property, plant and equipment written off	4	-	-	-
Inventories written off	-	31	-	-
Other receivables written off	-	5,206	-	5,206
Expenses relating to short-term leases	186	140	3	-
Rental expenses	-	130	-	-
Staff costs (including directors' remuneration):				
- salary, wages, allowances and bonus	7,079	4,275	-	40
- under-utilisation on bonus	-	(243)	-	(243)
- Employees' Provident Fund and SOCSO	848	482	-	6
- other staff related expenses	3,416	1,275	-	70
- share-based payment expense	1,135	5,867	510	3,750
Dividend income	-	-	(34,269)	(4,215)
Waiver of debt on:				
- amount due from former subsidiaries	-	-	-	(7,491)
- amount due from subsidiaries	-	-	(2,687)	-
Gain on disposal of:				
- other investment	-	(788)	-	-
Loss/(Gain) on derecognition and termination of lease	65	(20,033)	-	-
Realised loss/(gain) on foreign exchange	451	(610)	-	-
Reversal of impairment loss no longer required for:				
- investment in subsidiaries	-	-	(110)	-
- amount due from subsidiaries	-	-	(1,387)	(2,616)

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

32. INCOME TAX EXPENSE

	Group Period from		Company Period from	
	1.7.2023 to 30.6.2024 RM'000	1.1.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.1.2022 to 30.6.2023 RM'000
Continuing operations				
Current income tax:				
- current year/period	164	88	-	-
- prior years	5	-	-	-
	169	88	-	-
Deferred tax (Note 11):				
- current year/period	(103)	142	-	-
- prior years	99	-	-	-
	(4)	142	-	-
Income tax expense attributable to continuing operations	165	230	-	-
Income tax expense attributable to discontinued operations (Note 33)	-	(3,584)	-	-
Income tax expense recognised in profit or loss	165	(3,354)	-	-

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the financial year/period.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***32. INCOME TAX EXPENSE (CONTINUED)**

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

	Group Period from		Company Period from	
	1.7.2023 to 30.6.2024 RM'000	1.1.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.1.2022 to 30.6.2023 RM'000
Profit/(Loss) before tax from continuing operations	26,204	17,562	33,805	(22,575)
Loss before tax from discontinued operations	-	(13,971)	-	-
	26,204	3,591	33,805	(22,575)
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	6,289	862	8,113	(5,418)
Adjustments:				
- non-deductible expenses	1,285	3,912	589	7,057
- income not subject to tax	(129)	(942)	(8,702)	(1,639)
- tax exempt income	(7,384)	(7,181)	-	-
- deferred tax assets not recognised during the financial period	-	(5)	-	-
- under provision of deferred tax in prior years	99	-	-	-
- under provision of current tax in prior years	5	-	-	-
Income tax expense	165	(3,354)	-	-

N'osairis Technology Solutions Sdn. Bhd., a subsidiary of the Company was granted pioneer status (100% tax exemption on taxable statutory income relating to approved business activities by Malaysian Investment Development Authority ("MIDA")) effective from 5 November 2015 to 4 November 2025.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***33. DISCONTINUED OPERATIONS**

The Group had discontinued its educational business on 19 May 2023. The segment was not discontinued operations as at 31 December 2021 and the comparative statements of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

- (i) Analysis of the result of discontinued operations and the result recognised on the remeasurement of discontinued operations is as follows:

	Group Period from 1.1.2022 to 30.6.2023 RM'000
Revenue	174,722
Cost of sales	(67,823)
Gross profit	106,899
Other income	37,060
Administrative and other expenses	(115,107)
Operating profit	28,852
Loss on disposal of subsidiaries	(22,047)
Finance income	20
Finance cost	(20,796)
Loss before tax of discontinued operations	(13,971)
Income tax expense	(3,584)
Loss after tax of discontinued operations, net of tax	(17,555)
(Loss)/Profit for the period attributable to:	
Owners of the Company	(24,118)
Non-controlling interest	6,563
	(17,555)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***33. DISCONTINUED OPERATIONS (CONTINUED)**

(ii) The following items have been charged/(credited) in arriving at loss before tax:

	Group Period from 1.1.2022 to 30.6.2023 RM'000
Auditors' remuneration	
- statutory audit	383
- other services	6
Impairment loss for:	
- trade receivables	1,653
- goodwill on consolidation	27,172
Amortisation of:	
- contract cost	8,180
- intangible assets	765
Depreciation of:	
- property, plant and equipment	11,127
- right-of-use assets	16,880
Expenses relating to low value assets	7
Expenses relating to short-term leases	
- staff quarters	3,232
Staff costs (including directors' remuneration):	
- salary, wages, allowances and bonus	70,028
- Employees' Provident Fund and SOCSO	6,670
Interest expenses:	
- borrowings	10,840
- lease liabilities	9,956
(Gain)/Loss on disposal of:	
- property, plant and equipment	(1,290)
- subsidiaries	22,047
Gain on modification, derecognition and termination of lease	(19,997)
Reversal of impairment loss no longer required for:	
- trade receivables	(13)
- other receivables	(586)
- right-of-use assets	(10,331)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***33. DISCONTINUED OPERATIONS (CONTINUED)**

(iii) Cash flows generated from/(used in) discontinued operation:

	Group Period from 1.1.2022 to 30.6.2023 RM'000
Net cash flows from operating activities	37,524
Net cash flows used in investing activities	(188,441)
Net cash flows from financing activities	93,601

