



Reg. Trademark No. 85/B03843

SKB SHUTTERS CORPORATION BERHAD

199701014865 (430362-U)

Safeguarding a greener and better world



Annual Report 2024

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27th **ANNUAL** **GENERAL** **MEETING**



28 November 2024 (Thursday)



2:00 p.m.



Online meeting platform at
<https://pasb-online.digerati.com.my>

Management Discussion and Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

SKB Shutters Corporation Berhad ("SKB") specializes in manufacturing of roller shutters, steel doors and storage and handling system and is listed on the Main Market of Bursa Malaysia Securities Berhad since 28 March 2001. SKB Shutters Manufacturing Sdn. Bhd. and SKB Storage Industries Sdn. Bhd. are main subsidiaries of the Group.

Following the Group's listing on the stock exchange, its main objective has led to the expansion in its regional coverage, product innovation, manufacturing capability and capacity. The Group strives to achieve the vision of being recognized as the largest roller shutter and storage system manufacturer in South East Asia.

For the financial year ended 2024, the Group's mission is to be the preferred supplier of roller shutters, steel doors and storage system products in the industry. In enhancing shareholders' value, the Group is committed in providing the well-engineered, thoroughly designed products for security, safety and reliable solutions. The aim to continuously exceed customers' expectations with satisfactory service and delivery as well as innovating useful, functional and high-performance product is integral in achieving these goals.

The Group also emphasize on succession planning in its respective integral divisions to ensure learning, leading and succession opportunities are identified for group-wide employees to excel and be rewarded.

Over the past years, eager research and development efforts has been deployed with product testing for roller shutters, metal doors and racking systems carried out for both R&D and regulatory testing purposes. This includes the all-new powerless flood shutters, extended length and S5 shelving systems and oversized fire-rated metal doors. The Group is positively expecting these products to contribute to competitive edge in specific industries and bring about increased exposure to wider range of projects segments locally and internationally.

PERFORMANCE OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	FYE 30 June 2024 RM'000	FYE 30 June 2023 RM'000	Changes (%)
Revenue	115,731	112,136	3.21
Result From Operating Activities	23,494	20,192	16.35
Interest Income	1,059	408	159.56
Interest Expense	(2,569)	(2,237)	14.84
Profit before Tax	21,984	18,363	19.72
Tax Expense	(5,615)	(3,368)	66.72
Profit/(Loss) after Tax	16,369	14,995	9.16
Basic Earnings Per Ordinary Share (sen)	12.40	11.36	

FINANCIAL RESULTS

The Group's revenue grew by 3.21% from RM112.136 million in FYE 30 June 2023 to RM115.731 million in the financial year under review. The growth in revenue was primarily driven by the expansion of the domestic construction sector, particularly within the logistics and industrial segments. The Group also benefited from the rise in both domestic and foreign investments into Malaysia, which contributed to this positive performance.

The Group recorded an increase in profit before tax of RM3.621 million from RM18.363 million in FYE 30 June 2023. The improvement in net profit before tax is a testament to the Group's ongoing initiatives to optimize operational efficiencies and streamline work processes across all divisions. These efforts have not only reduced costs but also enhanced productivity and overall performance. Additionally, the Group has experienced a rise in sales of high-performance products, which are characterized by their superior quality, innovation, and added value. These products command better margins compared to standard offerings, further contributing to the increase in profitability. This strategic focus on both operational excellence and premium product offerings has positioned the Group to capitalize on market opportunities while maintaining sustainable financial growth.

With improve earnings, the Group's financial position was further strengthened with total equity increased to RM132.413 million as at 30 June 2024. The Group's total assets as at FYE 2024 had increased to RM248.348 million from RM227.173 million in FYE 2023.

Management Discussion and Analysis

REVIEW OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Business Operations

The financial year ended 30 June 2024 was supported by the rebound of the domestic economy in the construction sector, with the continued progress in the commercial and industrial sectors, particularly in the logistics, digital infrastructure centers and industrial buildings sectors.

SKB Racking Complies with Australian Standard

Our storage systems adhere to the Australian Standard 4084.1:2023, underscoring our commitment to delivering the highest standards of safety and quality. This achievement, fueled by continuous innovation, marks a key milestone for the Group as we expand our market presence in Australia and New Zealand. With the growing emphasis on workplace safety and health, the demand for racking systems that meet these standards is expected to rise, positioning us to effectively cater to these emerging needs.

Oversized Fire-Rated Door

This year, the Group successfully tested Malaysia's largest Metal Fire-Rated Door, conforming to MS:1073 standards. This innovation breakthrough allows us to enhance our product offerings, catering to the growing industrial and commercial demand for larger fire-rated door solutions. It underscores our commitment to meeting customer needs for safety and compliance in larger structural openings.

Extreme Weather Wind Resistant Shutter

Aligned with the Group's focus on social innovation and risk mitigation, we successfully tested our Heavy Duty Shutter to meet Categories 4 and 5 of the Hurricane Scale. This achievement reflects our dedication to creating products that protect lives, property, and assets from extreme weather events.

Fire Shutter Conforms to BS EN1634

As part of our strategy to expand into export markets, SKB's Fire Shutter now conforms to BS EN1634, in addition to holding certifications for UL, Singapore Standard, and Malaysian Standard. This certification further strengthens our global competitiveness and ability to serve diverse markets with high-quality fire safety solutions.

BUSINESS RISKS

The key risks that the Group currently faces in its business operations include among others market competition. The management of the material key risks are as below:

- Market competition

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

- Rising manufacturing and financing costs

Global inflation has risen over the past two years. There is a huge pressure on rising labour costs, financing costs and currency volatility. This Group manages this volatility by managing the uncertainty while not disrupting the demand and supply equation. In addition, the Group continues to improve its costs structure by improving the manufacturing efficiency and procurement strategies to minimize adverse impact to the sales of the Group.

The Group will continue to monitor the price fluctuations of input costs and exercise prudence to ensure stability of our finances and business operations.

Management Discussion and Analysis

FORWARD LOOKING STATEMENT

The Group remains optimistic about future growth, supported by the expansion of the Malaysian economy. With the increase in Foreign Direct Investments (FDI) into Malaysia, we anticipate continued opportunities, particularly within the growing construction segment. As demand for high-quality building materials rises, the Group is well-positioned to leverage these developments, driving sustainable growth and enhancing our market presence. At the same time, the Group will remain vigilant and resilient in managing rising costs, including raw material price volatility and manufacturing overheads, to ensure operational efficiency and profitability.

These strategic initiatives led by the Group are designed to foster value and growth during challenging and uncertain times:

- i. Enhance our internal competencies;
- ii. Expand our core business segments; and
- iii. Transform our organization to be more adaptive and responsive to our operating environment.

The Group continues to position itself as a solution provider rather than merely a manufacturer and supplier. By increasingly integrating automation and complementary products within the Group's portfolio and forming close partnerships with industry experts, clients can access comprehensive industry solutions instead of having to consolidate various products into a single system or setup.

Corporate Structure



Reg. Trademark No. 85/B03843

SKB SHUTTERS CORPORATION BERHAD

Registration No.: 199701014865 (430362-U)

INVESTMENT HOLDING



100%

SKB Shutters Manufacturing Sdn. Bhd.

Registration No.: 197701001003 (31982-W)

Manufacture and sale of roller shutters, racking systems, storage system and related steel products

100%

SKB Storage Industries Sdn. Bhd.

Registration No.: 200101022164 (557922-U)

Manufacture and sale of roller shutters, racking systems, storage system and related steel products

100%

SKB Shutters (S) Pte. Ltd.

Registration No.: 200909146H

Trading of roller shutters, racking systems and storage systems



Corporate Information

Corporate Information

Sin Kheng Lee
(Executive Chairman)

Sin Siew Huey
(Group Managing Director)

Sin Ching San
(Executive Director)

Chou Lee Sin
(Executive Director)

Sin Tze Yi
(Executive Director)

Ng Swee Weng
(Independent Non-Executive Director)

Amnah Apasra Emir Binti Moehamad Izat Emir
(Independent Non-Executive Director)

Ir Yeoh Yen Shiong
(Independent Non-Executive Director)

Company Secretary

Teoh Wei Yee
Company Secretary
SSM PC No.: 201908000052
MAICSA 7066750

Registered Office

Lot 22, Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel. no.: 603-6157 2277
Fax no.: 603-6157 2211

Principal Bankers

- Malayan Banking Berhad
Registration No.: 196001000142 (3813-K)
- Ambank (M) Berhad
Registration No.: 196901000166 (8515-D)
- Hong Leong Bank Berhad
Registration No.: 193401000023 (97141-X)

Audit Committee

- Ng Swee Weng
(Chairman)
- Amnah Apasra Emir Binti Moehamad Izat Emir
(Member)
- Ir Yeoh Yen Shiong
(Member)

Nominating Committee

- Ir Yeoh Yen Shiong
(Chairman)
- Ng Swee Weng
(Member)
- Amnah Apasra Emir Binti Moehamad Izat Emir
(Member)

Remuneration Committee

- Amnah Apasra Emir Binti Moehamad Izat Emir
(Chairman)
- Ng Swee Weng
(Member)
- Ir Yeoh Yen Shiong
(Member)

Registrar

Securities Services (Holdings) Sdn. Bhd.
(Reg. No. 197701005827 (36869-T))
Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 Penang, Malaysia.
Tel. no.: +604 263 1966
Fax no.: +604 262 8544
Email: info@sshbs.com.my

Auditors

KPMG PLT (Firm No. LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei
10250 Penang

Principal Place of Business

Lot 22, Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Website: www.skb-shutters.com
Tel. no.: 603-6157 2277
Fax no.: 603-6157 2211

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
("Bursa Securities")

Directors' Profile / Key Senior Management

Sin Kheng Lee

*Executive Chairman/Chief Executive Officer
(referred to as Executive Chairman)
Key Senior Management*

Age: 67 | M

Mr Sin Kheng Lee was appointed to the Board of SKB on 10 February 2001. He holds a Diploma in Mechanical Engineering in 1979 from the Taipei Institute of Technology in Taiwan. Upon graduation, he started his career with Sin Kean Boon Industries Sdn. Bhd. for 13 years until his resignation in May 1992. During his tenure in the company, he was the Director-in-charge of the Kuala Lumpur branch from the year 1982 till May 1992.

He subsequently pursued his career in manufacturing roller shutters where he was appointed Managing Director of SKB Shutters Manufacturing Sdn. Bhd. ("SKBM") on the 25 June 1992 and SKB Storage Industries Sdn. Bhd. ("STO") on 4 September 2001 respectively. He is currently responsible for the overall developments of products and businesses in SKBM and STO, including overseeing manufacturing, administrative and operating functions of the Group. With his vast experience of more than 40 years in the roller shutters industry, he has successfully brought about the rapid expansion, modernization and diversification of the Group's manufacturing activities, hence provided the necessary guidance and contribution towards management activities of the Group. He also sits on the Board of all subsidiaries of SKB and several other private companies.

He was appointed as a committee member of the Malaysia Fire Protection Association from 2009 till 2011. Mr Sin was awarded Successful CEOs by BrandLaureate Brandpreneur Award in 2016, Most Outstanding Alumni by the National Taiwan University of Technology in 2017 and 2019, the Modal Entrepreneur Award from the National Innovation and Entrepreneurship Association, R.O.C. (Taiwan) in 2022.

Sin Siew Huey

*Group Managing Director/
Chief Financial Officer
(referred to as Group Managing Director)
Key Senior Management*

Age: 42 | F

Ms Sin Siew Huey was appointed to the Board on 15 July 2009. She graduated from Swinburne University of Technology in Melbourne with a Master in Accounting in 2005 and Bachelor in Business, majoring in Economics and Finance from RMIT University in 2004. Upon graduation, she started her career in KPMG Malaysia as an Auditor in the field of banking and finance, and Corporate Finance much later. She is a member of the CPA Australia. She is responsible for the overall administration and financial matters of SKB Group. She also sits on the Board of all subsidiaries of SKB and several other private companies. In 2019, Ms Sin is appointed as Committee Member of the Malaysian Fire Protection Association.

Sin Ching San

*Executive Director
Key Senior Management*

Age: 56 | M

Mr Sin Ching San was appointed to the Board of SKB on 10 February 2001. He began his career shortly after completing his secondary education and Diploma studies in Taiwan. He has over 30 years of experience and exposure in the roller shutters and steel-work industry. He was appointed to the Board of SKBM on 25 June 1992. He also sits on Board of a few subsidiaries of SKB and several other private companies. He heads the Research and Development Department of the Group, whereby his responsibilities include improvement of productivities and quality of roller shutters and other related steel-work products through innovation.

Directors' Profile / Key Senior Management

Chou Lee Sin

Executive Director

Age: 65 | F

Ms Chou Lee Sin was appointed to the Board of SKB on 10 February 2001. She obtained a Diploma in Synthetic Commerce from Taipei, Taiwan. She started her career in Malaysia in 1982 whereby she was attached to Sin Kean Boon Metal Industries Sdn. Bhd.. She was stationed in the Kuala Lumpur branch office and was responsible for the overall administration and financial matters. In May 1992 she joined SKBM as the General Manager and was subsequently appointed as a Director of SKBM on 26 June 1997. With her experience of over 40 years in the roller shutters and steel-work industry, Ms Chou oversees administration and financial matters within the Group. She also sits on the Board of a few subsidiaries of SKB and several other private companies. Ms Chou was awarded Outstanding Business Women in Malaysia by China Press in 2018.

Sin Tze Yi

Executive Director

Age: 37 | F

Ms Sin Tze Yi was appointed to the Board on 29 February 2016. She resigned on 28 November 2017 and was re-appointed on 4 December 2017. A Master of Applied Finance graduate of Monash University Melbourne, Ms Sin also holds a Bachelor of Commerce (Accounting & Finance) degree from University of Melbourne. A member of CPA Australia, she began her career at KPMG Consulting in Financial Risk Management specialising in operational risk in the banking and finance sector. She is responsible for the overall business development of SKB Group. She also sits on the Board of all subsidiaries of SKB and several other private companies.

Ng Swee Weng

Independent Non-Executive Director

Age: 67 | M

Mr Ng Swee Weng was appointed to the Board on 2 March 2021. He is also the Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee.

He was articulated with KPMG in 1977 and qualified as a member of the Malaysian Institute of Certified Public Accountants (MICPA) in 1981. He is also member of the Malaysian Institute of Accountants (MIA) and CPA Australia.

Mr Ng Swee Weng is currently a Senior Advisor at BDO Tax Services Sdn Bhd ("BDO").

Prior to joining BDO, he was an Audit Partner at KPMG Malaysia for 23 years before he retired in 2012 as the Partner in charge of the Penang office. He was also formerly a member of KPMG's Audit and Accounting Committee, which provided directives and consultative support on technical issues. Mr Ng was also a former Project Director of the Malaysian Accounting Standards Board.

Mr Ng Swee Weng is also an Independent Non-Executive Director, Chairman of Audit Committee and Nominating Committee, and Member of Remuneration Committee of BM Greentech Berhad (formerly known as Boilermech Holdings Berhad), a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Directors' Profile / Key Senior Management

**Amnah Apasra Emir
Binti Moehamad Izat Emir**
Independent Non-Executive Director

Age: 59 | F

Puan Amna A Emir was appointed to the Board of SKB on 15 July 2022. She is Chairman of the Remuneration Committee and member of Audit Committee and Nominating Committee.

She is a qualified architect from the Architectural Association School of Architecture, London, UK, with 30 years of experience in the architectural and real estate development industry.

She is an honorary advisor to the Malaysian Structural Steel Association, having retired as its honorary secretary-general after 23 years of service in promoting the use of constructional steel.

Amna is CEO of Neuformation Architects Sdn Bhd, a company specializing in Transport Architecture, Urban Regeneration and Green Buildings. Amna has been responsible for projects of diverse architectural typologies and complexities with the recent completion of a GBI Platinum rated headquarters for Tenaga Nasional Bhd which received the PAM Gold Award 2023 for Commercial Highrise. Amna has provided strategic advice to government-linked companies in the area of urban regeneration on localities ranging from greenfield to brownfield, with roles to include lead consultant for Khazanah Penang in the preparation of the Georgetown Transformation Plan and Komtar Business Improvement District Scheme (BIDS) for Think City.

The key principles in Amna's design approach is Adaptability and Innovation in response to the changing dynamics of the social, cultural, political and environmental landscape.

Amna has served as external lecturer for University Southern California Summer Schools and industry Expert for University Malaya and University Technology Petronas as well as external juror on Crit Panels for both public and private institutions such USM, UPM, UKM & UITM, Taylors University and Limkokwing University of Creative Technology, amongst others.

Yeoh Yen Shiong
Independent Non-Executive Director

Age: 36 | M

Ir. Yeoh Yen Shiong was appointed to the Board on 1 December, 2022. He is Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee.

He is a Professional Engineer registered with the Board of Engineers, Malaysia (BEM) and has extensive experience in the building and construction industry, having delivered a multitude of iconic and sustainable buildings in the region. He is also a Green Building Index Facilitator (GBIF), Certified Energy Manager (CEM) and ASEAN Chartered Professional Engineer (ACPE).

He presently leads GH Consultants Sdn Bhd, an established Engineering Consultancy Practice specializing in climate-conscious MEP design solutions for buildings across various sectors from commercial to healthcare.

Notes:

All the Directors are Malaysian except for Chou Lee Sin who is a Taiwanese.

None of the Directors has any conflict of interest with SKB, or any personal interest in any business arrangement involving SKB other than as disclosed in the Directors' Report and Notes to the Financial Statements.

None of the Directors had been convicted for any offences within the past 5 years (except for traffic offences, if any) and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.

Details of the Directors' attendance at Board meetings for the financial year ended 30 June 2024 are set out in the Corporate Governance Overview Statement of this Annual Report.

None of the Directors has any family relationship with any Director and/or major shareholder of SKB other than:

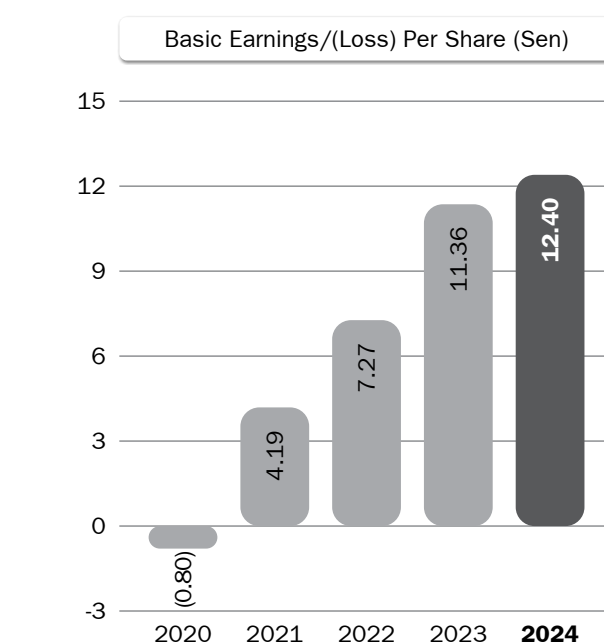
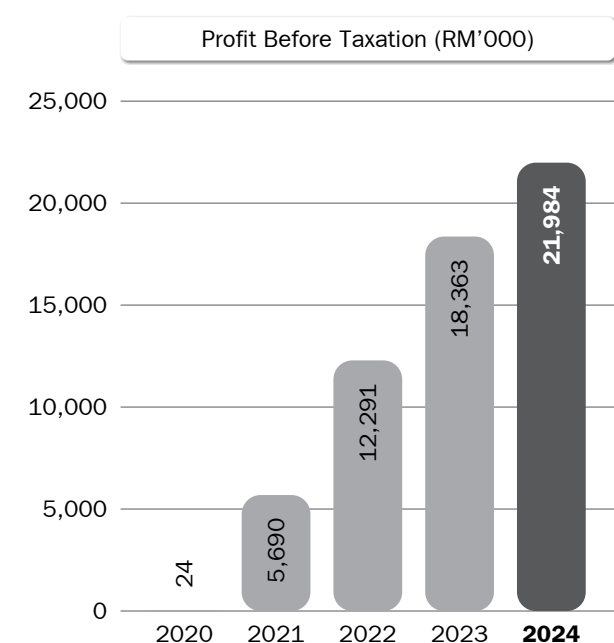
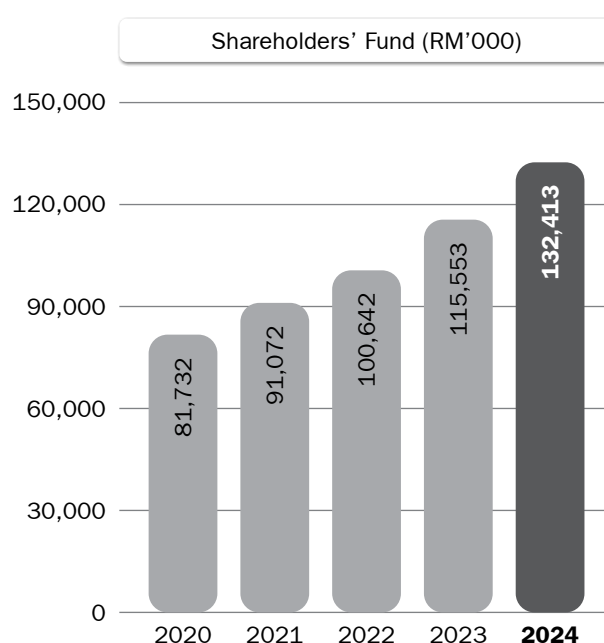
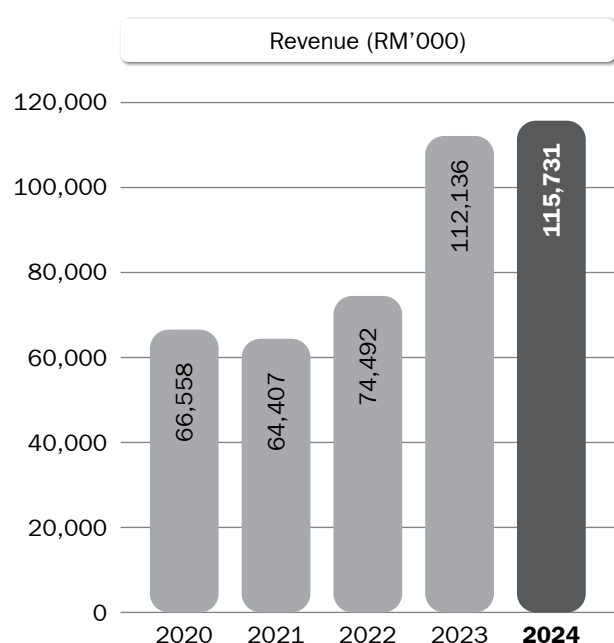
- Chou Lee Sin is the spouse of Sin Kheng Lee whilst Sin Ching San and Sin Kheng Lee are brothers.
- Sin Kheng Lee and Sin Ching San have interest in SKB Glory Sdn. Bhd., a substantial shareholder of SKB.
- Sin Siew Huey and Sin Tze Yi are the daughters of Sin Kheng Lee and Chou Lee Sin.

None of the Directors has any other directorship in public companies except Mr Ng Swee Weng whose directorships has been shown as above.

Financial Highlights

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	66,558	64,407	74,492	112,136	115,731
Profit Before Taxation	24	5,690	12,291	18,363	21,984
Profit/(Loss) After Taxation	(959)	5,024	9,596	14,995	16,369
Shareholders' Fund	81,732	91,072	100,642	115,553	132,413
Basic Earnings/(Loss) Per Share (Sen)	(0.80)*	4.19*	7.27	11.36	12.40
Net Assets Per Share Attributable to Ordinary Equity Holders of the Parent (Sen)	0.62*	0.69*	0.76	0.88	0.99

* Earnings per share and Net assets per share for FY2020 and FY2021 has been adjusted to reflect the effect of bonus issue of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 5 January 2022.



Corporate Governance Overview Statement

This Corporate Governance (“CG”) Overview Statement is presented in accordance with the requirements under Paragraph 15.25(1) and the provisions in Practice Note 9 of the Main Market Listing Requirement (“MMLR”). The Statement highlights the applications of the key corporate governance practices of the Group during the financial year under the principles of (a) Board Leadership and Effectiveness; (b) Effective Audit and Risk Management; as well as (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Board has also provided specific disclosures on the application of each Practice in its Corporate Governance Report (“CG Report”). Shareholders may obtain the CG Report by accessing the website at www.skb-shutters.com for further details.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD COMPOSITION

During the financial year, the Board has eight (8) members comprising an Executive Chairman, one (1) Group Managing Director, three (3) Executive Directors, and three (3) Independent Non-Executive Directors. The Executive Chairman and Executive Directors are responsible for overseeing the Group’s operational facets. In contrast, the Non-Executive and Independent Directors enhance the Board’s decision-making procedures by providing impartial judgment and perspectives to ensure checks and balances.

In discharging its governance responsibilities, the Board has collectively:

- Conducted periodic reviews of the interim and annual financial results and ensured that the financial statements of the Company and Group were fairly stated and conformed to the relevant regulations and acceptable accounting policies;
- Strengthened the Company’s cash flows in order to cope with the current business environment;
- Defined its Charter and Schedule of Key Matters, setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed;
- Established its Board Committees and their terms of reference to assist the Board in discharging its duties and responsibilities effectively. These Committees have the authority to examine particular issues and report to the Board with their recommendations;
- Observed the regulatory requirements when disseminating information and making disclosures in consultation with the Company Secretary;
- Ensured the implementation of Group anti-corruption framework, anti-bribery and gratification guidelines, Code of Conduct and Ethics and Whistleblowing Policy;
- Maintained an appropriate and adequate system of internal control to manage risks in the Group; and
- Defined and implemented the Fit and Proper Policy, including the requirements of a Director’s character, integrity, experience, competence, and commitment to discharge their roles effectively.

The roles of Board Chairman are currently held by the same director. The combination of these roles has helped the Board align the management mindset with the Board. Nonetheless, with the presence of three (3) Independent Non-Executive Directors, the Board feels that its current composition is reasonably sufficient to ensure the balance of power and authority and, at the same time, provides the Board with the advantage of ensuring the expectations of the Board and management are aligned with such combination of roles and responsibilities.

The Independent Directors have distinguished credentials, and some of them have also served as Independent Directors in other publicly listed companies. The Board could rely on their extensive experience and knowledge to ensure independence of judgment.

When identifying suitably qualified candidates for appointment of Director, the Board will not solely rely on recommendations from existing board members, management, or major shareholders but will also consider independent sources to identify suitably qualified candidates. During the financial year, no new Director was appointed.

The current composition of the Board includes members with diverse skills, experience, age, and cultural backgrounds. Half of the Board members are female directors. Each director’s profile is presented on pages 7 to 9 of this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD COMPOSITION (continued)

All Independent Directors have completed a self-evaluation by the end of each financial year, affirming their alignment with the independence criteria detailed in Chapter 1 of the MMLR and will continuously exercise independent judgement and act in the Company's best interest.

All Board members have unrestricted access to the advice and services of the Company Secretary for the Board's affairs and business. The appointment and removal of the Company Secretary of the Board is the prerogative of the Board as a whole.

The Board is assisted by a qualified and competent Company Secretary. Mr. Teoh Wei Yee, the Company Secretary, who is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretary supports the Board in carrying out its fiduciary duties and stewardship role and plays an advisory role to the Board, particularly with regard to regulatory compliance, guidelines, legislations and governance practices. The Company Secretary is responsible for ensuring that Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with, and minutes are duly entered into the books for all resolutions and proceedings of the Board and Board Committees.

The Company Secretary and management ensure that the Board is given sufficient information and time to prepare for Board meetings. When external advice is necessary, Board Members may notify and seek the Board for approval.

The underlying factors of Directors' commitment to the Group are the devotion of time and continuous improvement of knowledge and skill sets. The Board meets at least every quarter and as required to assess the Company and its subsidiaries' operation and performance, as well as to address pertinent business development issues.

During the financial year, 4 Board meetings were held. The attendance of the existing Directors is as follows:

	No. of meetings attended by Directors
Directors	
Sin Kheng Lee (Executive Chairman)	4
Sin Ching San (Executive Director)	3
Chou Lee Sin (Executive Director)	3
Sin Siew Huey (Group Managing Director)	4
Sin Tze Yi (Executive Director)	4
Ng Swee Weng (Independent Non-Executive Director)	4
Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)	4
Ir Yeoh Yen Shiong (Independent Non-Executive Director)	4

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD COMPOSITION (continued)

Matters requiring Board decisions during the intervals between the Board meetings are circulated and approved through circular resolutions.

Following are the trainings and briefings attended by Board members during the financial year.

Training	Attended by
Anti-Corruption and Bribery Awareness Training	Ir Yeoh Yen Shiong (Independent Non-Executive Director)
CIPAA Conference 2022	Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Ir Yeoh Yen Shiong (Independent Non-Executive Director) Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director) Sin Siew Huey (Group Managing Director) Sin Tze Yi (Executive Director) Sin Kheng Lee (Executive Chairman) Chou Lee Sin (Executive Director) Sin Ching San (Executive Director)
Sustainability Awareness Training	Sin Siew Huey (Group Managing Director) Chou Lee Sin (Executive Director) Sin Tze Yi (Executive Director) Ir Yeoh Yen Shiong (Independent Non-Executive Director)
Sustainable Solutions in Electrification	Ir Yeoh Yen Shiong (Independent Non-Executive Director)
Navigating New Frontiers Embracing Sustainability	Ng Swee Weng (Independent Non-Executive Director)

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD COMPOSITION (continued)

Training	Attended by
Awareness on Sustainability Briefing by KPMG PLT	Sin Siew Huey (Group Managing Director) Ng Swee Weng (Independent Non-Executive Director) Ir Yeoh Yen Shiong (Independent Non-Executive Director)
MIA International Accountants Conference	Ng Swee Weng (Independent Non-Executive Director)
Navigating Malaysia's Indirect Tax Landscape: Latest Updates and Implications	Sin Siew Huey (Group Managing Director)
Hospital Design Workshop	Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)
E-Invoicing Engineering Consultancy Practices in Malaysia	Ir Yeoh Yen Shiong (Independent Non-Executive Director)
PAM Architectural Heritage Conservation Course for Architects 4.0	Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)

The Company Secretary and the Internal Auditors update the directors on any changes to governance and regulatory requirements relating to their duties and responsibilities. The External Auditors also brief the Board on changes to MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") that affect the Group's financial statements.

The Board will stay abreast of current sustainability issues and consult the subject matter experts when needed to discharge their new sustainability responsibilities.

(II) BOARD AUTHORITY AND BOARD COMMITTEES

The Board has defined its Board Charter, which sets out the Board's roles, duties, and responsibilities, the principles and practices of corporate governance to be followed, and the key matters reserved for the Board's approval.

To assist the Board in discharging its function, the Board has delegated specific oversight responsibilities to the Audit Committee, Nominating Committee and Remuneration Committee. These Committees provide greater objectivity and independence in the deliberations of specific agendas. The respective Chairpersons of the Board Committees report and recommend to the Board on matters discussed and require the Board's approval.

The Board has defined the Corporate Code of Conduct and Ethics and posted it on the Company's website at www.skb-shutters.com. This Code guides the directors, officers, and staff in preventing abuse of power, corruption, insider trading and money laundering.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(III) CORPORATE CULTURE: INTEGRITY, TRANSPARENCY AND FAIRNESS

To protect the confidentiality of information and the identity of whistleblowers, the Board has assigned the whistleblowing reporting channel and administration to the Internal Auditor. Stakeholders who know of or suspect a violation of the Code of Conduct and Ethics may report the incident by emailing skb@whistleblower.com.my or by posting to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur. The Internal Auditor shall maintain a record of the notification received and on quarterly basis, prepare a summary report and present it to the Audit Committee.

During the financial period, the Board did not receive any violation complaints from these whistleblowing reporting channels.

(IV) SUSTAINABILITY CONSIDERATION

The Company's current key sustainability considerations of the Group are product innovation and development, environmental impact, employee well-being and diversity, community development, and governance.

The Company's core sustainability values, initiatives and performance are communicated to all stakeholders through the Sustainability Statements in the Annual Report.

The Company formed its Sustainability Management Committee on 1 June 2024, led by the Managing Director and composed of the respective Heads of Department.

Nominating Committee ("NC")

The NC comprises 3 members, all of whom are Independent Non-Executive Directors. The present composition of the Nominating Committee is as follows:

Chairman : Ir Yeoh Yen Shiong (Independent Non-Executive Director)
Member : Ng Swee Weng (Independent Non-Executive Director)
Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)

The Terms of Reference for NC are available at the Company's website www.skb-shutters.com.

The NC meets as and when required and at least once every financial year. During the financial year under review, the NC met on 29 August 2023 and was attended by all members of the Board Committee.

The activities undertaken by the NC for the financial year ended 30 June 2024 were as follows: -

- i. Reviewed the performance of the Directors, key officers, independence status of independent directors for the financial year ended 30 June 2023 ("FY2023");
- ii. Reviewed re-election of directors who are due for retirement at the Twenty-Sixth Annual General Meeting ("26th AGM");
- iii. Reviewed terms of office and performance of Audit Committee and each of its members;
- iv. Reviewed the composition of the Board Committee;
- v. Reviewed the list of trainings attended by the Directors during FY2023;
- vi. Note the Nominating Committee's circular resolution(s) passed during the period from 21 October 2022 to 21 August 2023, if any; and
- vii. Other businesses, such as sustainability requirements.

(V) BOARD'S PERFORMANCE ASSESSMENT

Annually, the NC, comprising wholly independent directors, evaluates the effectiveness of the Board, the Board Committees and each Director. Based on the directors' self-performance assessment results, the Board is satisfied with the performance, contribution and effectiveness of each Director, the Board Committees and the present board structure, size and composition.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(VI) REMUNERATION

The Remuneration Committee (“RC”) was formed in the fiscal year ended in 2022. It is primarily responsible for establishing a documented, formal, and transparent procedure for assessing and reviewing the remuneration packages of Executive Directors, Non-Executive Directors, and Principal Officers that link rewards to corporate and individual performance.

The Board has set up a Remuneration Committee comprising three (3) members, all of whom are Independent Non-Executive Directors, namely:

Chairman : Pn Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)
 Member : Mr Ng Swee Weng (Independent Non-Executive Director)
 Ir Yeoh Yen Shiong (Independent Non-Executive Director)

The roles and functions of RC are governed under its Terms of Reference (“TOR”), detailing its authority, duties, and responsibilities authorised by the Board. The RC’s TOR was adopted on 8 May 2023 and is available for the reference of stakeholders on the Company’s website.

The Policy provides that the directors’ remuneration shall be determined by considering:

Executive Directors & Senior Management

- The scope of the duty and responsibilities;
- The conditions and experiences required;
- The corporate and individual performance; and
- Current market rate within the industry and in comparable companies.

Non-Executive Directors

- The qualifications and contribution required in view of the Group’s complexity;
- The extent of the duty and responsibilities; and
- The corporate and individual performance.

No Remuneration Committee was held during the 2024 financial year. The last Remuneration Committee for FY2023 was held on 16 June 2023.