34. EARNINGS/(LOSS) PER SHARE**(a) Basic earnings/(loss) per ordinary shares**

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial year/period attributable to owners of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares during the financial year/period, calculated as follows:

	Group Period from 1.7.2023 to 30.6.2024 RM'000	1.1.2022 to 30.6.2023 RM'000
Profit/(Loss) attributable to owners of the Company		
- Continuing operations	26,039	7,450
- Discontinued operations	-	(24,118)
	26,039	(16,668)
	Number of shares Unit ('000)	Number of shares Unit ('000)
Weighted average number of ordinary shares in issue		
At 1 July 2023/1 January 2022/		
At 30 June 2024/2023	453,092	445,240
	Basic earnings/(loss) per share (sen)	
- Continuing operations	5.75	1.67
- Discontinued operations	-	(5.42)
	5.75	(3.75)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***34. EARNINGS/(LOSS) PER SHARE (CONTINUED)****(b) Diluted earnings/(loss) per ordinary share**

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

	Group	
	Period from	
	1.7.2023	1.1.2022
	to	to
	30.6.2024	30.6.2023
	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company		
- Continuing operations	26,039	7,450
- Discontinued operations	-	(24,118)
	26,039	(16,668)
	Number of	Number of
	shares	shares
	Unit ('000)	Unit ('000)
Weighted average number of ordinary shares in issue	453,092	445,240
Effect of dilution for:		
- Share Grant Plan (Note 21)	7,431	15,151
Adjusted weighted average number of ordinary shares in issue and issuable	460,523	460,391
Diluted earnings/(loss) per share (sen)		
- Continuing operations	5.65	1.62
- Discontinued operations	-	(5.24)
	5.65	(3.62)

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***35. RELATED PARTIES****(a) Identification of related parties**

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

Related parties of the Group include:

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

(b) Significant related party transactions and balances

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

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Dividend Income				
Subsidiaries	-	-	34,269	4,215

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***35. RELATED PARTIES (CONTINUED)****(c) Key management personnel compensation**

The details of key management personnel compensation during the financial period are as follows:

	Group		Company	
	Period from		Period from	
	1.7.2023	1.1.2022	1.7.2023	1.1.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Salaries, bonus and allowances	672	3,735	35	65
Fees	750	1,287	750	1,287
Contribution to Employees' Provident Fund	67	426	-	-
Share grant expenses	411	3,408	411	3,408
Other emoluments	4	11	-	-
	1,904	8,867	1,196	4,760
Other key management personnel (including director of the subsidiaries)				
Salaries, bonus and allowances	1,438	4,063	-	-
Contribution to Employees' Provident Fund	171	415	-	-
Share grant expenses	724	2,383	-	-
	2,333	6,861	-	-
	4,237	15,728	1,196	4,760

36. SEGMENTAL INFORMATION

The Group has 2 reportable segments, as described below, which are the Group's strategic business units. The following summary describes the operations in each of the Group's reportable segments:

- (a) **Education & Training:** Business of operating educational institutions and provisions educational management services, human resources or human resources development training, consulting, outsourcing, events, learning resources and advisory support services.
- (b) **Technology:** Provide software consultancy and development and its related services.

Other non-reportable segments comprise operations related to investment holding and non-active companies.

CONSOLIDATED FINANCIAL STATEMENTS

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36. SEGMENTAL INFORMATION (CONTINUED)

2024

Revenue:

Revenue from external customers
Inter-segment revenue

Technology RM'000	Investment holding RM'000	Adjustments/ Elimination RM'000	Total RM'000
68,729	360	-	69,089
-	34,269	(34,269)	-
68,729	34,629	(34,269)	69,089
184	-	-	184
-	(648)	-	(648)
(1,847)	-	-	(1,847)
-	(294)	-	(294)
(103)	-	-	(103)
-	(600)	-	(600)
(60)	-	-	(60)
-	110	(110)	-
(4)	-	-	(4)
(65)	-	-	(65)
29,667	32,235	(35,698)	26,204
(165)	-	-	(165)
29,502	32,235	(35,698)	26,039

Results:

Included in the measure of segment profit/(loss)

Interest income
Interest expense
Depreciation of:
- property, plant and equipment
- investment properties
- right-of-use assets
Impairment loss of other receivables
Inventories written down
Loss on disposal of subsidiaries
Property, plant and equipment written off
Gain on derecognition and termination of lease

Segment profit/(loss)

Income tax expense

Profit/(Loss) for the financial year

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

36. SEGMENTAL INFORMATION (CONTINUED)

2023

Revenue:

Revenue from external customers
Inter-segment revenue

Education and training /Others (Discontinued) RM'000	Technology RM'000	Investment holding RM'000	Adjustments/ Elimination RM'000	Total RM'000
195,817	87,613	105	(195,817) *	87,718
21,504	-	4,780	(26,284) #	-
217,321	87,613	4,885	(222,101)	87,718

Results:

Included in the measure of segment (loss)/profit

Interest income
Interest expense
Depreciation of:
- property, plant and equipment
- investment properties
- right-of-use assets
Impairment loss for:
- trade receivables
- goodwill
Amortisation of:
- intangible assets
- contract cost
Inventories written off
Other receivables written off
Loss on disposal of subsidiaries