The number of Directors whose annual income falls within the following bands is set out as follows:

Company	50,000 and below	50,001 - 100,000	100,001 - 150,000	150,001 - 200,000	200,001 - 250,000
	(RM)				
Executive Director					
Sin Kheng Lee	√				
Sin Siew Huey	√				
Sin Ching San	√				
Chou Lee Sin	√				
Sin Tze Yi	√				
Non-Executive Director					
Ng Swee Weng	√				
Amnah Apasra Emir Binti Moehamad Izat Emir	√				
Ir Yeoh Yen Shiong	√				

Subsidiaries Company	Sin Kheng Lee	Sin Siew Huey	Sin Ching San	Chou Lee Sin	Sin Tze Yi
RM650,001 - RM700,000					√
RM750,001 - RM800,000		√	√	√	
RM850,001 - RM900,000					
RM900,001 - RM950,000					
RM950,001 - RM1,050,000					
RM1,050,001 – RM1,100,000					
RM1,100,001 – RM1,150,000					
RM1,150,001 – RM1,200,000	√				

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(VI) REMUNERATION (continued)

The aggregated annual remuneration paid and payable to all Directors of the Company is further categorised into the following components:

Remuneration Components	Received and Receivable from the Company		Received and Receivable from Subsidiary Companies in the Group		Total	
	(RM'000)		(RM'000)		(RM'000)	
	ED	NED	ED	NED	ED	NED
Fees	200	75	-	-	200	75
Salaries	-	-	2,442	-	2,442	-
Bonuses	-	-	1,218	-	1,218	-
EPF	-	-	439	-	439	-
Benefit-in-Kind	-	-	11	-	11	-
Total	200	75	4,110	-	4,310	75

Under Section 230(1) of the Companies Act 2016, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries will be presented for shareholders' approval in the annual general meeting.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(VII) AUDIT COMMITTEE

The Board has established an effective and independent Audit Committee. The members comprised fully independent Non-Executive Directors. They are financially literate and able to understand matters under the purview of the Audit Committee, including the financial reporting process.

The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee Chairman can have access to all Executive Directors, Senior Management, and External and Internal Auditors. The review of the terms of office and performance of the Audit Committee and its members are carried out annually.

Details of the Audit Committee's composition, functions and activities are set out separately under the Audit Committee Report in this Annual Report.

Annually, the Audit Committee reviews the External Auditors' appointment, performance, and remuneration. Upon review, the Audit Committee will recommend that the Board propose a resolution to shareholders for the appointment of external auditors.

The Audit Committee will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group if needed to allow the Auditors to exchange their views freely with the Audit Committee.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

(VIII) RISK MANAGEMENT AND INTERNAL CONTROL

The Board as a whole is responsible for the overall oversight of risk management in the Group, covering the system of risk management and internal control for financial, operational and compliance, while the Executive Directors, together with the senior management team, are primarily responsible for managing risks in the Group.

The Group recognises the persistent challenges arising from the volatility of raw material prices and currency fluctuations, driven by geopolitical tensions, supply chain disruptions, and uneven recovery rates globally. These factors have led to unpredictable cost variations, affecting production expenses and profit margins, while currency fluctuations, especially in international operations, continue to influence import and export costs.

Despite these challenges, the Group remains optimistic about the recovery in the construction sector, particularly within the industrial and digital infrastructure segments. This recovery is expected to drive demand for innovative, high-quality building materials, positioning the Group to capitalize on emerging opportunities.

To manage these risk challenges, the Group continues to strengthen and enhance its business strategies by:

- i. Providing comprehensive industry solutions through the integration of automation and complementary products and industry experts partnership;
- ii. Expanding customer base and export market by participating in overseas networking events;
- iii. Continuous monitoring and managing material cost by arranging blanket orders and hedging;
- iv. Engaging and adding value in the customer relationship;
- v. Improving product quality, timeliness of delivery, innovation, and cost competitiveness; and
- vi. Recruit and train local workers to reduce reliance on foreign skilled workers, including collaborating with local technical schools and participating in their career fairs.

The Board is satisfied with the effectiveness and adequacy of the current level of risk management and internal control systems. The Statement on Risk Management and Internal Control in this Annual Report provides further details of the Group's risk management and internal control systems.

The Company had outsourced its internal audit function to IA Essential Sdn Bhd, a third-party internal audit firm. The Internal Auditors have conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors, which covers audit planning, execution, documentation, communication of findings, and consultation with key stakeholders on audit concerns. The Audit Committee will review the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

Further details of the internal audit function are disclosed in the Audit Committee Report in this Annual Report.

Corporate Governance Overview Statement

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

(IX) COMMUNICATION WITH STAKEHOLDERS

Regular communication with stakeholders is important for enhancing their appreciation and understanding of the Group's business and activities. Following are the ways the Board communicates with stakeholders:

- Financial results of the Group are published quarterly via the website of Bursa Securities at www.bursamalaysia.com and the Company's website at www.skb-shutters.com.
- Corporate information is provided on its corporate website at www.skb-shutters.com for the interest of the general public;
- The information disclosed in the Annual Report complies with the disclosure requirements by the listing requirements and the approved accounting standards; and
- Shareholders' interaction during the general meetings.

(X) CONDUCT OF GENERAL MEETINGS

The Company held its 26th AGM on 28 November 2023 at The Olive, Level 6, Olive Tree Hotel Penang, 76, Jalan Mahsuri, Bandar Sunway Tunas, 11950 Bayan Lepas, Penang, Malaysia.

All Directors of the Company were present at the 26th AGM to engage directly with shareholders and respond to any questions raised by the shareholders that fall under the purview of the relevant Board Committees or Board. The Board responded to the shareholders' and proxies' questions raised during the 26th AGM.

All resolutions set out in the Notice of 26th AGM were voted on by poll. The Company appointed an independent scrutineer to validate the vote cast in the 26th AGM. The minutes of the previous AGM were published on the company's website and are accessible at www.skb-shutters.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

- (i) The annual audited financial statements of the Group and the Company are drawn up according to the applicable MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the provisions of the Companies Act 2016 to give a true and fair view of the state of affairs of the Group and of the Company for the financial year, and
- (ii) Accurate accounting and related records are diligently maintained, facilitating the preparation of financial statements with a reasonable degree of precision and reasonable steps to ensure that appropriate systems are in place to safeguard the Group's assets and prevent and detect fraud and other irregularities.

In preparing the financial statements for the financial year ended 30 June 2024, the Directors adopted appropriate accounting policies and applied them consistently with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed.

This CG Overview Statement is made by a resolution of the Board on 25 October 2024.

Other Information

Utilisation of proceeds

There were no proceeds raised from any corporate proposal during FY2024.

Material contracts

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Directors and major shareholders of SKB.

Audit / Non-audit fees

The amount of audit and non-audit fees paid to the external auditors and its affiliates by the Company and the Group for the financial year are as follows:

	Company (RM)	Group (RM)
Audit fees	40,000	165,000
Non-audit fees	5,900	29,400

Share buybacks

During the year, there were no share buybacks by the Company.

Options, warrants or convertible securities

No options or convertible securities were exercised during the financial year ended 30 June 2024, except the allotment of 1,117,400 new ordinary shares at RM0.45 each through the exercise of 1,117,400 warrants, which increased the Company's issued and paid-up capital from RM45,818,324 to RM46,321,154. Proceeds arising from the exercised of the warrants are utilised for working capital.

Imposition of sanctions/penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant bodies.

Profit estimate, forecast or projection

There was no significant variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

Profit guarantee

During the year, there were no profit guarantees given by the Company.

Sustainability Statement

About This Statement

SKB Shutters Corporation Berhad (“SKB” or “the Group”) is benefitting from the continuous recovery of the domestic construction sector and services sector, especially logistics and digital economy segment. Aside from emphasising operational efficiency and cost rationalisation to improve profitability and sustainable business growth, we are also committed to integrating ESG (environmental, social, and governance) principles into both our operations and strategic long-term planning. Our aim is to contribute meaningfully to a sustainable environment through our product offerings, stakeholder and employee engagement, and by upholding our social responsibilities.

This year, we conducted our first engagement directly with stakeholders centred on key ESG topics. The insights and findings from this exercise are presented in the following section. Additionally, for the first time in this reporting period, we are disclosing data on our performance across several sustainability indicators.

Reporting Scope and Boundary	This Statement covers the Group’s sustainability management and performance in our Kota Damansara manufacturing plant of SKB Shutters Manufacturing Sdn. Bhd. and SKB Storage Industries Sdn. Bhd.
Reporting Cycle	Annually
Reporting Period	1 July 2023 to 30 June 2024 (“FY2024”)
Reporting Framework	This Statement is prepared in accordance with Paragraph 6, Part III Sustainability Statement of Practice Note 9 of the Bursa Malaysia’s (“Bursa”) Main Market Listing Requirements and guided by Bursa’s Sustainability Reporting Guide (3rd Edition).

Sustainability Management Core Values



INTEGRITY AND ETHICS

Honesty and integrity are crucial for effective performance, building trust, and shaping our company’s reputation, ensuring long-term success for all stakeholders.



RESPECTFUL

Sustainability requires collaboration, shared resources, and equitable solutions, starting with treating everyone with respect and consideration for shared values and goals



INNOVATION

At SKB, innovation drives our product development and service delivery, focusing on reducing waste, enhancing durability and safety, and tackling new challenges.



ADVOCACY

We are committed to environmental stewardship and community engagement. In addition to practicing these values, we also advocate for responsible sustainability management from an early age.

Sustainability Statement

Our Approach to Sustainability

Sustainability Governance

Our Board of Directors (“Board”) oversees the Group’s sustainability efforts, including monitoring and assessing sustainability issues and practices, defining policies, and authorising strategies. The Board evaluates the sustainability performance of the directors and their comprehension of relevant sustainability issues concerning the Group and its business, including climate-related risks and opportunities, in consultation with the Nominating Committee. The Board ensures sustainability is integrated into the Group’s strategies, business plans, and risk management, while promoting long-term value creation and effectively communicating sustainability priorities and performance to subsidiaries and stakeholders.

The Sustainability Management Committee (“SMC”), composed of the respective Heads of Departments and led by our Managing Director, reports to and advises the Board on sustainability matters. The SMC supervises the Group’s sustainability implementation and performance, recommends improvements, and identifies material topics, including climate-related risks and stakeholder interests. Additionally, the SMC sets targets, integrates sustainability into decision-making, and develops systems for collecting, verifying, and reporting sustainability data.

Stakeholder Engagement

We regularly evaluate key sustainability topics and their impact on our operations, taking into account shifts in our operating environment and insights gathered through ongoing stakeholder engagement sessions.

Key Stakeholders	Area of Interest or Concerns	Type of Engagement
Customers	<ul style="list-style-type: none">Product quality and performanceSustaining long-term relationship	<ul style="list-style-type: none">Sustaining long-term relationshipCustomer satisfaction surveyOn-site visitsCustomer auditExhibition and roadshows
Employees	<ul style="list-style-type: none">Communication and engagementWorking environmentCareer development and trainingBusiness performance review	<ul style="list-style-type: none">Training and developmentFormal meeting and discussionEmployee suggestion programmeAppraisal and performance reviewHealth and safety training
Suppliers	<ul style="list-style-type: none">Forging strategic partnershipSupplier performance reviewProduct quality monitoring	<ul style="list-style-type: none">Supplier selection via pre-qualificationRegular meetings and correspondenceWhistle-blowing platform

Sustainability Statement

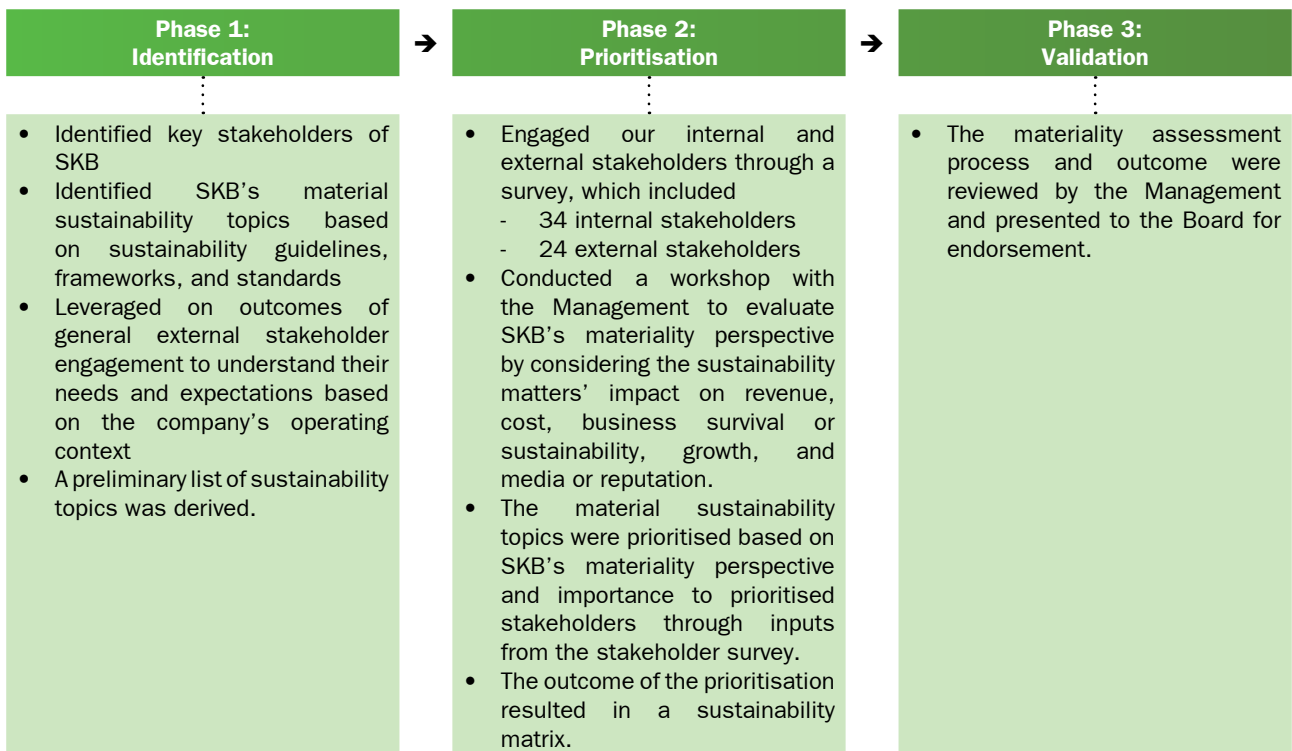
Sustainability Matters

We recognise that our approach to sustainability directly influences our long-term value creation for stakeholders. These considerations guide our business strategy and inform how we allocate resources toward sustainable initiatives.

In FY2024, we conducted an assessment of these matters by engaging directly with our internal stakeholders (senior management and employees) and key external groups (business partners, corporate professionals, customers, NGOs/local communities, and financial institutions). We have identified seven key stakeholder groups and eighteen relevant issues, nine of which require focused attention. The findings were carefully reviewed by management and subsequently approved by the Board.

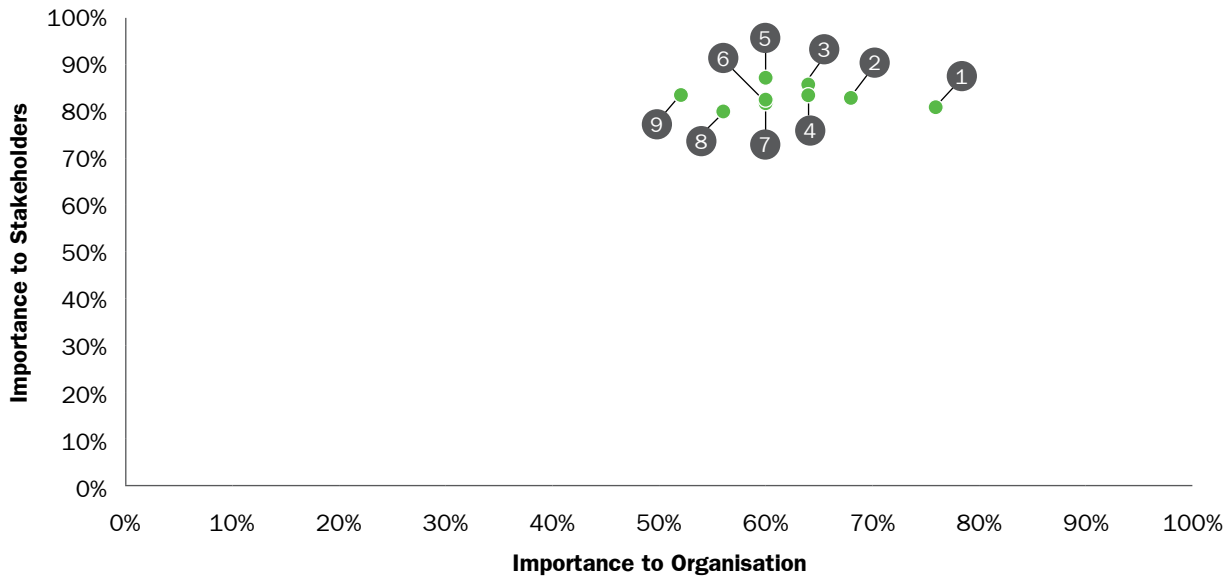
Our assessment process was aligned with Bursa's Sustainability Reporting Guide, which outlines the following three phases:

SKB's Materiality Assessment Process



Sustainability Statement

SKB's Sustainability Matrix FY2024



Stakeholders' Identified Material Sustainability Matters

1	Product Design & Material Sourcing	6	Industry Development
2	Assurance ¹	7	Risk Management ¹
3	Labour Practices and Standards	8	Green Operating Approaches, Methods and Procedures ²
4	Regulatory Compliance ¹	9	Corporate Code of Conduct and Ethics ¹
5	Occupational Safety and Health		

Our new focus centres on the nine material sustainability matters identified above, which are significant to both our stakeholders and us due to their substantial impact. We have prioritised these matters compared to the other common sustainability matters identified in the assessment, as we are already adequately managing the common sustainability matters listed in the table below. This approach allows us to concentrate our efforts where needed, ensuring we remain responsive and responsible.

Common Sustainability Matters

10	Corporate Governance ¹	15	Supply Chain Management
11	Water ³	16	Community Development and Commitment
12	Energy Management ³	17	Emissions Management ³
13	Diversity, Equity and Inclusion	18	Customer Privacy and Cybersecurity
14	Waste Management ³		

Note:

1. "Assurance", "Regulatory Compliance", "Risk Management", "Corporate Code of Conduct and Ethics", and "Corporate Governance" are collectively managed under "Corporate Governance and Compliance".
2. "Green Operating Approaches, Methods and Procedures" is managed under "Workplace and Immediate Environment" and "Industry Development".
3. "Water", "Energy Management", "Waste Management", and "Emissions Management" are collectively managed under "Workplace and Immediate Environment".

Sustainability Statement

The management and performance of these sustainability matters are disclosed under four themes:

Environment	Social	Governance	Economics
<ul style="list-style-type: none"> Product Design and Material Sourcing Workplace and Immediate Environment 	<ul style="list-style-type: none"> Labour Practices and Standards* Occupational Safety and Health* Diversity, Equity and Inclusion* Community Development and Commitment 	<ul style="list-style-type: none"> Corporate Governance and Compliance Customer Privacy and Cybersecurity* 	<ul style="list-style-type: none"> Industry Development Supply Chain Management*

*Additional sustainability matters in FY2024

Assurance

Our Sustainability Statement has been subjected to internal review by the respective Heads of Department and deliberated and approved by the Board.

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Product Design and Material Sourcing

Why it matters?

Sustainable product design is vital for both environmental stewardship and the long-term reliability of our offerings. The materials we select not only influence our environmental footprint but also determine the durability and performance of our products. By prioritising recyclability, responsibly sourced materials, and product longevity, we aim to reduce waste and minimise our impact on the environment.

Our approach and performance

Sustainability is embedded in our product design and material sourcing processes. We focus on using recyclable materials, sourcing resources responsibly, ensuring their availability, and enhancing product durability. Our commitment to prioritising product quality and durability minimises replacement frequency, thereby contributing to resource conservation and waste reduction. We also adopted powder-coat finishing across all our products. This method uses organic components that are free from TGIC, heavy metals, and harmful volatile substances, aligning with our commitment to environmental safety.



SKB's Powerless Auto-Close Flood Shutter

Our Powerless Auto-Close Flood Shutter, recognised with the Archidex Star Award 2023 and The Brandlaureate Sustainable Business and Inspirational Brands Achievement Awards 2022-2023, is designed with automatic deployment that does not require electricity supply or backup power during flood events.

A few categories of our roller shutters have been rigorously tested to ASTM E330 standards for wind speed resistance of up to 3,600 Pascal, equivalent to 280 km/h, a Category 5 hurricane on the Saffir-Simpson scale. Hurricanes and typhoons at this scale causes catastrophic damage to buildings and infrastructure¹. This product design further demonstrates our commitment to quality and environmental stewardship.



SKB's Roller Shutter

¹ National Hurricane Center (NHC) of the US National Oceanic and Atmospheric Administration (NOAA).

Sustainability Statement

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Workplace and Immediate Environment

Why it matters?

Our commitment to sustainability extends to our workplace and the management of our surrounding environment. The design of our facilities and our daily operations directly impact our energy and water usage, waste management, and overall carbon footprint. By prioritising energy efficiency, waste reduction, and responsible resource use, we not only protect the environment but also inspire our employees to adopt sustainable practices.

Our approach and performance

Our Kota Damansara plant was designed with several energy-saving measures in mind. The plant’s design optimises natural light by using skylight panels, reducing reliance on artificial lighting. These panels are maintained annually to ensure optimal efficiency. For low-light conditions, we use energy-efficient LED lighting. In FY2022, we expanded our sustainability efforts by installing solar panels across 5,200 m² of the plant’s roof. These panels generated 488 MWh in FY2023, significantly reducing our carbon footprint while delivering financial savings for the Group.

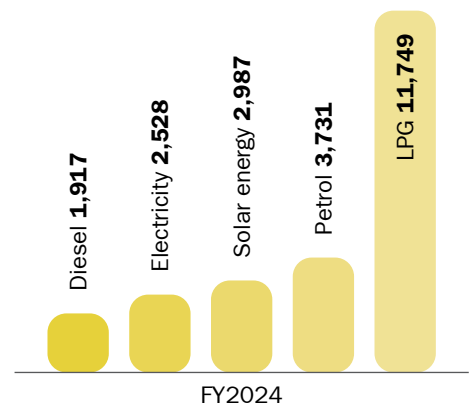
In FY2024, we saved 829.8 MWh of electricity through the use of solar-generated power, resulting in an estimated reduction of 629 tonnes of CO₂e.

Energy management

In FY2024, we upgraded our machinery by incorporating inverter motors, enabling more precise control over motor speed, reducing energy consumption, and lowering operational costs. To enhance fuel efficiency, we maintain all vehicles regularly and train forklift drivers on optimal operational practices. Additionally, employees are consistently reminded to switch off all electrical appliances during lunchtime and rest days to conserve energy.

Our total energy consumption in FY2024 was 22,912 GJ, with 51.7% attributed to LPG usage in our production.

Energy Consumption by Category (GJ)

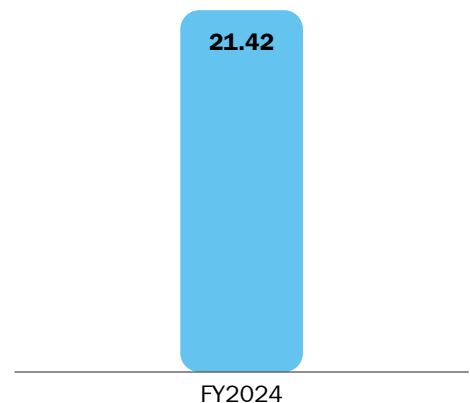


Water management

Our water conservation programme encourages employees to recycle and reuse water where possible. We also operate a wastewater treatment process to filter and treat water from fabrication and treatment processes. The treated water meets the standards prescribed by the Department of Environment (“DOE”) before discharge.

In FY2024, the Group consumed 21.42 megalitres of water.

Total Volume of Water Used (Megalitres)



Sustainability Statement

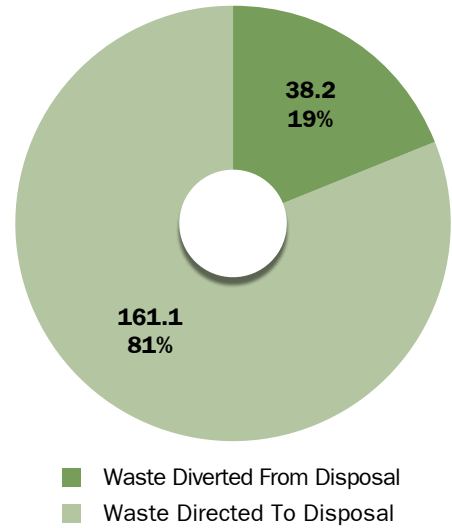
ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Waste management

Our waste management strategy involves a collective commitment across the organisation. All employees actively participate in our ongoing "Leave-No-Trash-Behind" initiative, sorting waste into recyclables, non-recyclables, and organic waste at the end of each workday. Hazardous waste generated is categorised as scheduled waste, while non-hazardous waste includes general and recyclable materials. Recyclable materials from our factory, i.e. scrap metal and scheduled waste, are collected by vendors regularly. Our factory also fully reuses all cardboard packaging materials from procured items.

In FY2024, we generated a total of 199.3 tonnes of waste, comprising both hazardous and non-hazardous categories, with 19.2% of the total waste being recycled.

Waste Generated (Tonnes)



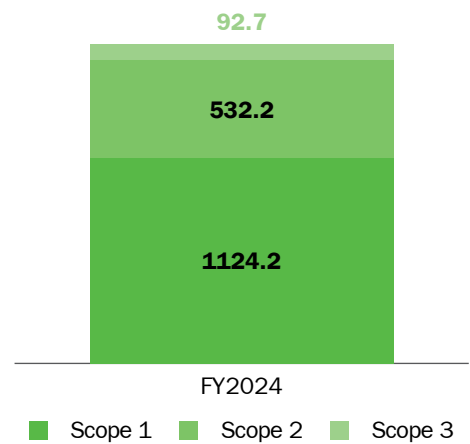
Emissions management

In FY2024, we initiated tracking and monitoring of our Scope 3 emissions related to employee commuting. We plan to expand our reporting to include Scope 3 emissions from business travel in future assessments.

Note:

1. Scope 1 emissions are derived from our consumption of petrol, diesel and LPG.
2. Scope 2 emissions factors for electricity grids in Peninsular Malaysia are sourced from MY Energy Commission 2021 Grid Emission Factor ("GEF") in Malaysia.
3. Scope 3 emissions are derived from employee commuting based on the methodology provided in Technical Guidance for Calculating Scope 3 Emissions (version 1.0), published by GHG Protocol.
4. Scope 1 and Scope 3 emissions factors are sourced from the GHG Conversion Factors for Company Reporting version 1.0 (2023), published by the UK Department for Environment, Food & Rural Affairs ("DEFRA").

Total Emissions by Scope (tCO₂e)



Sustainability Statement

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Labour Practices and Standards

Why it matters?

Promoting fair labour practices is essential to cultivating a workplace where everyone feels valued, respected, and motivated. By ensuring equitable treatment, providing equal access to opportunities, and maintaining strong support systems, we not only enhance employee well-being but also drive the overall success and sustainability of our organisation.

Our approach and performance

Our commitment to fair labour practices is supported by our Local Employment Policy, Sustainability Policy, and Human Rights Policy. These policies guide our initiatives, which include:



Employee Benefits

We continually review and enhance our employment benefits to ensure they align with the evolving needs of our employees, offering them the support needed to thrive.



Training and Development

We prioritise continuous learning and development opportunities, empowering our employees to build their skills, excel in their roles, and progress in their careers.



Employee Engagement Programme

We encourage open communication and foster engagement through formal meetings, discussions, and employee suggestion programmes, ensuring that every employee has a voice and remains aligned with the company's mission and goals.



Health and Well-Being

We support the physical and mental well-being of our employees through health and safety training, along with initiatives aimed at promoting a healthy work-life balance.



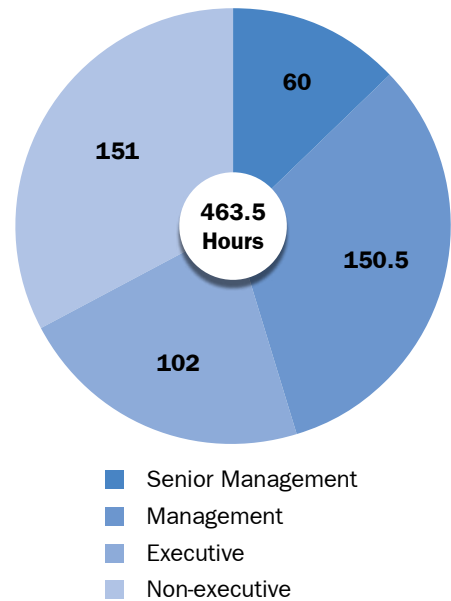
Appraisal and Performance Review

We conduct regular appraisals and performance reviews to offer constructive feedback, recognise achievements, and identify growth opportunities.

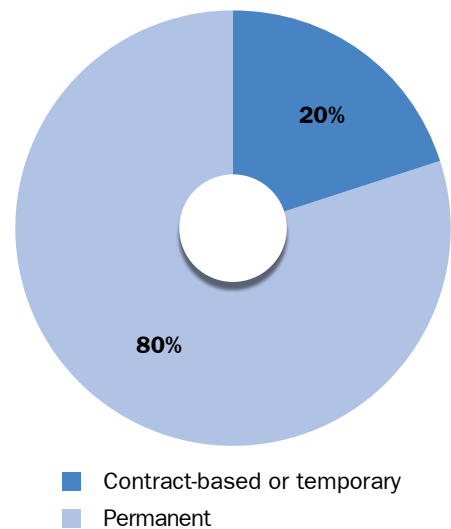
In FY2024, we provided a total of 463.5 hours of both internal and external trainings across the following areas:

- Anti-corruption
- Career development
- Environmental
- Health and Safety
- Operational
- Human Rights

Total Hours of Training by Employee Category in FY2024



Percentage of Contract-Based/ Temporary and Permanent Staff in FY2024



Number of employee turnover in FY2024

Senior Management	-
Management	-
Executive	15
Non-executive	17
Total	32

Number of substantiated complaints concerning human rights violation in FY2024	Nil
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Sustainability Statement

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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We have also conducted various quarterly team-building activities and provided basic health screenings for employees, in addition to festive celebrations.



NKF Health Screening for all employees



Teambuilding activity at Thistle



Raya Open House



Team outing at Luge, Gamuda Gardens

Sustainability Statement

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Occupational Safety and Health

Why it matters?

Occupational health and safety are essential for ensuring the well-being of our employees and the smooth operation of our business. Prioritising workplace safety helps us minimise accidents and injuries, fosters a culture of safety, and ensures compliance with industry standards.

Our approach and performance

Our Kota Damansara plant features crane-operated lifting and hoisting systems on the production floor, enhancing both safety and efficiency in material handling.

To maintain a safe and healthy work environment, we regularly review and update our Occupational Safety, Health, and Environment (“OSHE”) Policy and our Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) processes. These updates are part of our ongoing efforts to improve safety protocols.

We place a strong emphasis on training and awareness to uphold workplace safety. Our training programs cover emergency evacuation procedures, fire drills, forklift operations, roll-forming upright procedures, and lessons learned from past incidents to prevent future occurrences. We also conduct regular toolbox meetings on topics such as overhead crane safety, material handling awareness, behaviour-based safety, personal protective equipment (“PPE”), and the safe operation of roll-forming coil uncoilers.

In FY2024, we recorded eight incidents, primarily involving lacerations and injuries related to daily operations. Following thorough investigations, we implemented several measures to prevent future occurrences. These include emphasising the safe and correct use of machinery during toolbox meetings, conducting targeted training sessions, revising and establishing standard operating procedures, installing protective guards on equipment, and enforcing the use of PPE.

In FY2024, our performance for occupational health and safety is as follows.

Total hours worked	333,440
Number of work-related fatalities	Nil
Number of lost time incidents	Nil
Lost time incident rate (“LTIR”)	4.80
Number of employees trained on health and safety standards	98

Sustainability Statement

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Diversity, Equity and Inclusion

Why it matters?

Embracing diversity and ensuring equal opportunities for all foster an environment where every individual feels valued, respected, and empowered to contribute effectively. This inclusive approach not only enhances workplace culture but also drives collective success.

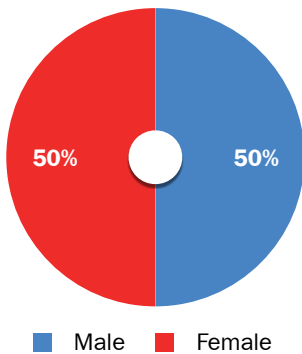
Our approach and performance

In our recruitment and workplace practices, we are committed to respecting diversity and actively preventing discrimination based on race, religion, age, gender, sexual orientation, disability, or any other identity aspect. Our objective is to remove barriers to fairness and justice, promoting an environment where open dialogue is encouraged, diverse perspectives are valued, and everyone has the opportunity to contribute to our shared success.

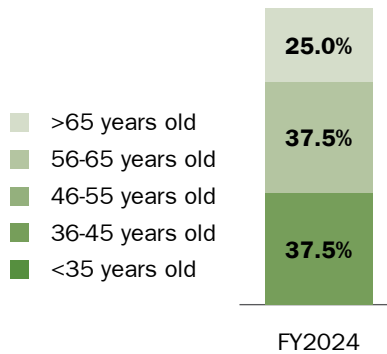
As of FY2024, our team comprises 8 directors and 336 employees. Given the nature of our work, non-executive positions are predominantly held by male employees.