20	339	1	(20) *	340
(20,796)	(22)	(316)	20,796 *	(338)
(11,127)	(1,456)	(4)	11,127 *	(1,460)
-	-	(171)	-	(171)
(16,880)	(180)	-	16,880 *	(180)
(1,653)	-	-	1,653 *	-
(27,172)	-	-	27,172 *	-
(765)	-	-	765	-
(8,180)	-	-	8,180	-
-	(31)	-	-	(31)
-	-	(5,206)	-	(5,206)
(22,047)	-	-	22,047	-

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

36. SEGMENTAL INFORMATION (CONTINUED)

Results (Continued):

2023

Included in the measure of segment
(loss)/profit (Continued)

Gain on disposal:

- property, plant and equipment

- other investment

Gain on modification, termination and
derecognition of lease

Fair value gain on quoted equity securities

Reversal of impairment loss no longer
required for:

- trade receivables

- other receivables

- right-of-use assets

Segment (loss)/profit

Income tax expense/(credit)

(Loss)/Profit for the financial year

Education and training /Others (Discontinued) RM'000	Technology RM'000	Investment holding RM'000	Adjustments/ Elimination RM'000	Total RM'000
1,290	-	-	(1,290) *	-
-	788	-	- *	788
19,997	20,033	-	(19,997) *	20,033
-	2,400	-	-	2,400
13	-	-	(13)	-
586	-	-	(586) *	-
10,331	-	-	(10,331)	-
(13,971)	33,625	(16,063)	13,971 *	17,562
(3,584)	(230)	-	3,584 *	(230)
(17,555)	33,395	(16,063)	17,555 *	17,332

* The amounts relating to education, training and others segments have been excluded to arrive at amounts shown in the consolidated statement of comprehensive income as they are presented separately in the statements of comprehensive income within one line item, "loss from discontinued operations, net of tax".

Inter-segment revenues are eliminated on consolidation.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***36. SEGMENTAL INFORMATION (CONTINUED)**

Segment profit or loss is measured based on segment profit/(loss) before tax that are reviewed by the Group Managing Director and Executive Directors. The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented.

Information about major customers

Major customers' information represents revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer and a government and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

The Group has a major customer with revenue more than 10% of the Group revenue from the technology segment contributing total revenue of RM47,646,000 (2023: RM42,888,000).

37. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

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

	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
2024			
Group			
Financial assets			
Trade and other receivables *	-	16,225	16,225
Short-term investments	10,382	-	10,382
Fixed deposits placed with licensed banks	-	968	968
Cash and bank balances	-	10,918	10,918
	10,382	28,111	38,493
Financial liabilities			
Trade and other payables #	-	5,964	5,964
Term loan	-	10,584	10,584
	-	16,548	16,548

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***37. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (Continued)**

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

	Amortised cost RM'000	Total RM'000
2024		
Company		
Financial assets		
Trade and other receivables *	1,033	1,033
Cash and bank balances	204	204
	1,237	1,237
Financial liabilities		
Other payables and accruals	866	866
Amount due to subsidiaries	507	507
	1,373	1,373
2023		
Group		
Financial assets		
Trade and other receivables *	14,917	14,917
Fixed deposits placed with licensed banks	589	589
Cash and bank balances	16,296	16,296
	31,802	31,802
Financial liabilities		
Trade and other payables #	8,307	8,307
Term loan	11,368	11,368
	19,675	19,675

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***37. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (Continued)**

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

	Amortised cost RM'000	Total RM'000
2023		
Company		
Financial assets		
Trade and other receivables *	7	7
Cash and bank balances	3,959	3,959
	<hr/> 3,966	<hr/> 3,966
Financial liabilities		
Other payables and accruals	4,721	4,721
Amount due to subsidiaries	34,269	34,269
	<hr/> 38,990	<hr/> 38,990

* *The amount excludes prepayments.*

The amount excludes SST payable.

(b) Fair values**(i) Determination of fair value**

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short-term borrowings, are reasonable approximation of fair value due to the relatively short-term nature of these financial instruments.

In respect of the long-term borrowings with variable interest rates, the carrying amounts approximate fair values as they are repriced to market interest rates for liabilities with similar risk profiles.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

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

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

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

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)****(i) Credit risk (Continued)****Trade receivables and contract assets**

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

The carrying amount of trade receivables and contract assets is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

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

	Group			
	2024		2023	
	RM'000	% of total	RM'000	% of total
Trade receivables				
Technology	10,960	100%	14,312	100%
Contract assets				
Technology	20,873	100%	4,737	100%

The Group applied the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)****(ii) Credit risk (Continued)****Trade receivables and contract assets (Continued)**

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

Group	Gross carrying amount RM'000	ECL allowance RM'000	Net balance RM'000
2024			
Trade receivables			
Current (not past due)	7,781	-	7,781
1 to 30 days past due	614	-	614
More than 30 days past due	973	-	973
More than 60 days past due	543	-	543
More than 90 days past due	577	-	577
More than 120 days past due	472	-	472
Contract assets			
Current (not past due)	20,873	-	20,873
	31,833	-	31,833
2023			
Trade receivables			
Current (not past due)	8,016	-	8,016
1 to 30 days past due	4,429	-	4,429
More than 30 days past due	305	-	305
More than 60 days past due	4	-	4
More than 90 days past due	1,328	-	1,328
More than 120 days past due	230	-	230
Contract assets			
Current (not past due)	4,737	-	4,737
	19,049	-	19,049

The reconciliations of loss allowance for trade receivables and contract assets as at 30 June 2024 and 30 June 2023 are disclosed in Notes 15 and 16 to the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)****(i) Credit risk (Continued)****Other receivables and other financial assets**

For other receivables and other financial assets (including fixed deposits placed with licensed banks and cash and balance balances), the Group and the Company minimise credit risk by dealing with credit worthy counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the intercompany does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired other receivables, the Group and the Company consider the other financial assets as at 30 June 2024 to have low credit risk and the expected credit loss is negligible. The reconciliations of loss allowance for other receivables as at 30 June 2024 are disclosed in Note 15 to the financial statements.