Directors Profile

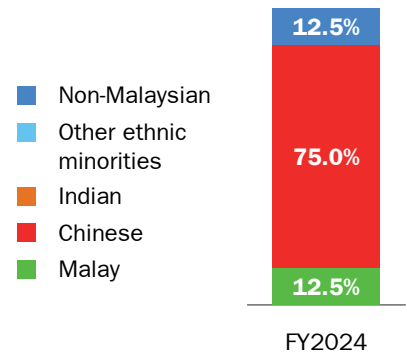
Board Diversity by Gender in FY2024



Board Diversity by Age

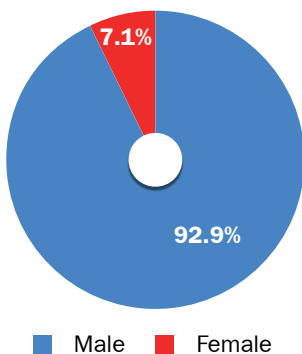


Board Diversity by Ethnicity

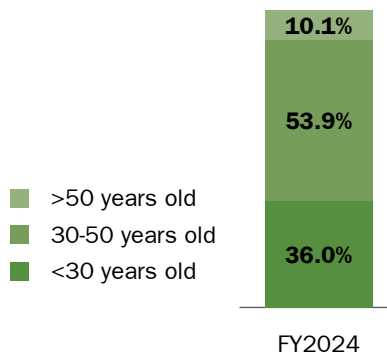


Workforce Profile

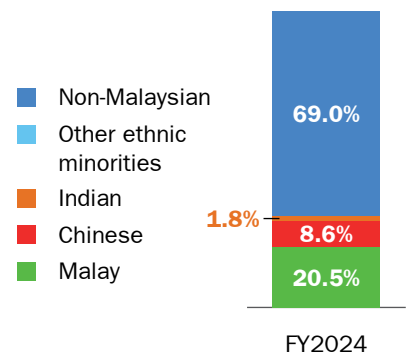
Gender Diversity in FY2024



Age Diversity



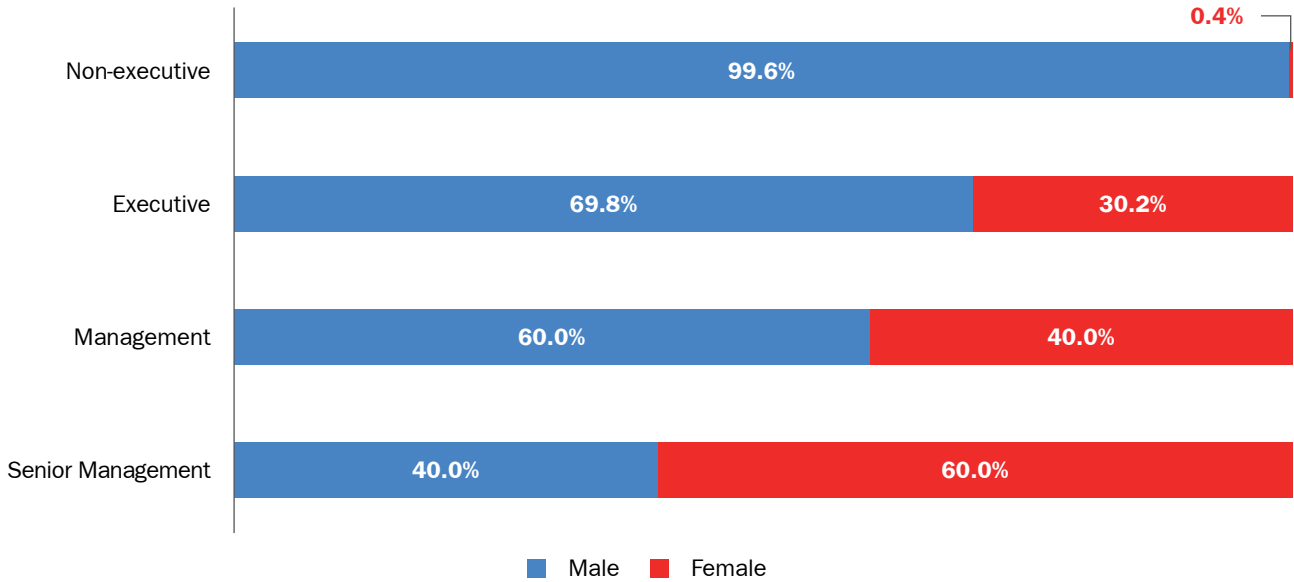
Ethnic Diversity



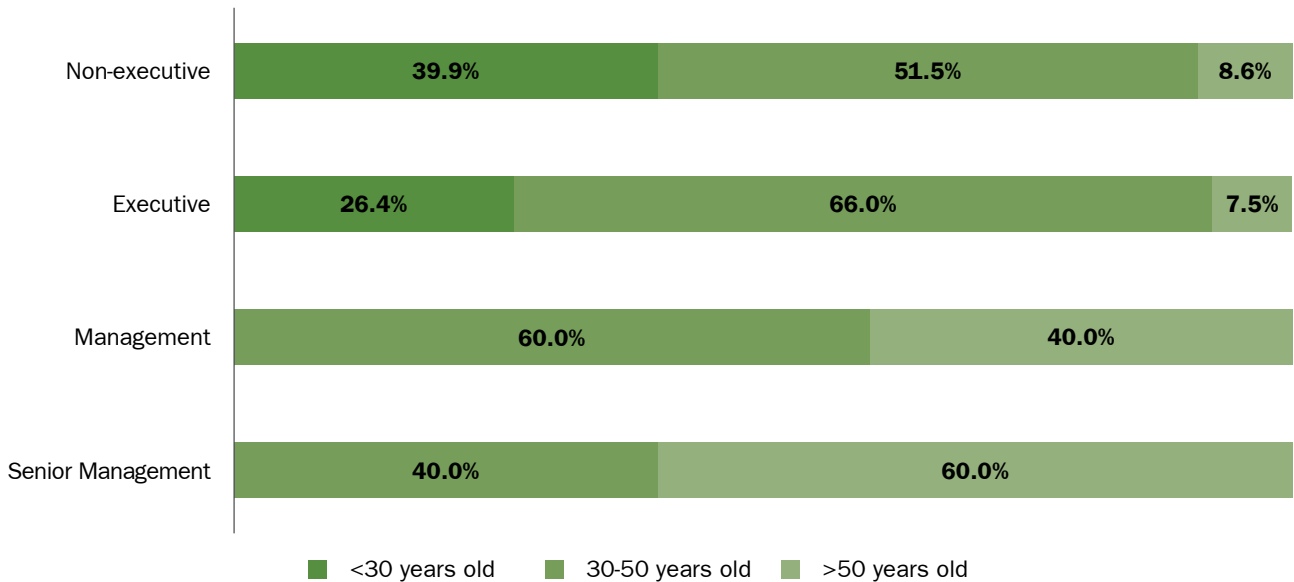
Sustainability Statement

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Gender Diversity by Employee Category in FY2024



Age Diversity by Employee Category in FY2024



Sustainability Statement

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Community Development and Commitment

Why it matters?

Active involvement in our community is central to our mission of extending our positive impact beyond our core business activities. By engaging with and supporting our local communities, we contribute to the social good and build deeper, more meaningful relationships with those around us.

Our approach and performance

Our commitment to community development is deeply ingrained in our values. We strive to ensure inclusivity, regardless of religious, ethnic, or gender backgrounds, to maximise the reach and impact of our efforts. By embracing equality and fostering unity, we enhance our community outreach and support.

Over the years, we have dedicated significant resources to community projects, utilising our products and services to address local needs. Our contributions include donations to community centres, schools, homes for the elderly, and other local organisations, reflecting our commitment to making a tangible difference in the areas where we operate.

Recently, we made a notable advancement by participating in the Eco-Schools programme through the Green Growth Asia Foundation. This initiative educates students on environmental stewardship. We partnered with the foundation to support SK Tunku Azizah School in Kuantan, Pahang, named in honour of Her Majesty the Queen of Pahang. Our aim with this partnership is to help students understand their potential to positively impact the environment from their school and extend these efforts to their communities. This project has reached out to 1,024 students, marking a significant milestone in our mission to inspire sustainability among young learners.

Total community investment where target beneficiaries are external to SKB	RM 59,133
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Total number of beneficiaries* of the community investment	6
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* Disclosed as the number of organisations/ associations.

Sustainability Statement

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Corporate Governance and Compliance

Why it matters?

Building and maintaining trust with our shareholders, stakeholders, and the broader community is essential for long-term success. Effective corporate governance is crucial for ensuring transparency, ethical conduct, and legal compliance. It safeguards shareholders' investments, manages risks, and creates value by upholding accountability and integrity in all business operations.

Our approach and performance

Our dedication to corporate governance is guided by the principles of the Malaysian Code on Corporate Governance. We emphasise robust governance practices to protect shareholder interests and fulfil stakeholder expectations, thereby enhancing shareholder value and ensuring operational transparency and integrity.

Anti-corruption

This year, we have upheld high governance standards with no issues negatively impacting our shareholders or stakeholders. We continuously implement a company-wide Anti-Bribery and Corruption Policy, which is integral to our governance framework. This policy underscores our zero-tolerance stance on bribery and corruption, reinforcing the expectation that integrity takes precedence over business gains.

Code of Conduct and Ethics

Our Code of Conduct and Ethics, available on our website since 2020, outlines the ethical standards and behaviours expected within our company. Additionally, our Whistle Blowing Policy and Procedure, implemented in 2019 and accessible on our website, provides a secure channel for reporting misconduct or breaches of our ethical standards, supporting a culture of honesty and accountability.

Risk Management

We acknowledge that a comprehensive Risk Management process is necessary to ensure the potential risks and opportunities of the material sustainability matters are adequately managed. We plan to address this by identifying, evaluating, and mitigating potential risks, including those related to climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In executing these practices, we maintain compliance with all relevant standards and regulations, and adopt best practices wherever practicable.

The first corruption-related training was conducted in the year 2022 for all existing employees. All new employees were subsequently trained in anti-corruption during the onboarding process.

To ensure 100% of employees across all categories are trained in the future, we plan to implement progressive training for foreign employees, which will include translating the Anti-Bribery and Corruption Policy into their native languages.

Corruption-related training received by employee as of the end of FY2024

Senior Management	100%
Management	100%
Executive	100%
Non-executive	-

Percentage of operations assessed for corruption-related risks in FY2024

100%

Number of confirmed corruption incidents in FY2024

Nil

Sustainability Statement

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Customer Privacy and Cybersecurity

Why it matters?

Protecting our customers' privacy and ensuring robust cybersecurity are paramount. Safeguarding personal information from unauthorised access and misuse not only builds trust but also ensures compliance with legal requirements, such as the Personal Data Protection Act ("PDPA"). Adhering to these standards helps us secure sensitive information and maintain the confidence of those we serve.

Our approach and performance

We are committed to upholding the highest standards of data protection and cybersecurity. Our Privacy Policy outlines our strategies for safeguarding personal information and our adherence to the PDPA. We implement stringent protocols to prevent data breaches and regularly update our security measures to effectively manage risks and prioritise privacy.

All data managed by the Group is securely stored on a local server with restricted access. We employ encryption and maintain detailed audit logs to enhance security and monitor access. These measures are designed to protect against unauthorised access and ensure the integrity of our customers' personal information.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2024	Nil
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Sustainability Statement

ENVIRONMENT	SOCIAL	GOVERNANCE	ECONOMICS
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Industry Development

Why it matters?

Staying abreast of industry developments is crucial for enhancing safety and addressing emerging challenges effectively. Particularly in areas such as fire safety and flood protection, continuous updates in regulations and rising environmental risks necessitate a proactive approach. Keeping informed about these changes ensures that our products remain effective in safeguarding lives.

Our approach, innovations and achievements

We actively engage with the latest advancements in fire safety and industry standards by participating in research and attending relevant conferences. This engagement allows us to stay updated on new materials, building techniques, and regulatory changes.

Innovative solutions to address environmental challenges

To address specific challenges such as flood risks, we have launched the Powerless Auto-Close Flood Shutter in FY2023. These shutters are designed to protect assets and lives during flood events. Additionally, we collaborate with government and industry partners to develop customised solutions, including insulated fire shutters and seismic storage systems. Our storage racking systems have been tested to Australian Standard AS 4084:2023, which requires all racking systems to be designed to withstand earthquakes and outlines the framework for safe operation and maintenance of the product. Adherence to the standard helps ensure the safety and structural integrity of racking systems, and protect workers and the public from hazard associated with the use of racking. These innovations not only addresses market expectations of the products but also serves as a mitigation measure in response to increasing drastic climate events.

SKB is the first in Malaysia to successfully test fire-rated doors with electric mortise lock, and the largest fire-rated doors under Malaysian Standard. Additionally, our horizontal shutter is the first in the world to achieve 4-hour fire rating under BS EN Standard.

Supply Chain Management

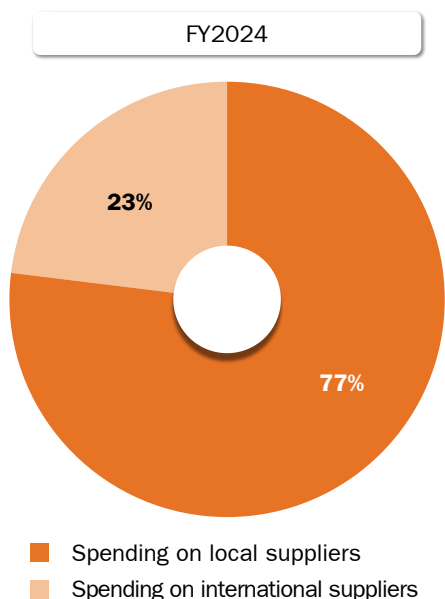
Why it matters?

Maintaining a responsible and sustainable supply chain is crucial, particularly when working with local suppliers. Ethical sourcing and fair treatment of suppliers ensure that we avoid causing harm to people or the environment. By prioritising local suppliers, we not only contribute positively to our community but also support the sustainability of our operations.

Our approach and performance

We are committed to responsible supply chain management, focusing on ethical sourcing and the fair treatment of all suppliers. Our procurement processes emphasise sustainability and integrity, and we regularly review and assess our supply chain to ensure alignment with our values and standards. This commitment helps us maintain a transparent and ethical supply chain while supporting local businesses.

In FY2024, 77% of the expenditure allocated for procurement purpose is directed towards local suppliers. Despite this, we occasionally source materials from international suppliers when necessary to meet our requirements, ensuring that we fulfil all our operational needs effectively.



Sustainability Statement

Performance Data Table

Indicator	Measurement Unit	2024
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	21.420000
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	22,912.00
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	199.30
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	38.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	161.10
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	1,124.20
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	532.20
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	92.70
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	60
Management	Hours	151
Executive	Hours	102
Non-executive	Hours	151
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	0
Executive	Number	15
Non-executive	Number	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	4.80
Bursa C5(c) Number of employees trained on health and safety standards	Number	98
Total hours worked	Hours	333,440
Number of lost time incidents	Number	8
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	40.00
Senior Management Above 50	Percentage	60.00
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	60.00
Management Above 50	Percentage	40.00
Executive Under 30	Percentage	26.40
Executive Between 30-50	Percentage	66.00
Executive Above 50	Percentage	7.50
Non-executive Under 30	Percentage	39.90
Non-executive Between 30-50	Percentage	51.50
Non-executive Above 50	Percentage	8.60
Gender Group by Employee Category		
Senior Management Male	Percentage	40.00
Senior Management Female	Percentage	60.00
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	69.80
Executive Female	Percentage	30.20
Non-executive Male	Percentage	99.60

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement

Performance Data Table (continued)

Indicator	Measurement Unit	2024
Non-executive Female	Percentage	0.40
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	50.00
Female	Percentage	50.00
Under 36	Percentage	0.00
36 - 45	Percentage	37.50
46 - 55	Percentage	0.00
56 - 65	Percentage	37.50
Above 65	Percentage	25.00
Total number of employees	Number	336
Gender diversity - Male	Percentage	93.00
Gender diversity - Female	Percentage	7.00
Age diversity - <30 years old	Percentage	36.00
Age diversity - 30-50 years old	Percentage	54.00
Age diversity - >50 years old	Percentage	10.00
Ethnic diversity - Malay	Percentage	20.50
Ethnic diversity - Chinese	Percentage	8.60
Ethnic diversity - Indian	Percentage	1.80
Ethnic diversity - Other ethnic minorities	Percentage	0.00
Ethnic diversity - Non-Malaysian	Percentage	69.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	59,133.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	77.00

Internal assurance

External assurance

No assurance

(*)Restated

Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility to maintain a sound system of internal control and risk management framework within the Group. The Board also recognises that reviewing the Group's systems of risk management and internal control is a continuous process in ensuring the implementation of appropriate strategies to manage risks and safeguard the shareholders' investment and the Group's assets.

The Board recognises that business decisions require balancing risk, cost management, shareholders' interest and return. Functionally, risk management implementation is the responsibility of all Executive Directors and Departmental Heads, while the Board derives its comfort in the state of risk management and internal control implementation in the Group from the following avenues:

- Quarterly reviews of the financial performance of the Company and the Group;
- Briefing by Management during the Board Meetings on significant business and operational performance and outlooks;
- Reviews of audit findings presented by External Auditors;
- Assessments of the internal control systems and governance practices by the Internal Auditors; and
- Annual management assurance that the Group's risk management and internal control systems are adequate and effective in all material respects.

RISK MANAGEMENT

The Executive Directors and Heads of Departments are accountable to the Board for identifying, evaluating, monitoring, and managing risks; taking and implementing appropriate and timely actions and controls, and providing assurance to the Board that these risk management and internal control systems are adequate and effective.

The Group recognises the persistent challenges arising from the volatility of raw material prices and currency fluctuations, driven by geopolitical tensions, supply chain disruptions, and uneven recovery rates globally. These factors have led to unpredictable cost variations, affecting production expenses and profit margins, while currency fluctuations, especially in international operations, continue to influence import and export costs.

Despite these challenges, the Group remains optimistic about the recovery in the construction sector, particularly within the industrial and digital infrastructure segments. This recovery is expected to drive demand for innovative, high-quality building materials, positioning the Group to capitalise on emerging opportunities.

To manage these risk challenges, the Group continues to strengthen and enhance its business strategies by:

- i. Providing comprehensive industry solutions through the integration of automation and complementary products and industry experts partnership;
- ii. Expanding customer base and export market by participating in overseas networking events;
- iii. Continuous monitoring and managing material cost by arranging blanket orders and hedging;
- iv. Engaging and adding value in the customer relationship;
- v. Improving product quality, timeliness of delivery, innovation, and cost competitiveness; and
- vi. Recruit and train local workers to reduce reliance on foreign skilled workers, including collaborating with local technical schools and participating in their career fairs.

INTERNAL CONTROL

The following are the key control procedures and measures embedded in the Group forming part of the Group's risk mitigation procedures and the management controls:

- i. Management organisation structure defining the management's responsibilities and hierarchical structure of reporting lines and accountability;
- ii. Periodic management meetings, departmental meetings and performance reporting for monitoring and ensuring that the business operations are progressed per the objectives and targets;
- iii. Standard operating procedures guiding staff members in carrying out their functions effectively;

Statement on Risk Management and Internal Control

INTERNAL CONTROL (continued)

- iv. Provision of training to employees to strengthen their skill sets and capabilities and keep them abreast of compliance requirements;
- v. Insurance program protecting plant, property, equipment, money and the Group's liability against fire, consequential loss, property damage, theft, loss of money, burglary, fidelity guarantee and public liability;
- vi. Adoption of quality management systems ISO 9001:2015 in the key subsidiaries, forming the principal guides for the operation procedures;
- vii. Implementation of Anti-Bribery & Corruption ("ABC") Policy, provision of ABC guidelines to create employees and business associates awareness, assessment of the bribery and corruption risks and identification of measures in preventing corruption and bribery; and
- viii. Implementation of Whistleblowing Policy for protecting and encouraging stakeholders to report suspicious activities.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Malaysia Securities Berhad ("Bursa Securities")' Guidelines, Management is responsible for identifying risks, implementing and maintaining sound systems of risk management and internal control, monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Executive Chairman cum Chief Executive Officer and Group Managing Director cum Chief Financial Officer to the best of their knowledge, the Group's risk management and internal control systems are adequate and effective for the Group's operation.

BOARD ASSURANCE

The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Securities and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

The Board acknowledges its continuous oversight responsibility on the Management's risk identification, assessment and management. The existing internal control and risk management systems are adequate and effective to enable the Group to achieve its business objectives. There were no material losses arising from significant control weaknesses for the financial year under review.

The Board wishes to reiterate that risk management and internal control systems would be continuously improved in line with the evolving business environment. However, it should be noted that these systems are designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, fraud, and losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Under Paragraph 15.23 of Bursa's Main Market Listing Requirements and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 30 June 2024.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. They have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control of the Group.

The Statement is made by a resolution of the Board on 25 October 2024.

Audit Committee Report

The Audit Committee (“AC”) of SKB is pleased to present the AC Report for the financial year ended 30 June 2024 in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa”).

The AC was established to assist the Board in discharging its oversight function, the Board has delegated certain responsibilities for corporate governance, internal controls and financial reporting to AC. The AC provides greater objectivity and independence in the deliberations of specific agenda. The AC Chairman report to the Board on the matters discussed and deliberated in the AC meetings.

During the financial year, the members of AC had discharged their duties, responsibilities and functions in accordance with the Terms of Reference (“TOR”) of the AC. The TOR is available at the Company’s website at www.skb-shutters.com.

Membership

The Board has established an effective and independent AC. The AC members are financially literate and can understand matters under the purview of the AC including the financial reporting process.

In compliance with paragraph 15.09(1) of the MMLR, the AC comprises solely independent non-executive directors. None of the AC members are alternate Director. Members of the AC during the financial year ended 30 June 2024 are as follows:

Chairman : Ng Swee Weng (Independent Non-Executive Director)
Member : Amnah Apasra Emir Binti Moehamad Izat Emir (Independent Non-Executive Director)
Ir Yeoh Yen Shiong (Independent Non-Executive Director)

The Chairman of the Audit Committee, Mr Ng Swee Weng is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and member of the Malaysian Institute of Accountants (MIA) and CPA Australia.

Annually, the AC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM. As part of the AC review processes, the AC will also obtain assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Attendance at Meetings

During the financial year ended 30 June 2024, five (5) AC meetings were held and the attendance of each committee member is as follows:

Members	Number of meetings held during members' tenure in office	No. of meetings attended by members
Ng Swee Weng	5	5
Amnah Apasra Emir Binti Moehamad Izat Emir	5	5
Ir Yeoh Yen Shiong	5	5

Upon invitation by the AC, members of the management team attended the AC meetings to assist in clarifying matters raised at the meetings as needed.

The AC will convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary. The External Auditors and Internal Auditors will present their reports on financial results, audit and other matters for the information and/or approval of the AC.

Minutes of the AC meetings were recorded and tabled for confirmation at the next following meeting and subsequently circulated to the Board for notation. The AC Chairman reports to the Board the discussions undertaken and makes recommendations for the Board’s consideration and decision.

Audit Committee Report

Attendance at Meetings (continued)

Details profile of all members of the AC can be found in the Board of Directors' profile in this Annual Report.

The Internal Audit Function is carried out by an internal audit consulting firm. The team members of the internal audit team are accounting graduates from local universities. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the internal audit engagement to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

Summary Of Activities During The Year

In line with the TOR, the AC held five (5) meetings during the financial year and carried out the following activities:

Financial Reporting

- Reviewed the unaudited quarterly financial reports before recommending to the Board for their approval and release of the Group's results to Bursa Malaysia Securities Berhad;
- Reviewed the annual audited financial statements of the Company and of the Group and its related notes to financial statements for the financial year ended 30 June 2023 to ensure compliance with the provisions of the Companies Act 2016, MMLR, applicable MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and other legal and regulatory requirements prior to the submission to the Board of Directors for their approval;
- The focus of review was on:
 - key audit matters and other significant audit matters;
 - significant matters highlighted including financial reporting issues, judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - reviewed the inter-company transactions and related party transactions ("RPT") report and noted that all the RPT were within the holding company and its wholly owned subsidiaries.

External Audit

- Reviewed the Audit Plan with the External Auditors;
- Reviewed the results and issues arising from the audit and their resolutions with the External Auditors;
- Hold two meetings with the External Auditors without the presence of the Executive Directors or management, to deliberate on key areas of concern to the External Auditors and action necessary for the improvement of the Group arising from the audit review. The issues discussed were then highlighted by the AC Chairman to the Board;
- Reviewed and discussed with the External Auditors accounting standards and other legal requirements;
- Received update of newly effective accounting standards, pre-approval for non-assurance services, Transparency Report and sustainability reporting requirements from the External Auditors;
- Reviewed and endorsed the audit planning memorandum presented by the External Auditors on the scope of work and audit plan of the Group for the financial year ended 30 June 2024, proposed audit reporting schedule and new development on financial reporting standards applicable to the Group;
- The External Auditors also have not identified any breach of independence during the financial year ended 30 June 2023 and were in compliance with the independence requirements;
- Considered the audit fees paid to the External Auditors for the financial year ended 30 June 2024. The details of the audit and non-audit services rendered by the External Auditors and their affiliates for financial year ended 30 June 2024 are disclosed in Other Information of this Annual Report;
- Reviewed the extent of assistance rendered by management during audit at the private session; and
- Reviewed and evaluated the performance, effectiveness and independence of the External Auditors including assessment of their suitability and independence in performing their obligations and made recommendations to the Board of Directors on their appointment and remuneration.

Audit Committee Report

Summary Of Activities During The Year (continued)

Internal Audit

- Reviewed and approved the internal audit reports and audit recommendations made by the internal auditors, IA Essential Sdn. Bhd. (“IAE”) on Inventory Management of SKB Storage Industries Sdn. Bhd. and management’s responses thereto. The internal auditors monitored the implementation of management action plan through follow-up audit to ensure all key risks and weaknesses were being addressed;
- Reviewed the Internal Audit Plan proposed by IAE with the following key considerations:
 - Financial Performance Indicators;
 - Management Team and Past Audit;
 - Frequency, Timing and Previous Audit Issues;
 - Management Risk Assessment;
 - Conflict of Interest; and
 - 2023 Key Audit Matter (“KAM”) highlighted by External Auditor (“EA”);
- Reviewed the Report on Sustainability Materiality Assessment 2024;
- Reviewed ESG Roadmap on sustainability compliance;
- Reviewed and adopted the proposed Board and Senior Management Sustainability Performance Evaluation Criteria;
- Conducted Materiality Assessment Process; and
- Reviewed Draft Sustainability Policy.

Other Matters

- Discussed and reviewed on ERP system
- Reviewed the Group’s 2024 Enterprise Risk Register (“ERR”) which consists of risk assessment and action plan with redefined risk appetite and assessed on the emerging risks arising from time to time.
- Reviewed the following prior to the Board’s approval for inclusion in the Annual Report and to recommend the same to the Board for release to Bursa Malaysia Securities Berhad:
 - Corporate Governance Overview Statement (“CGOS”)
 - Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group
 - AC report
 - Corporate Governance Report (“CGR”)
- Reviewed the AC Evaluation Report.

Performance of AC

The performance and activities of the AC and its members were reviewed on annual basis and the assessment results would be tabled to the Nominating Committee for review. During the financial year ended 30 June 2024, the Board is satisfied that the AC had discharged its responsibilities and duties in accordance with its TOR.

Internal Audit Function

The AC is aware of the importance of an independent and adequately resourced internal audit function in discharging its duties and responsibilities. The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 30 June 2024. The Internal Audit function is to assist the Board and the AC to evaluate the system of internal control, risk management and corporate governance whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objectives. The Internal Audit reviews the effectiveness of the internal control structures over the Group’s activities focusing on high risk areas.

The Internal Auditors independently reviews the risk identification practices and control processes implemented by the management and reports to the AC. The results of the reviews performed by the Internal Auditors were communicated to both Management and the AC together with the implementation status of audit recommendations for further improvement.

During the financial year, internal audit conducted the following:

- Inventory Management on SKB Storage Industries Sdn Bhd;
- ESG awareness briefing to the Board and Management and E-Survey in January 2024; and
- Developed the Sustainability Report Framework.

The total costs incurred for the internal audit function of the Company for the financial year was RM42,000. The details of the TOR of the AC are published in the corporate website at www.skb-shutters.com.

Directors' Report

for the year ended 30 June 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

Principal activities

The Company is principally engaged in the investment holding activity, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is a subsidiary of SKB Glory Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Profit for the year attributable to owners of the Company	<u>16,369,252</u>	<u>180,240</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividend

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Sin Kheng Lee - Chairman
Sin Siew Huey - Managing Director
Sin Ching San
Chou Lee Sin
Sin Tze Yi
Ng Swee Weng
Amnah Apasra Emir Binti Moehamad Izat Emir
Yeoh Yen Shiong

Directors of the subsidiaries

Directors of the subsidiaries (other than Directors of the Company) who served during the financial year until the date of this report is Tan Cheng Shun.

Directors' Report

for the year ended 30 June 2024

Directors' interests in shares

The direct and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	← Number of ordinary shares →			
	Balance at 1.7.2023	Bought	(Sold)	
Direct interests				
<u>The Company</u>				
Sin Kheng Lee - own	6,930,000	-	-	6,930,000
Sin Ching San - own	30,000	-	-	30,000
Chou Lee Sin - own	30,000	-	-	30,000
<u>Holding company</u>				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	971,250	422,750	-	1,394,000
Sin Ching San - own	416,250	86,000	-	502,250
Deemed interests				
<u>The Company</u>				
Sin Kheng Lee - own	68,542,821	-	-	68,542,821
Sin Ching San - own	68,542,821	-	-	68,542,821
<u>Holding company</u>				
- SKB Glory Sdn. Bhd.				
Sin Kheng Lee - own	112,500	41,250	-	153,750
	← Number of Warrants →			
	Balance at 1.7.2023	Bought	(Sold)	
Direct interests				
<u>The Company</u>				
Sin Kheng Lee - own	3,465,000	-	-	3,465,000
Sin Ching San - own	15,000	-	-	15,000
Chou Lee Sin - own	15,000	-	-	15,000
Deemed interests				
<u>The Company</u>				
Sin Kheng Lee - own	24,271,410	-	-	24,271,410
Sin Ching San - own	24,271,410	-	-	24,271,410

By virtue of their interests in the shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 30 June 2024 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

Directors' Report

for the year ended 30 June 2024

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2024 are as follows :

	From the Company RM	From subsidiary companies RM
Directors of the Company :		
Fees	275,000	-
Remuneration	-	3,660,000
Contributions to Employees' Provident Fund	-	439,200
Estimated monetary value of benefits-in-kind	-	10,600
	<u>275,000</u>	<u>4,109,800</u>

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

Issue of shares and debentures

During the financial year, the Company increased its issued and paid-up capital from RM45,818,324 to RM46,321,154 by way of allotment of 1,117,400 new ordinary shares at RM0.45 each through exercise of Warrants, for working capital purpose.

Warrants

On 16 February 2022, the Company issued 65,999,996 free warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares held in the Company. The Warrants entitle the holders to subscribe for one (1) new ordinary share in the Company on the basis of one (1) new ordinary share for every Warrant held at an exercise price of RM0.45 per ordinary share, to be satisfied in cash within three (3) years from the date of the issue of the Warrants, subject to adjustments in accordance with the provisions of the Deed Poll created on 20 January 2022. Any Warrant not exercised during the exercise period will lapse and thereafter ceases to be valid for any purpose.

During the financial year, there were 1,117,400 (2022 : Nil) Warrants exercised with 64,882,596 (2023 : 65,999,996) Warrants remained unexercised as at the end of the reporting period.

Options granted over unissued shares

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

Indemnity and insurance costs

The amount of indemnity coverage and premium paid for public liability insurance during the financial year are RM10 million and RM16,440 respectively for Directors and officers of the Group and the Company.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

Directors' Report

for the year ended 30 June 2024

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

for the year ended 30 June 2024

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM165,000 and RM40,000 respectively.

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

.....
Sin Kheng Lee
Director

.....
Sin Siew Huey
Director

Penang,

Date : 25 October 2024



Statements of Financial Position

as at 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Property, plant and equipment	3	32,247,811	32,420,074	-	-
Right-of-use assets	4	92,951,134	94,286,419	-	-
Investment properties	5	245,215	252,643	-	-
Investments in subsidiaries	6	-	-	17,522,940	17,522,942
Deferred tax assets	7	257,388	-	-	-
Trade receivables	8	5,275,670	5,197,742	-	-
Total non-current assets		130,977,218	132,156,878	17,522,940	17,522,942
Inventories	9	51,249,514	51,237,634	-	-
Trade and other receivables	8	22,668,951	19,432,577	4,035,771	11,074,602
Current tax assets		48,499	19,593	817	817
Short-term deposits placed with financial institutions	10	38,014,696	-	25,602,075	-
Cash and cash equivalents	11	5,389,564	24,326,711	576,663	18,408,416
Total current assets		117,371,224	95,016,515	30,215,326	29,483,835
Total assets		248,348,442	227,173,393	47,738,266	47,006,777
Equity					
Share capital	12	46,321,154	45,818,324	46,321,154	45,818,324
Reserves	13	86,091,702	69,734,452	1,039,679	859,439
Total equity attributable to owners of the Company		132,412,856	115,552,776	47,360,833	46,677,763
Liabilities					
Loans and borrowings	14	59,931,564	64,052,806	-	-
Lease liabilities		379,052	536,418	-	-
Deferred tax liabilities	7	122,000	626,498	-	-
Total non-current liabilities		60,432,616	65,215,722	-	-
Loans and borrowings	14	21,882,441	15,950,453	-	-
Lease liabilities		157,366	174,372	-	-
Trade and other payables	15	33,074,814	29,295,233	377,433	329,014
Current tax liabilities		388,349	984,837	-	-
Total current liabilities		55,502,970	46,404,895	377,433	329,014
Total liabilities		115,935,586	111,620,617	377,433	329,014
Total equity and liabilities		248,348,442	227,173,393	47,738,266	47,006,777

The notes on pages 57 to 91 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	16	115,730,844	112,135,556	-	300,000
Cost of sales		(74,626,778)	(77,858,026)	-	-
Gross profit		41,104,066	34,277,530	-	300,000
Other income		3,876,029	3,724,758	6	-
Selling and distribution expenses		(1,300,056)	(1,100,265)	(866)	-
Administrative expenses		(19,650,050)	(16,175,898)	(661,458)	(656,169)
Net loss on impairment of financial instruments	17	(171,374)	(131,540)	-	-
Other expenses		(364,886)	(402,611)	-	-
Results from operating activities		23,493,729	20,191,974	(662,318)	(356,169)
Finance income	17	1,059,656	408,170	842,558	369,163
Finance costs	18	(2,569,147)	(2,236,819)	-	-
Net finance (costs)/income		(1,509,491)	(1,828,649)	842,558	369,163
Profit before tax	17	21,984,238	18,363,325	180,240	12,994
Tax expense	20	(5,614,986)	(3,368,498)	-	-
Profit for the year		16,369,252	14,994,827	180,240	12,994
Other comprehensive expense, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		(12,002)	(84,140)	-	-
Total other comprehensive expense for the year, net of tax		(12,002)	(84,140)	-	-
Total comprehensive income for the year		16,357,250	14,910,687	180,240	12,994
Profit for the year attributable to :					
Owners of the Company		16,369,252	14,994,827	180,240	12,994
Total comprehensive income for the year attributable to :					
Owners of the Company		16,357,250	14,910,687	180,240	12,994
Basic earnings per ordinary share (sen)	21	12.40	11.36		
Diluted earnings per ordinary share (sen)	21	11.16	NA		

The notes on pages 57 to 91 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	← <i>Attributable to owners of the Company</i> →				Total equity RM
	Share capital RM	Translation reserve RM	Capital reserve RM	Retained earnings RM	
At 1 July 2022	45,818,324	(249,033)	30,000	55,042,798	100,642,089
Other comprehensive expense for the year					
- Foreign currency translation differences for foreign operation	-	(84,140)	-	-	(84,140)
Profit for the year	-	-	-	14,994,827	14,994,827
Total comprehensive (expense)/ income for the year	-	(84,140)	-	14,994,827	14,910,687
At 30 June 2023/ At 1 July 2023	45,818,324	(333,173)	30,000	70,037,625	115,552,776
Other comprehensive expense for the year					
- Foreign currency translation differences for foreign operation	-	(12,002)	-	-	(12,002)
Profit for the year	-	-	-	16,369,252	16,369,252
Total comprehensive (expense)/ income for the year	-	(12,002)	-	16,369,252	16,357,250
Contributions by owners of the Company :					
- Issuance of shares arising from Warrants exercised	502,830	-	-	-	502,830
At 30 June 2024	46,321,154	(345,175)	30,000	86,406,877	132,412,856
	Note 12	←	Note 13	→	

The notes on pages 57 to 91 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2024

	← <i>Attributable to owners of the Company</i> →		
	Share capital RM	Retained earnings RM	Total equity RM
At 1 July 2022	45,818,324	846,445	46,664,769
Profit for the year representing total comprehensive income for the year	-	12,994	12,994
At 30 June 2023/1 July 2023	45,818,324	859,439	46,677,763
Profit for the year representing total comprehensive income for the year	-	180,240	180,240
Contributions by owners of the Company :			
- Issuance of shares arising from Warrants exercised	502,830	-	502,830
At 30 June 2024	46,321,154	1,039,679	47,360,833
	Note 12	Note 13	

The notes on pages 57 to 91 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit before tax		21,984,238	18,363,325	180,240	12,994
Adjustments for :					
Depreciation of :					
- property, plant and equipment	3	3,484,106	3,346,807	-	-
- right-of-use assets	4	1,335,285	876,836	-	-
- investment properties	5	7,428	7,428	-	-
Dividend income	16	-	-	-	(300,000)
Gain on disposal of plant and equipment	17	(106,079)	(75,994)	-	-
Gain on :					
- derecognition of right-of-use assets	17	-	(7,121)	-	-
- forfeiture of non-refundable deposits received	17	(34,331)	(54,537)	-	-
Net loss on impairment of financial instruments	17	171,374	131,540	-	-
Plant and equipment written off		3	6	-	-
Provision/(Reversal) of inventories written down	17	186,917	(72,696)	-	-
Inventories written off	17	-	107,521	-	-
Investment in subsidiary written off		-	-	2	-
Interest income	17	(1,059,656)	(408,170)	(842,558)	(369,163)
Interest expense	18	2,569,147	2,236,819	-	-
Unrealised gain on foreign exchange	17	(343,602)	(145,836)	-	-
Operating profit/(loss) before changes in working capital		28,194,830	24,305,928	(662,316)	(656,169)
Changes in working capital :					
Inventories		(198,797)	1,539,421	-	-
Trade and other receivables		(3,501,998)	(6,394,133)	3,000	-
Trade and other payables		3,806,014	2,511,162	48,419	(9,569)
Cash generated from/ (used in) operations		28,300,049	21,962,378	(610,897)	(665,738)
Tax paid		(7,002,266)	(3,414,785)	-	(184)
Net cash from/(used in) operating activities		21,297,783	18,547,593	(610,897)	(665,922)