(ii) Liquidity risk

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

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company will ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)****(ii) Liquidity risk (Continued)**Maturity analysis

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

	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
Financial liabilities					
Group					
2024					
Trade and other payables #	5,964	5,964	5,964	-	-
Term loan	10,584	14,078	1,281	5,833	6,964
	16,548	20,042	7,245	5,833	6,964
2023					
Trade and other payables #	8,307	8,307	8,307	-	-
Lease liabilities	116	124	66	58	-
Term loan	11,368	14,078	1,281	4,743	8,054
	19,791	22,509	9,654	4,801	8,054
Company					
2024					
Trade and other payables	866	866	866	-	-
Amount due to subsidiaries	507	507	507	-	-
	1,373	1,373	1,373	-	-
2023					
Trade and other payables	4,721	4,721	4,721	-	-
Amount due to subsidiaries	34,269	34,269	34,269	-	-
	38,990	38,990	38,990	-	-

Exclude SST payable.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***38. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)****(iii) Interest rate risk**

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

Sensitivity analysis for interest rate risk

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

	Change in basis point	Effect on profit/(loss) for the financial year/period Increase/ (Decrease) RM'000	Effect on equity Increase/ (Decrease) RM'000
Group			
30 June 2024	+ 50	(40)	(40)
	- 50	40	40
30 June 2023	+ 50	43	43
	- 50	(43)	(43)

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***39. CAPITAL MANAGEMENT**

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. There were no changes in the Group's approach to capital management during the financial year.

The debt-to-equity ratios as at 30 June 2024 and 30 June 2023 were as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Term loan (Note 24)	10,584	11,368	-	-
Less : Cash and bank balances	(10,918)	(16,296)	(204)	(3,959)
Less : Fixed deposits placed with licensed banks	(968)	(589)	-	-
Net debts	(1,302)	(5,517)	(204)	(3,959)
Total equity attributable to the owners of the Company	68,548	41,597	82,794	47,854
Total equity plus net debts	67,246	36,080	82,590	43,895
Gearing ratio	#	#	#	#

Not meaningful.

The Group does not have any externally imposed capital requirement other than a debt to service coverage ratio of a subsidiary in respect of term loan facility as disclosed in Note 24 to the financial statements.

40. COMPARATIVE FIGURES

The comparative figures of the preceding financial period covered a period of 18 months from 1 January 2022 to 30 June 2023 whilst the figures of the current financial year's financial statements covered a period of 12 months from 1 July 2023 to 30 June 2024.

Accordingly, the statements of comprehensive income, statements of cash flows and its related notes are not in respect of comparable period.

CONSOLIDATED FINANCIAL STATEMENTS*(Continued)***STATEMENT BY DIRECTORS**

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **TAN SRI DATO' DR. PALANIAPPAN A/L RAMANATHAN CHETTIAR** and **SUBRAMANIAN A/L AMAMALAY**, being two of the directors of **SMRT HOLDINGS BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 67 to 140 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
TAN SRI DATO' DR. PALANIAPPAN
A/L RAMANATHAN CHETTIAR
 Director

.....
SUBRAMANIAN A/L AMAMALAY
 Director

Date: 25 October 2024

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **CHU KHEH WEE**, being the director primarily responsible for the financial management of **SMRT HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 67 to 140 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

.....
CHU KHEH WEE

MIA Membership No.: CA 15220

Subscribed and solemnly declared by the abovenamed at Putrajaya in the Federal Territory on 25 October 2024.

Before me,

.....
MOHD AIMI ZAINI BIN MOHD AZHAR (BC/M/692)

NO PJS W720

Commissioner for Oaths

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMRT HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SMRT Holdings Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to financial statements, including material accounting policy information, as set out on pages 67 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Key Audit Matters

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

Group

Trade receivables (Note 4(a) and Note 15 to the financial statements)

The Group has significant trade receivables as at 30 June 2024. We focused on this area because the directors made significant judgements over assumptions about risk of default and expected loss rate. In making the assumption, the directors selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking information at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- Understanding of any significant credit exposures of receivables which were significantly overdue or deemed to be in default through analysis of ageing report prepared by the Group;
- Obtaining confirmation of balances from selected receivables;
- Checking subsequent receipt after financial year end and considering the level of activity with the customers and management explanation on recoverability with significant past due balances; and
- Testing the mathematical calculation of expected credit loss as at the end of the reporting period.

Company

Investment in a subsidiary (Note 4(b) and Note 8 to the financial statements)

The Company has a significant balance of investment in a subsidiary. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in the subsidiary. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Key Audit Matters (Continued)

Company (Continued)

Investment in a subsidiary (Note 4(b) and Note 8 to the financial statements) (Continued)

Our response:

Our audit procedures included, among others:

- Comparing the actual results with previous budget to understand the performance of the business;
- Comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions;
- Testing the mathematical accuracy of the impairment assessment; and
- Performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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.

CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2024 J
Chartered Accountant

Kuala Lumpur

Date: 25 October 2024

LIST OF PROPERTIES

No.	Name of Registered Owner / Beneficial Owner: Lot. No./Postal address	Description / Existing Use	Land area / Built- up area (sq ft)	Freehold / Leasehold	Approximate Age of Building	Date of Acquisition	Net book value as at 30 June 2024 (RM'000)
1	<p>Strategic Ambience Sdn Bhd</p> <p>i). Nos. 017545961, 017545970, 017545989, 017545998 and 017546002, Likas in the District of Kota Kinabalu.</p> <p>ii). Nos. 017546011, 017546020 and 017546039, likas in the District of Kota Kinabalu.</p> <p>Postal Address</p> <p>Lots 33 -40, Lorong Juta 5, Plaza Juta, Batu 4, Jalan Tuaran Likas, 88400 Kota Kinabalu, Sabah.</p>	Eight (8) adjoining units of four storey terrace shop/office comprising six (6) units of intermediate units and two (2) corner units / Campus	14,164 / 56,656	Leasehold	16 years	20-12-2022	RM14,235

(Date of last revaluation: 24th May 2022)

The property has been pledged as security by way of a Facility Agreement and Deed of Assignment to secure banking facilities as disclosed in Note 24 on Page 113 to the Financial Statements.

ANALYSIS OF SHAREHOLDINGS

As At 30 September 2024

SHARE CAPITAL

Total number of Issued Shares : 452,960,251 (excluding Treasury Shares of 2,283,100)
 Class of shares : Ordinary Shares
 Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of shares	%
1 – 99	397	15.55	12,173	0.00
100 – 1,000	487	17.94	208,476	0.05
1,001 – 10,000	913	35.85	4,757,818	1.05
10,001 – 100,000	582	22.85	19,873,610	4.39
100,001 – 1,000,000	151	5.93	42,103,491	9.3
Over 1,000,000	48	1.88	386,004,683	85.22
TOTAL	2,547	100.00	452,960,251	100.00

DIRECTORS' SHAREHOLDINGS

Directors	Direct		Indirect	
	No. of Shareholdings	%	No. of Shareholdings	%
Subramanian A/L Amamalay	1,367,033	0.302	-	-
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar	60,704,515	13.402	71,589,272	15.805 ⁽¹⁾
Maha Ramanathan Palan	2,985,138	0.659	-	-
Chu Kheh Wee	500,000	0.110	-	-
Lim Kwee Yong	50,000	0.011	-	-
Ng Kit Ching	50,000	0.011	-	-
Ir HjH Kamaliah Binti Abdul Kadir	-	-	-	-

SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shareholdings	%	No. of Shareholdings	%
Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar	60,704,515	13.402	71,589,272	15.805 ⁽¹⁾
Puan Sri Datin Kamatchi @ Valliammai A/P Malayandi	-	-	132,293,787	29.206 ⁽²⁾
Special Flagship Holdings Sdn Bhd	71,589,272	15.805	-	-

Notes:

- (1) Deemed interested by virtue of his shareholdings in Special Flagship Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (2) Deemed interested by virtue of her shareholdings in Special Flagship Holdings Sdn Bhd and the shareholdings of her husband, Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar pursuant to Section 8 and 197 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS*(Continued)***LIST OF TOP 30 SHAREHOLDERS**

No	Name	No. of Shareholdings	%
1	Special Flagship Holdings Sdn Bhd	71,589,272	15.80
2	Palaniappan A/L Ramanathan Chettiar	60,704,515	13.40
3	Bayu Kenanga Sdn Bhd	21,930,000	4.84
4	Victory Platinum Sdn Bhd	21,714,787	4.79
5	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Employees Provident Fund Board (Aberdeen)	17,649,400	3.90
6	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Urusharta Jamaah Sdn Bhd (Aberdeen 2)	11,004,300	2.43
7	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Urusharta Jamaah Sdn Bhd (AHAM AM 2)	10,983,900	2.42
8	Maybank Securities Nominees (Tempatan) Sdn Bhd Beneficiary: One IFC Residence Sdn Bhd	10,796,000	2.38
9	Bidadari Cahaya Sdn Bhd	10,191,000	2.25
10	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Lembaga Tabung Haji (Aiiman)	9,784,700	2.16
11	Yeoh Yew Choo	9,671,100	2.14
12	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd For Principal Islamic Small Cap Opportunities Fund	9,658,000	2.13
13	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For AIA Bhd	9,353,800	2.07
14	HSBC Nominees (Asing) Sdn Bhd Beneficiary: Exempt For An Morgan Stanley & Co International Plc (IPB Client Acct)	8,150,000	1.80
15	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Exempt For An Citibank New York (Norges Bank 19)	7,116,600	1.57
16	Kenanga Securities Nominees (Tempatan) Sdn Bhd Beneficiary: One IFC Hotel Sdn Bhd	6,767,600	1.49
17	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For AIA Public Takaful Bhd	6,747,200	1.49
18	Cartaban Nominees (Asing) Sdn Bhd Beneficiary: Exempt An For LGT Bank AG (Foreign)	6,700,000	1.48
19	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Maybank Trustees Berhad For Areca Equity Trust Fund (211882)	6,555,300	1.45
20	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Urusharta Jamaah Sdn. Bhd. (Maybank 2)	6,396,800	1.41
21	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Urusharta Jamaah Sdn. Bhd. (Principal 2)	6,250,000	1.38
22	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustees Berhad For Principal Lifetime Balanced Income Fund	5,083,300	1.12