Statements of Cash Flows

for the year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Purchase of :					
- plant and equipment	A	(2,109,467)	(1,164,037)	-	-
- right-of-use assets		-	(35,974,000)	-	-
Proceeds from disposal of plant and equipment		108,500	76,000	-	-
Repayment from subsidiaries, net		-	-	7,035,831	6,121,999
Interest received		1,059,656	408,170	842,558	369,163
Net cash (used in)/from investing activities		(941,311)	(36,653,867)	7,878,389	6,491,162
Cash flows from financing activities					
Drawdown of term loans		-	29,977,000	-	-
Repayment of term loans		(3,831,261)	(2,133,314)	-	-
Repayment of hire purchase creditors, net		(1,066,750)	(985,744)	-	-
Placement of short-term investment		(38,014,696)	-	(25,602,075)	-
Payment of lease liabilities		(174,372)	(186,914)	-	-
Issuance of shares arising from Warrants exercised		502,830	-	502,830	-
Changes in other borrowings, net		3,650,054	1,995,506	-	-
Interest paid		(2,569,147)	(2,236,819)	-	-
Net cash (used in)/from financing activities		(41,503,342)	26,429,715	(25,099,245)	-
Net (decrease)/increase in cash and cash equivalents		(21,146,870)	8,323,441	(17,831,753)	5,825,240
Effect of exchange rate fluctuation on cash and cash equivalents		355,820	257,306	-	-
Cash and cash equivalents at 1 July 2023/2022		23,910,263	15,329,516	18,408,416	12,583,176
Cash and cash equivalents at 30 June	B	3,119,213	23,910,263	576,663	18,408,416

Cash outflows for leases as lessee - Group

	Note	2024 RM	2023 RM
Included in net cash from operating activities			
Payment relating to short-term leases	17	514,590	550,192
Payment relating to leases of low-value assets	17	27,970	24,330
Included in net cash (used in)/from financing activities			
Interest paid in relation to lease liabilities	18	22,428	8,151
Payment of lease liabilities		174,372	186,914
Total cash outflows for leases		739,360	769,587

Statements of Cash Flows

for the year ended 30 June 2024

Reconciliation of movements of liabilities to cash flows arising from financing activities - Group

	At 1.7.2022 RM	Hire purchase arrangement RM	Drawdown of new term loan/ Addition of new lease RM	Derecognition* RM	Net changes from financing cash flows RM	At 30.6.2023/ 1.7.2023 RM	Hire purchase arrangement RM	Net changes from financing cash flows RM	At 30.6.2024 RM
Term loans	38,113,294	-	29,977,000	-	(2,133,314)	65,956,980	-	(3,831,261)	62,125,719
Hire purchase creditors	1,730,570	2,227,005	-	-	(985,744)	2,974,831	1,204,800	(1,066,750)	3,109,881
Lease liabilities	411,814	-	594,773	(108,883)	(186,914)	710,790	-	(174,372)	536,418
Other bank borrowings (excluding bank overdrafts)	8,662,494	-	-	-	1,995,506	10,658,000	-	3,650,054	14,308,054
Total liabilities from financing activities	48,918,172	2,227,005	30,571,773	(108,883)	(1,310,466)	80,297,601	1,204,800	(1,422,329)	80,080,072

* Derecognition due to early termination of lease contracts.

Statements of Cash Flows

for the year ended 30 June 2024

NOTES

A. Purchase of property, plant and equipment - Group

During the financial year, the Group acquired property, plant and equipment as follows :

	Note	2024 RM	2023 RM
Purchase of property, plant and equipment	3	3,314,267	3,391,042
Less : Acquired by means of hire purchase arrangements		(1,204,800)	(2,227,005)
		<u>2,109,467</u>	<u>1,164,037</u>

B. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash and cash equivalents	11	5,389,564	24,326,711	576,663	18,408,416
Less :					
Bank overdrafts	14	(2,270,351)	(416,448)	-	-
		<u>3,119,213</u>	<u>23,910,263</u>	<u>576,663</u>	<u>18,408,416</u>

The notes on pages 57 to 91 are an integral part of these financial statements.

Notes to the Financial Statements

SKB Shutters Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows :

Principal place of business / Registered office

Lot 22, Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”).

The Company is principally engaged in the investment holding activity. The principal activities of its subsidiaries are as stated in Note 6 to the financial statements.

The ultimate holding company during the financial year is SKB Glory Sdn. Bhd., a company incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 25 October 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company :

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

Notes to the Financial Statements

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company plan to apply the abovementioned standards and amendments where applicable, in the respective financial years when the above standards and amendments become effective.

The initial application of the above standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 8.3 - Trade and other receivables; and
- Note 9.1 - Inventories.

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

Notes to the Financial Statements

3. Property, plant and equipment - Group

Cost	Building and building improvements RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
At 1 July 2022	32,748,632	45,734,612	18,187,965	6,376,011	1,787,100	104,834,320
Additions	-	1,337,383	361,613	1,509,538	182,508	3,391,042
Disposals	-	-	-	(542,600)	-	(542,600)
Written off	-	(672,056)	-	(73,826)	-	(745,882)
Reclassification	-	-	1,754,332	-	(1,754,332)	-
Effect of movements in exchange rates	-	-	536	-	-	536
At 30 June 2023/1 July 2023	32,748,632	46,399,939	20,304,446	7,269,123	215,276	106,937,416
Additions	-	1,087,029	313,773	420,757	1,492,708	3,314,267
Disposals	-	-	-	(594,838)	-	(594,838)
Written off	-	-	(6,875)	-	-	(6,875)
At 30 June 2024	32,748,632	47,486,968	20,611,344	7,095,042	1,707,984	109,649,970

Notes to the Financial Statements

3. Property, plant and equipment - Group (continued)

	Building and building improvements RM	Plant and machinery RM	Furniture, fittings, fixtures and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Depreciation and impairment loss						
At 1 July 2022	12,070,142	40,073,224	15,051,106	4,991,817	-	72,186,289
Accumulated depreciation	-	272,180	-	-	-	272,180
Accumulated impairment losses	12,070,142	40,345,404	15,051,106	4,991,817	-	72,458,469
Depreciation for the year	644,526	1,151,424	945,061	605,796	-	3,346,807
Disposals	-	-	-	(542,594)	-	(542,594)
Written off	-	(672,051)	-	(73,825)	-	(745,876)
Effect of movements in exchange rates	-	-	536	-	-	536
At 30 June 2023	12,714,668	40,824,777	15,996,703	4,981,194	-	74,517,342
Depreciation for the year	644,527	1,163,899	919,146	756,534	-	3,484,106
Disposals	-	-	-	(592,417)	-	(592,417)
Written off	-	-	(6,872)	-	-	(6,872)
At 30 June 2024	13,359,195	41,988,676	16,908,977	5,145,311	-	77,402,159
Carrying amounts						
At 1 July 2022	20,678,490	5,389,208	3,136,859	1,384,194	1,787,100	32,375,851
At 30 June 2023/1 July 2023	20,033,964	5,575,162	4,307,743	2,287,929	215,276	32,420,074
At 30 June 2024	19,389,437	5,498,292	3,702,367	1,949,731	1,707,984	32,247,811

Notes to the Financial Statements

3. Property, plant and equipment - Group (continued)

3.1 Assets under hire purchase arrangements

The carrying amounts of plant and equipment acquired under hire purchase arrangements are as follows :

	2024	2023
	RM	RM
Plant and machinery	1,938,430	1,211,293
Motor vehicles	1,923,479	2,284,424
	<u>3,861,909</u>	<u>3,495,717</u>

3.2 Property, plant and equipment subject to operating lease

The Group leases part of its building to a third party. The lease contains a non-cancellable period of 3 years. Subsequent renewal is negotiated with the lessee.

The Group generally does not require a financial guarantee on the lease arrangement. Nevertheless, the Group requires two months of rental as deposit from the lessee. This lease does not include residual value guarantee.

The following are recognised in profit or loss :

	2024	2023
	RM	RM
Lease income	<u>3,348,120</u>	<u>3,285,345</u>

The operating lease payments to be received are as follows :

	2024	2023
	RM	RM
Less than one year	837,030	3,348,120
One to two years	-	837,030
Total undiscounted lease payments	<u>837,030</u>	<u>4,185,150</u>

3.3 Security

The building is charged to a licensed bank as security for the term loans facility granted to a subsidiary (see Note 14).

3.4 Capitalisation of borrowing costs

The Group's property, plant and equipment includes borrowing costs arising from term loan. During the financial year, the borrowing costs of RM1,389,505 (2023 : RM15,278) were capitalised as cost of capital work-in-progress.

Notes to the Financial Statements

3. Property, plant and equipment - Group (continued)

3.5 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

Building and building improvements	50 years
Plant and machinery	5 - 10 years
Furniture, fittings, fixtures and equipment	5 years
Motor vehicles	5 years

4. Right-of-use assets - Group

	Leasehold land RM	Forklifts RM	Total RM
At 1 July 2022	58,300,013	396,231	58,696,244
Additions	35,974,000	594,773	36,568,773
Depreciation	(691,283)	(185,553)	(876,836)
Derecognition*	-	(101,762)	(101,762)
At 30 June 2023/1 July 2023	93,582,730	703,689	94,286,419
Depreciation	(1,154,966)	(180,319)	(1,335,285)
At 30 June 2024	92,427,764	523,370	92,951,134

* Derecognition due to early termination of lease contracts.

The Group leases a number of forklifts and two (2023 : two) parcels of leasehold land that run between 5 years and 99 (2023 : 99) years respectively.

Notes to the Financial Statements

4. Right-of-use assets - Group (continued)

4.1 Security

The leasehold land are charged to licensed banks as security for the term loans facility granted to a subsidiary (see Note 14).

4.2 Judgements and assumptions in relation to leases

The Group applied judgement and assumptions in determining the incremental borrowing rates of the leases of forklifts. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the leases.

4.3 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

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

5. Investment properties - Group

	Apartment and shop office RM
Cost	
At 1 July 2022/30 June 2023/1 July 2023/30 June 2024	<u>791,415</u>
Depreciation and impairment loss	
At 1 July 2022	
Accumulated depreciation	189,102
Accumulated impairment losses	342,242
	531,344
Depreciation for the year	7,428
At 30 June 2023/1 July 2023	
Accumulated depreciation	196,530
Accumulated impairment losses	342,242
	538,772

Notes to the Financial Statements

5. Investment properties - Group (continued)

	Apartment and shop office RM
Depreciation for the year	7,428
At 30 June 2024	
Accumulated depreciation	203,958
Accumulated impairment losses	342,242
	546,200
 Carrying amounts	
At 1 July 2022	260,071
At 30 June 2023/1 July 2023	252,643
At 30 June 2024	245,215

Investment properties comprise a number of commercial properties that are leased to third parties. No contingent rents are charged.

The following are recognised in profit or loss :

	2024 RM	2023 RM
Lease income	27,000	26,700
Direct operating expenses :		
- income generating investment properties	12,108	12,108
- non-income generating investment properties	1,123	1,208
	13,231	13,316

5.1 Fair value information

The fair value of the investment properties of the Group is based on the Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of properties being valued. The fair value of the investment properties as at 30 June 2024 is classified as level 3 fair value (2023 : level 3 fair value), estimated at approximately RM585,000 (2023 : RM580,000).

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (2023 : no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Notes to the Financial Statements

5. Investment properties - Group (continued)

5.1 Fair value information (continued)

Estimation uncertainty and key assumptions

The Directors estimate the fair value of the Group's investment properties based on the following key assumptions :

- Comparison of the Group's investment properties with similar properties that were published for sale within the same locality or other comparable localities; and
- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

5.2 Material accounting policy information

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment.

6. Investments in subsidiaries - Company

	2024	2023
	RM	RM
Unquoted shares, at cost	17,548,945	17,548,947
Less: Impairment loss	(26,005)	(26,005)
	<u>17,522,940</u>	<u>17,522,942</u>

Details of the subsidiaries are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024	2023	
SKB Shutters Manufacturing Sdn. Bhd. ("SSM")	Malaysia	100%	100%	Manufacture and sale of roller shutters, racking systems, storage system and related steel products.
SKB Storage Industries Sdn. Bhd. ("STO")	Malaysia	100%	100%	Manufacture and sale of roller shutters, racking systems, storage system and related steel products.
SKB Shutters Industries Sdn. Bhd. ("SSI")	Malaysia	-	100%	Dormant.
SKB Shutters (S) Pte. Ltd. ("SSS") #	Singapore	100%	100%	Trading of roller shutters, racking systems and storage systems.

Not audited by KPMG PLT.

6.1 Striking off of a subsidiary

During the financial year, SSI has submitted its application for strike off and was successfully gazetted and dissolved subsequent to the financial year with effect from 19 August 2024.

6.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment loss.

Notes to the Financial Statements

7. Deferred tax assets/(liabilities) - Group *Recognised deferred tax assets/(liabilities)*

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	(4,211,000)	(1,713,000)	(1,211,000)	(1,713,000)
- capital allowances	-	-	(1,503,612)	(1,641,498)	(1,503,612)	(1,641,498)
Right-of-use assets	-	-	(125,000)	(169,000)	(125,000)	(169,000)
- revaluation	-	-	-	-	128,000	170,000
- others	128,000	170,000	-	-	128,000	170,000
Lease liabilities	-	-	(333,000)	-	(333,000)	-
Interest expense capitalised	-	-	-	-	-	-
Provisions	3,180,000	2,727,000	-	-	3,180,000	2,727,000
	<u>3,308,000</u>	<u>2,897,000</u>	<u>(3,172,612)</u>	<u>(3,523,498)</u>	<u>135,388</u>	<u>(626,498)</u>
Deferred tax assets/(liabilities)						
Set off of tax	(3,050,612)	(2,897,000)	3,050,612	2,897,000	-	-
	<u>257,388</u>	<u>-</u>	<u>(122,000)</u>	<u>(626,498)</u>	<u>135,388</u>	<u>(626,498)</u>
Net deferred tax assets/(liabilities)						

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the Group entities can utilise the benefits therefrom.

Notes to the Financial Statements

7. Deferred tax assets/(liabilities) - Group (continued)

Recognised deferred tax assets/(liabilities) (continued)

Movements in temporary differences during the year are as follows :

	At 1.7.2022 RM	Recognised in profit or loss (Note 20) RM	At 30.6.2023/ 1.7.2023 RM	Recognised in profit or loss (Note 20) RM	At 30.6.2024 RM
Property, plant and equipment					
- capital allowances	(1,546,000)	(167,000)	(1,713,000)	502,000	(1,211,000)
- reinvestment allowances	313,000	(313,000)	-	-	-
Right-of-use assets					
- revaluation	(1,779,382)	137,884	(1,641,498)	137,886	(1,503,612)
- others	(95,000)	(74,000)	(169,000)	44,000	(125,000)
Lease liabilities	98,000	72,000	170,000	(42,000)	128,000
Interest expense capitalised	-	-	-	(333,000)	(333,000)
Provisions	1,451,710	1,275,290	2,727,000	453,000	3,180,000
	<u>(1,557,672)</u>	<u>931,174</u>	<u>(626,498)</u>	<u>761,886</u>	<u>135,388</u>

Unrecognised deferred tax assets

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

	2024 RM	2023 RM
Tax losses carry-forward	<u>1,482,000</u>	<u>1,464,000</u>

The tax losses carry-forward of RM1,482,000 (2023 : RM1,464,000) for a subsidiary do not expire under the tax legislation in Singapore.

Deferred tax assets have not been recognised in respect of the tax losses carry-forward because it is not probable that future taxable profits will be available against which the subsidiary can utilise the benefits.

Notes to the Financial Statements

8. Trade and other receivables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Trade					
Retention sum		5,275,670	5,197,742	-	-
Current					
Trade					
Trade receivables		16,398,214	14,708,889	-	-
Retention sum		3,484,218	2,095,199	-	-
		19,882,432	16,804,088	-	-
Non-trade					
Amount due from subsidiaries	8.1	-	-	4,034,771	11,070,602
Other receivables		209,400	162,429	-	-
Deposits		798,958	859,820	1,000	4,000
Prepayments	8.2	1,778,161	1,606,240	-	-
		2,786,519	2,628,489	4,035,771	11,074,602
		<u>22,668,951</u>	<u>19,432,577</u>	<u>4,035,771</u>	<u>11,074,602</u>

8.1 Amount due from subsidiaries - Company

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

8.2 Prepayments - Group

Included in prepayments of the Group is an amount of RM1,063,943 (2023 : RM865,453) representing advance payments made to suppliers for the purchase of raw materials.

8.3 Significant judgements and assumptions

The management reviews for impairment loss on trade receivables based on individual assessment for those receivables past due more than 90 days. This review requires judgement and estimates. Possible changes in the estimate could result in revision to the impairment loss on trade receivables.

9. Inventories - Group

	2024 RM	2023 RM
Raw materials	28,701,988	27,627,318
Work-in-progress	131,425	841,779
Manufactured inventories	22,416,101	22,768,537
	<u>51,249,514</u>	<u>51,237,634</u>

Notes to the Financial Statements

9. Inventories - Group (continued)

Recognised in profit or loss (included under cost of sales) :

	2024	2023
	RM	RM
Inventories recognised as cost of sales	74,439,861	77,823,201
Provision/(Reversal) of inventories written down	186,917	(72,696)
Inventories written off	-	107,521
	<u>74,626,778</u>	<u>77,858,026</u>

9.1 Significant judgements and assumptions

In determining the amount of inventories to be written down, the Directors took into consideration the age of the inventories and the likelihood of future consumption. This review requires judgement and estimates. Possible changes in the estimate could result in revision to the valuation of inventories.

9.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first out method.

10. Short-term deposits placed with financial institutions

The above short-term deposits represent investment in money market funds which are invested in corporate bonds, commercial papers, money market deposits and cash equivalents. The short-term deposits are redeemable within a period of 3 to 7 days.