ANALYSIS OF SHAREHOLDINGS*(Continued)*

No	Name	No. of Shareholdings	%
23	CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad - Kenanga Malaysia Inc Fund	3,828,400	0.85
24	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Employees Provident Fund Board (CIMB Prin)	3,317,700	0.73
25	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For Maybank Islamic Asset Management Sdn Bhd (Omnibus Trust Account For Clients)	3,292,300	0.73
26	Maybank Securities Nominees (Tempatan) Sdn Bhd Beneficiary: CMY Incubator Sdn Bhd	3,112,800	0.69
27	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Maha Ramanathan Palan (MF00605)	2,985,138	0.66
28	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: MTrustee Bhd For Aiiman TNB RBTF (EQ) (433139)	2,857,700	0.63
29	Malayandi Subu Palan	2,685,138	0.59
30	HSBC Nominees (Asing) Sdn Bhd Beneficiary: HSBC-FS G For Lion Global Malaysia Fund	2,654,200	0.59
	TOTAL:	359,530,950	79.37

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth (20th) Annual General Meeting ("**AGM**") of SMRT Holdings Berhad ("**SMRT**" or "**Company**") will be held at Grand Hall, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan on Tuesday, 10 December 2024 at 2.00 p.m. for the following purposes:

AGENDA

ORDINARY BUSINESS:

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Directors' Report and Auditors' Report thereon. | Explanatory Note 1 |
| 2. To approve the payment of Directors' fees to be paid to Directors from 11 December 2024 until the conclusion of the next Annual General Meeting. | Resolution 1
Explanatory Note 2 |
| 3. To approve the payment of meeting allowances to be paid to Non-Executive Directors from 11 December 2024 until the conclusion of the next Annual General Meeting. | Resolution 2
Explanatory Note 2 |
| 4. To re-elect the following Directors who retire by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, offer themselves for re-election:
(a) Ms Ng Kit Ching
(b) Mr Subramanian A/L Amamalay | Resolution 3
Resolution 4
Explanatory Note 3 |
| 5. To re-elect Ir Hj Kamaliah Binti Abdul Kadir who retires by casual vacancy pursuant to Clause 104 of the Company's Constitution and being eligible, offers herself for re-election. | Resolution 5
Explanatory Note 3 |
| 6. To re-appoint Messrs Baker Tilly Monteiro Heng, PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration | Resolution 6
Explanatory Note 4 |

SPECIAL BUSINESS:

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

- | | |
|---|---|
| 7. ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Section 75 and Section 76 of the Companies Act 2016 and subject always to the Constitution of the Company, the ACE Market Listing Requirements and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby given full authority to allot and issue shares in the Company, 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 issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being
AND THAT the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act 2016, whichever is the earlier. | Resolution 7
Explanatory Note 5 |
|---|---|

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING*(Continued)*

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the existing shareholders of the Company to be offered new shares of the Company which rank equally to the existing shares of the Company **AND THAT** the Board of Directors is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to Section 75 and Section 76 of the Companies Act 2016."

8. **ORDINARY RESOLUTION
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING
NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

Resolution 8
Explanatory Note 6

"**THAT** pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Group**") to enter into the recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders of the Company dated 30 October 2024, which are necessary for the Group's day-to-day operations in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (i) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing any relevant documents) in the interest of the Company, as they consider expedient or necessary with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to complete and give effect to the aforesaid mandate."

ANY OTHER BUSINESS:

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

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Continued)

BY ORDER OF THE BOARD

LIM LI HEONG (MAICSA 7054716)
PRACTICING CERTIFICATE NO. 202008001981
WONG MEE KIAT (MAICSA 7058813)
PRACTICING CERTIFICATE NO. 202008001958
Company Secretaries

Kuala Lumpur
Dated: 30 October 2024

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Level 8, Tower Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
6. Only members whose names appear in the Record of Depositors on 4 December 2024 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
7. All resolutions set out in this notice will be put to vote by poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Continued)

EXPLANATORY NOTES:

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

This item on the agenda is meant for discussion only. The provision of Section 340(1) of the Companies Act 2016 requires that the Audited Financial Statements and the Directors' Report and Auditors' Report thereon be laid before the Company at its AGM. As such, this item of the agenda is not a business which requires a resolution to be put to vote by shareholders.

2. DIRECTORS' REMUNERATION

Section 230(1) of the Companies Act 2016 provides, among others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors of the Company at the 20th AGM:

Ordinary Resolution 1 seeks approval for payment of Directors' fees to be paid to Directors of the Company from 11 December 2024 until the conclusion of the next AGM of the Company as stated below.

Ordinary Resolution 2 seeks approval for payment of meeting allowances to be paid to Non-Executive Directors of the Company from 11 December 2024 until the conclusion of the next AGM of the Company as stated below:

Board/ Board Committees (Position)	Meeting Allowances (Per Meeting)	Directors' Fees (Per Director per month)		
		Executive Directors	Non- Independent Non-Executive Directors	Independent Non-Executive Directors
	RM	RM	RM	RM
Board of Directors		Up to 10,000	Up to 40,000	Up to 3,000
- Chairman	1,000			
- Non-Executive Directors	500			
Audit and Risk Management Committee		-		
- Chairman	1,000			
- Member	500			
Nomination and Remuneration Committees		-		
- Chairman	1,000			
- Member	500			

3. RE-ELECTION OF DIRECTORS

The profile of the Directors who are standing for re-election under items 4 and 5 of the agenda is set out in the Directors' Profile of the 2024 Annual Report.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following retiring Directors and supports their re-election based on the justifications as stated below:

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Continued)

Ordinary Resolution 3 - Re-election of Ms Ng Kit Ching as Independent Non-Executive Director

The Nomination Committee was satisfied that Ms Ng Kit Ching fulfils the requirement of independence as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the prescribed criteria under the Malaysian Code on Corporate Governance 2021. She has shown high commitment and devoted sufficient time and effort and attended all Board meetings for informed and balanced decision making. She always demonstrates the values and principles associated with independence when deliberating on matters in meetings. She exercised her due care and carried out her professional duties proficiently. Shareholders' approval is sought for the re-election of Ms Ng Kit Ching under **Ordinary Resolution 3**.

Ordinary Resolution 4 - Re-election of Mr Subramanian A/L Amamalay as Non-Independent Non-Executive Director

The Nomination Committee concluded that Mr Subramanian A/L Amamalay has over thirty (30) years of managerial and leadership experience in various organizations from finance, education and consulting. Based on his extensive experience, he has provided valuable insights and perspectives on the Group's business and assists in developing the Group's business strategy. Shareholders' approval is sought for the re-election of Mr Subramanian A/L Amamalay under **Ordinary Resolution 4**.

Ordinary Resolution 5 - Re-election of Ir Hj Kamaliah Binti Abdul Kadir as Independent Non-Executive Director

In accordance with Clause 104 of the Company's Constitution, a Director appointed by the Board shall hold office only until the conclusion of the next AGM and shall then be eligible for re-election. Ir Hj Kamaliah Binti Abdul Kadir who was appointed as Director of the Company on 5 April 2024 shall retire pursuant to Clause 104 of the Company's Constitution and being eligible, offers herself for re-election as Director of the Company at the 20th AGM. Shareholders' approval is sought for the re-election of Ir Hj Kamaliah Binti Abdul Kadir under **Ordinary Resolution 5**.

4. RE-APPOINTMENT OF AUDITORS

The Audit and Risk Management Committee was satisfied that the auditors, Messrs Baker Tilly Monteiro Heng PLT meets the relevant criteria prescribed by Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board of Directors had on 19 August 2024 approved the recommendation of the Audit and Risk Management Committee to seek shareholders' approval for **Ordinary Resolution 6** at the 20th AGM.

5. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 7 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Section 75 and Section 76 of the Companies Act 2016. If passed, it will give the Directors of the Company authority to issue shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares, if any) of the Company at any time in their absolute discretion without the need to convene a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company. The general mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s). The Board is of the opinion that the 10% general mandate is in the best interest of the Company and its shareholders.

The Company has not issued new shares pursuant to the Section 75 and Section 76 of the Companies Act 2016 under the general mandate sought at the 19th AGM held on 6 December 2023, which will lapse upon the conclusion of the forthcoming 20th AGM to be held on 10 December 2024.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Continued)

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, the shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares of the Company. In order for the Board to issue any new shares, such pre-emptive rights must be waived. By you voting in favour of the proposed Ordinary Resolution 7, you will be waiving your statutory pre-emptive rights and the proposed Ordinary Resolution 7, if passed, will exclude your statutory pre-emptive rights to be offered any new shares to be allotted and issued by the Company pursuant to Section 75 and Section 76 of the Companies Act 2016, which will result in a dilution to your shareholdings in the Company

6. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

The proposed **Ordinary Resolution 8** if passed, will enable the Company and its subsidiaries ("**Group**") to enter into the recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders of the Company dated 30 October 2024, which are necessary for the Group's day-to-day operations in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors seeking re-election at the Twentieth (20th) Annual General Meeting ("**AGM**") of the Company are as follows:

- (1) Pursuant to Clause 97 of the Company's Constitution:
 - (i) Ms Ng Kit Ching
 - (ii) Mr Subramanian A/L Amamalay
- (2) Pursuant to Clause 104 of the Company's Constitution:
 - (i) Ir Hj Kamaliah Binti Abdul Kadir

The profile of the Directors who are seeking re-election at the 20th AGM of the Company is set out in the "Directors' Profile" section on pages 4, 9 and 10 of the Company's 2024 Annual Report.

The details of any interest in securities held by the above Directors are set out in "Directors' Report" section on pages 58 to 66 of the Company's 2024 Annual Report.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 7 as set out in the Notice of 20th AGM of the Company for the details.

FORM OF PROXY

SMRT

HOLDINGS BERHAD

Registration No. 200401021019 (659523-T)
(Incorporated in Malaysia)*I/We *NRIC/Company No
(Block Letters)

of

being a *member/members of the abovenamed Company, hereby appoint

*NRIC/Company No of

Telephone Number Email Address

or failing *him/her, *NRIC/Company No

of

Telephone Number Email Address

or failing *him/her, the CHAIRMAN of the meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting ("**AGM**") of SMRT Holdings Berhad to be held at Grand Hall, Level 4, Academic Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan on Tuesday, 10 December 2024 at 2.00 p.m. or at any adjournment thereof in the manner indicated below :

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees to be paid to Directors from 11 December 2024 until the conclusion of the next Annual General Meeting.		
2.	To approve the payment of meeting allowances to be paid to Non-Executive Directors from 11 December 2024 until the conclusion of the next Annual General Meeting.		
3.	To re-elect Ms Ng Kit Ching who retires by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, offers herself for re-election.		
4.	To re-elect Mr Subramanian A/L Amamalay who retires by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, offers himself for re-election.		
5.	To re-elect Ir Hj Kamaliah Binti Abdul Kadir who retires by casual vacancy pursuant to Clause 104 of the Company's Constitution and being eligible, offers herself for re-election.		
6.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016.		
8.	Proposed New Shareholders' Mandate.		

Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.

Number of Shares	
CDS Account No	
Date	

Signature of Member / Common Seal

Fold This Flap For Sealing

Notes :

1. *A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Level 8, Tower Block, University of Cyberjaya, Persiaran Bestari, Cyber 11, 63000 Cyberjaya, Selangor Darul Ehsan not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *Only members whose names appear in the Record of Depositors on 4 December 2024 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
7. *All resolutions set out in this notice will be put to vote by poll.*

***Delete where inapplicable**

Fold Here

Affix
Stamp
here

SMRT HOLDINGS BERHAD

Registration No. 200401021019 (659523-T)

Level 8, Tower Block,
University of Cyberjaya,
Persiaran Bestari, Cyber 11
63000 Cyberjaya
Selangor Darul Ehsan
Malaysia

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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Subramanian A/L Amamalay
Non-Independent Non-Executive Chairman

Tan Sri Dato' Dr Palaniappan A/L Ramanathan Chettiar
Non-Independent Non-Executive Director

Mr Maha Ramanathan Palan
Group Managing Director

Mr Chu Kheh Wee
Executive Director

Ms Lim Kwee Yong
Senior Independent Non-Executive Director

Ms Ng Kit Ching
Independent Non-Executive Director

Ir Hj Kamaliah Binti Abdul Kadir
Independent Non-Executive Director
(Appointed as Independent Non-Executive Director on 5 April 2024)

Mr Arthur Jack Hogarth
(Resigned as Independent Non-Executive Director on 5 July 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ms Lim Kwee Yong
Chairman

Ms Ng Kit Ching
Member

Ir Hj Kamaliah Binti Abdul Kadir
(Appointed as Member on 5 July 2024)

Mr Arthur Jack Hogarth
(Resigned as Member on 5 July 2024)

NOMINATION COMMITTEE

Ms Lim Kwee Yong
Chairman

Ms Ng Kit Ching
Member

Ir Hj Kamaliah Binti Abdul Kadir
(Appointed as Member on 5 July 2024)

Mr Arthur Jack Hogarth
(Resigned as Member on 5 July 2024)

REMUNERATION COMMITTEE

Ms Lim Kwee Yong
Chairman

Ms Ng Kit Ching
Member

Ir Hj Kamaliah Binti Abdul Kadir
(Appointed as Member on 5 July 2024)

Mr Arthur Jack Hogarth
(Resigned as Member on 5 July 2024)

COMPANY SECRETARIES

Ms Lim Li Heong
MAICSA 7054716
Practicing Certificate No. 2020080001981

Ms Wong Mee Kiat
MAICSA 7058813
Practicing Certificate No. 2020080001958

Acclime Corporate Services Sdn Bhd
Level 5, Tower 8, Avenue 5
Horizon 2, Bangsar South City
59200 Kuala Lumpur

Telephone : +603 2280 6388
Email : listcomalaysia@acclime.com

EXTERNAL AUDITORS

Baker Tilly Monteiro Heng PLT (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Telephone : +603 2297 1000
Facsimile : +603 2282 9980
Website : www.bakertilly.my
Email : zuwei.ng@bakertilly.my

Partner-in-charge : Mr Ng Zu Wei

SOLICITOR

Messrs Aaron Sankar & Co
Suite K.2.13, Level 2, Block K,
Solaris Mont Kiara,
Jalan Solaris,
50480 Kuala Lumpur.

Telephone : +603 6413 3800
Email : asc@asclaw.my

REGISTERED & CORPORATE OFFICE

Level 8, Tower Block, University of Cyberjaya, Persiaran Bestari, Cyber 11 63000 Cyberjaya, Selangor D.E

Telephone : +603 2770 9199
Facsimile : +603 2770 9099
Website : www.smrt.holdings
Email : investors@smrt.holdings

Contact person: Ms Winnie Ow

REGISTRAR

Insurban Corporate Services Sdn Bhd
149 Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur

Telephone : +603 7729 5529
Facsimile : +603 7728 5948
Email : insurban@gmail.com

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad

Stock name : SMRT
Stock code : 0117

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Bank Muamalat Malaysia Berhad

INVESTORS RELATIONS

Website : www.smrt.holdings
Email : investors@smrt.holdings

SMRT

HOLDINGS BERHAD

A SMRT Holdings Berhad
Registration No. 200401021019 (659523-T)
Level 8, Tower Block, University of Cyberjaya,
Persiaran Bestari, Cyber 11 63000
Cyberjaya, Selangor, Malaysia

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