11. Cash and cash equivalents

	Note	Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
Short-term funds	11.1	-	18,359,517	-	18,359,517
Cash and bank balances		5,389,564	5,967,194	576,663	48,899
		<u>5,389,564</u>	<u>24,326,711</u>	<u>576,663</u>	<u>18,408,416</u>

11.1 Short-term funds

Short-term funds represent investments in fixed income funds which are redeemable within a period of less than 7 days.

12. Share capital - Group and Company

	Note	2024		2023	
		Amount	Number	Amount	Number
		RM	of shares	RM	of shares
Issued and fully paid ordinary shares with no par value classified as equity instruments					
At 1 July 2023/2022		45,818,324	132,000,000	45,818,324	132,000,000
Issuance of shares arising from Warrants exercised	12.2	502,830	1,117,400	-	-
At 30 June		<u>46,321,154</u>	<u>133,117,400</u>	<u>45,818,324</u>	<u>132,000,000</u>

Notes to the Financial Statements

12. Share capital - Group and Company (continued)

12.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

12.2 Issuance of shares arising from Warrants exercised

During the financial year, the Company increased its issued and paid-up capital from RM45,818,324 to RM46,321,154 by way of allotment of 1,117,400 new ordinary shares at RM0.45 each through the exercise of Warrants.

13. Reserves

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Capital reserve		30,000	30,000	-	-
Translation reserve	13.1	(345,175)	(333,173)	-	-
Retained earnings		86,406,877	70,037,625	1,039,679	859,439
		<u>86,091,702</u>	<u>69,734,452</u>	<u>1,039,679</u>	<u>859,439</u>

13.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation.

14. Loans and borrowings - Group

	2024 RM	2023 RM
Non-current		
<i>Secured</i>		
Term loans	57,911,903	62,123,042
Hire purchase creditors	2,019,661	1,929,764
	<u>59,931,564</u>	<u>64,052,806</u>
Current		
<i>Secured</i>		
Term loans	4,213,816	3,833,938
Hire purchase creditors	1,090,220	1,042,067
	5,304,036	4,876,005
<i>Unsecured</i>		
Bank overdrafts	2,270,351	416,448
Bankers' acceptances	10,255,000	8,658,000
Revolving credits	4,053,054	2,000,000
	16,578,405	11,074,448
	<u>21,882,441</u>	<u>15,950,453</u>
Total loans and borrowings	<u>81,814,005</u>	<u>80,003,259</u>

Notes to the Financial Statements

14. Loans and borrowings - Group (continued)

14.1 Securities

The term loans are secured by the Group's land and building (see Notes 3.3 and 4.1).

The hire purchase creditors are effectively secured as the rights to the assets will be reverted to the hire purchase creditors in the event of default.

15. Trade and other payables

	Note	Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
Trade					
Trade payables		11,649,971	10,269,810	-	-
Non-trade					
Other payables	15.1	16,436,831	14,711,099	3,780	3,710
Accrued expenses		4,121,415	3,581,485	373,653	325,304
Deposits received		866,597	732,839	-	-
		21,424,843	19,025,423	377,433	329,014
		<u>33,074,814</u>	<u>29,295,233</u>	<u>377,433</u>	<u>329,014</u>

15.1 Other payables

Included in other payables of the Group is an amount of RM12,925,359 (2023 : RM11,348,446) representing advance payments from customers.

16. Revenue

		Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
Revenue from contracts with customers		115,730,844	112,135,556	-	-
Other revenue					
- Dividend income		-	-	-	300,000
Total revenue		<u>115,730,844</u>	<u>112,135,556</u>	<u>-</u>	<u>300,000</u>

16.1 Disaggregation of revenue

	Group	
	2024	2023
	RM	RM
Timing and recognition		
At a point in time	34,874,279	42,344,377
Over time	80,856,565	69,791,179
	<u>115,730,844</u>	<u>112,135,556</u>

16. Revenue (continued)

16.1 Disaggregation of revenue (continued)

Revenue from contracts with customers is mainly confined to one business segment. Revenue mainly consists of sale of roller shutters, racking systems, storage system and related steel products. Disaggregation of revenue based on geographical markets is disclosed in Note 23 to the financial statements.

16.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Warranty
Project sale of roller shutters, racking systems and storage system	Revenue is recognised over time using the output method based on the agreed value of works executed and certified by architects.	Credit period of 60 days from invoice date (based on milestones certified by architects).	Defect liability period between 1 to 2 years is given to the customers.
Sale of roller shutters, racking systems, storage system and related steel products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 30 days to 60 days from invoice date.	Assurance warranties on mechanical parts of 1 year is given to customers.

There is no variable element in consideration, obligation for returns or refunds attached to the goods sold by the Group.

16.3 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient exemption in paragraph 1.21(a) of MFRS 15 on the exemption for disclosure of information on remaining performance obligations that have original expected durations of one year or less.



Notes to the Financial Statements

17. Profit before tax

Profit before tax is arrived at after charging/(crediting) :

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration :				
Audit fees				
- KPMG PLT	165,000	154,000	40,000	36,000
- Other auditors	12,132	11,771	-	-
Non-audit fees				
- KPMG PLT	4,000	3,500	4,000	3,500
- Affiliates of KPMG PLT	25,400	23,900	1,900	1,900
Depreciation of :				
- Property, plant and equipment (Note 3)	3,484,106	3,346,807	-	-
- Right-of-use assets (Note 4)	1,335,285	876,836	-	-
- Investment properties (Note 5)	7,428	7,428	-	-
Provision/(Reversal) of inventories written down (Note 9)	186,917	(72,696)	-	-
Inventories written off (Note 9)	-	107,521	-	-
Research and development expenses (Note 17.1)	1,283,905	866,251	-	-
Finance income (Note 17.2)	(1,059,656)	(408,170)	(842,558)	(369,163)
Gain on derecognition of right-of-use assets	-	(7,121)	-	-
Gain on disposal of plant and equipment	(106,079)	(75,994)	-	-
Gain on forfeiture of non-refundable deposits received	(34,331)	(54,537)	-	-
Loss/(Gain) on foreign exchange :				
- realised	324,007	344,400	-	-
- unrealised	(343,602)	(145,836)	-	-
Expenses/(Income) arising from leases				
Expenses relating to :				
- short-term leases (Note 17.3)	514,590	550,192	-	-
- leases of low-value assets (Note 17.3)	27,970	24,330	-	-
Income from subleasing of :				
- Property, plant and equipment	(3,348,120)	(3,285,345)	-	-
- Investment properties	(27,000)	(26,700)	-	-
Net loss on impairment of financial instruments				
Impairment loss on trade and other receivables	171,374	131,540	-	-

17.1 Research and development expenses include Director's emoluments of RM764,400 (2023 : RM627,200).

17.2 Finance income represents interest income of financial assets calculated using the effective interest method that are at amortised cost.

17.3 The Group leases staff accommodations and equipment with contract term of 1 year or shorter. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements

18. Finance costs - Group

	2024	2023
	RM	RM
Interest expense of financial liabilities that are not at fair value through profit or loss	2,546,719	2,228,668
Interest expense on lease liabilities	22,428	8,151
	<u>2,569,147</u>	<u>2,236,819</u>

19. Employee information

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Personnel costs (including key management personnel)	<u>19,043,213</u>	<u>17,618,455</u>	<u>275,000</u>	<u>285,417</u>

Personnel costs of the Group (including key management personnel) include contributions to the Employees' Provident Fund of RM1,214,996 (2023 : RM1,168,494).

Included in personnel costs and research and development expenses is compensation paid to key management personnel as follows :

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' fees				
- current Directors	275,000	264,584	275,000	264,584
- past Directors	-	20,833	-	20,833
Directors' remuneration	3,660,000	3,050,000	-	-
Contributions to Employees' Provident Fund	439,200	366,000	-	-
Estimated monetary value of benefits-in-kind	10,600	10,600	-	-
	<u>4,384,800</u>	<u>3,712,017</u>	<u>275,000</u>	<u>285,417</u>

20. Tax expense

Recognised in profit or loss

Major components of income tax expense include :

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax expense				
- Current year	6,067,000	4,081,000	-	-
- Under provision in prior year	309,872	218,672	-	-
Total current tax recognised in profit or loss	6,376,872	4,299,672	-	-
Deferred tax expense				
- Origination and reversal of temporary differences	(577,885)	(128,962)	-	-
- Over provision in prior year	(184,001)	(802,212)	-	-
Total deferred tax recognised in profit or loss	(761,886)	(931,174)	-	-
Total income tax expense	<u>5,614,986</u>	<u>3,368,498</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

20. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit for the year	16,369,252	14,994,827	180,240	12,994
Total tax expense	5,614,986	3,368,498	-	-
Profit excluding tax	<u>21,984,238</u>	<u>18,363,325</u>	<u>180,240</u>	<u>12,994</u>
Income tax calculated using Malaysian tax rate of 24%	5,276,218	4,407,198	43,258	3,119
Effect of different tax rate in foreign jurisdiction	1,916	(4,005)	-	-
Non-deductible expenses	627,088	536,265	158,956	157,480
Tax exempt income	(202,110)	(88,599)	(202,214)	(160,599)
Non-taxable income	(133,292)	(56,676)	-	-
Tax incentive	-	(449,635)	-	-
Effect of unrecognised deferred tax assets	4,320	(356,880)	-	-
Reversal of deferred tax on revaluation surplus	(137,885)	(137,884)	-	-
Others	52,860	102,254	-	-
	<u>5,489,115</u>	<u>3,952,038</u>	<u>-</u>	<u>-</u>
Under/(Over) provision in prior year	125,871	(583,540)	-	-
	<u>5,614,986</u>	<u>3,368,498</u>	<u>-</u>	<u>-</u>

21. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows :

	2024 RM	2023 RM
Profit for the year attributable to ordinary shareholders	<u>16,369,252</u>	<u>14,994,827</u>
	2024	2023
Issued ordinary shares at beginning of the financial year	132,000,000	132,000,000
Effect of Warrants exercised during the year	48,380	-
Weighted average number of ordinary shares	<u>132,048,380</u>	<u>132,000,000</u>
Basic earnings per ordinary share (sen)	<u>12.40</u>	<u>11.36</u>

Notes to the Financial Statements

21. Earnings per ordinary share - Group (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows :

	2024	2023
	RM	RM
Profit for the year attributable to ordinary shareholders	<u>16,369,252</u>	<u>14,994,827</u>
Weighted average number of ordinary shares at 30 June (basic)	132,048,380	132,000,000
Effect of Warrants	14,574,644 ⁽¹⁾	⁽²⁾
Weighted average number of ordinary shares at 30 June (diluted)	<u>146,623,024</u>	<u>132,000,000</u>

⁽¹⁾ The average market price of the Company's shares during the year for the purpose of calculating the dilutive effect of Warrants was based on quoted market prices for the period during which the Warrants were outstanding.

⁽²⁾ The effect of the assumed exercise of Warrants on the earnings per ordinary shares is anti-dilutive. The effect of the assumed exercise of Warrants has not been considered as the exercise price of the Warrants was higher than the average market price of the Company's shares.

	2024	2023
	sen	sen
Diluted earnings per ordinary share	<u>11.16</u>	<u>NA</u>

22. Related parties

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below. The balances related to the significant related party transactions are shown in Note 8 to the financial statements.

(a) Transactions with subsidiaries

	Company	
	2024	2023
	RM	RM
Advances to subsidiaries	-	3,890,000
Dividend income	-	300,000
	<u>-</u>	<u>300,000</u>

(b) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 19 to the financial statements.

23. Operating segments - Group

The Group is principally involved in the manufacture and sale of roller shutters, racking systems, storage system and related steel products which are principally carried out in Malaysia. Management monitors the Group's operating results as one business unit due to the similar nature and economic characteristics of the products. The products within the business unit do not require materially different technology, operational and marketing strategies. Accordingly, information by operating segments on the Group's operations as required by MFRS 8 is not presented.

Notes to the Financial Statements

23. Operating segments - Group (continued)

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue RM	Non-current assets RM
2024		
Malaysia	93,517,123	125,444,160
Asia (excluding Malaysia)	11,814,636	-
Oceania	6,242,598	-
Middle East	3,932,893	-
Others	223,594	-
	<u>115,730,844</u>	<u>125,444,160</u>
2023		
Malaysia	82,202,692	126,959,133
Asia (excluding Malaysia)	16,392,511	3
Oceania	10,339,163	-
Middle East	2,857,214	-
Others	343,976	-
	<u>112,135,556</u>	<u>126,959,136</u>

24. Capital commitment - Group

	2024 RM	2023 RM
Property, plant and equipment		
- Contracted but not provided for	<u>973,835</u>	<u>300,000</u>

Notes to the Financial Statements

25. Financial instruments

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group	Carrying amount RM	AC RM
2024		
Financial assets		
Trade and other receivables (excluding prepayments)	26,166,460	26,166,460
Short-term deposits placed with financial institutions	38,014,696	38,014,696
Cash and cash equivalents	5,389,564	5,389,564
	<u>69,570,720</u>	<u>69,570,720</u>
Financial liabilities		
Loan and borrowings	81,814,005	81,814,005
Trade and other payables	33,074,814	33,074,814
	<u>114,888,819</u>	<u>114,888,819</u>
2023		
Financial assets		
Trade and other receivables (excluding prepayments)	23,024,079	23,024,079
Cash and cash equivalents	24,326,711	24,326,711
	<u>47,350,790</u>	<u>47,350,790</u>
Financial liabilities		
Loan and borrowings	80,003,259	80,003,259
Trade and other payables	29,295,233	29,295,233
	<u>109,298,492</u>	<u>109,298,492</u>

Notes to the Financial Statements

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as amortised cost (“AC”).(continued)

Company	Carrying amount RM	AC RM
2024		
Financial assets		
Trade and other receivables (excluding prepayments)	4,035,771	4,035,771
Short-term deposits placed with financial institutions	25,602,075	25,602,075
Cash and cash equivalents	576,663	576,663
	<u>30,214,509</u>	<u>30,214,509</u>
Financial liabilities		
Trade and other payables	<u>377,433</u>	<u>377,433</u>
2023		
Financial assets		
Trade and other receivables (excluding prepayments)	10,774,602	10,774,602
Cash and cash equivalents	18,408,416	18,408,416
	<u>29,183,018</u>	<u>29,183,018</u>
Financial liabilities		
Trade and other payables	<u>329,014</u>	<u>329,014</u>

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net gains/(losses) on :				
Financial assets at amortised cost	1,226,128	521,223	842,558	369,163
Financial liabilities at amortised cost	(2,830,639)	(2,617,288)	-	-
	<u>(1,604,511)</u>	<u>(2,096,065)</u>	<u>842,558</u>	<u>369,163</u>

25.3 Financial risk management

The Group has exposures to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

Notes to the Financial Statements

25. Financial instruments (continued)

25.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographical region was :

	Group	
	2024	2023
	RM	RM
Malaysia	24,522,483	21,148,948
Asia (excluding Malaysia)	614,672	21,627
Oceania	-	831,255
Middle east	20,947	-
	<u>25,158,102</u>	<u>22,001,830</u>

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit terms granted. The Group's debt recovery process is as follows :

- Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit controller; and
- Above 90 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables for all trade receivables except for project-based customers. Invoices which are past due 90 days will be considered as credit impaired.

Notes to the Financial Statements

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For project-based customers, the Group assessed the risk of loss of each customer individually based on past trend of payments. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2024			
Current (not past due)	19,230,116	-	19,230,116
1 - 90 days past due	5,376,845	-	5,376,845
	<hr/> 24,606,961	-	<hr/> 24,606,961
Credit impaired			
91 - 180 days past due	250,254	-	250,254
181 - 270 days past due	296,003	-	296,003
More than 270 days past due	4,884	-	4,884
Individually impaired	2,201,587	(2,201,587)	-
	<hr/> 27,359,689	<hr/> (2,201,587)	<hr/> 25,158,102
2023			
Current (not past due)	17,747,352	-	17,747,352
1 - 90 days past due	3,370,565	-	3,370,565
	<hr/> 21,117,917	-	<hr/> 21,117,917
Credit impaired			
91 - 180 days past due	323,135	-	323,135
181 - 270 days past due	181,073	-	181,073
More than 270 days past due	379,705	-	379,705
Individually impaired	2,155,573	(2,155,573)	-
	<hr/> 24,157,403	<hr/> (2,155,573)	<hr/> 22,001,830

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period in managing exposure to credit risk.

Notes to the Financial Statements

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of trade receivables during the financial year are as shown below.

Group	Trade receivables - credit impaired	
	2024 RM	2023 RM
Balance at 1 July 2023/2022	2,155,573	2,024,530
Net remeasurement of loss allowance (Note 17)	171,374	131,540
Write-off	(125,360)	(497)
Balance at 30 June	<u>2,201,587</u>	<u>2,155,573</u>

Short-term deposits placed with financial institutions and cash and cash equivalents

The above are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risk on other receivables are mainly arising from staff advances, deposits paid for utilities and membership for golf club.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group recognised allowance for impairment losses on other receivables amounted to RM51,960 (2023 : RM51,960).

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and suppliers in respect of facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their banking facilities on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM82,208,072 (2023 : RM80,704,486) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Financial guarantees provided to the suppliers of certain subsidiaries are to secure the amount payable of RM1,443,027 (2023 : RM1,207,433) as at the end of the reporting period.

Notes to the Financial Statements

25. Financial instruments (continued)

25.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment loss

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

- The subsidiary is unlikely to repay its credit obligation to the bank or supplier in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment loss in respect of the financial guarantees as the probability of the subsidiaries defaulting on the banking facilities is remote.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances are only provided to subsidiaries which are wholly-owned by the Company, and are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries to be with low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when :

- The subsidiary is unlikely to repay its advances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default for these advances individually using internal information available.

Notes to the Financial Statements

25. Financial instruments (continued)

25.4 Credit risk (continued)

Inter-company advances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

Company	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2024			
Low credit risk	4,034,771	-	4,034,771
Credit impaired	1,147,147	(1,147,147)	-
	<u>5,181,918</u>	<u>(1,147,147)</u>	<u>4,034,771</u>
2023			
Low credit risk	11,070,602	-	11,070,602
Credit impaired	1,147,147	(1,147,147)	-
	<u>12,217,749</u>	<u>(1,147,147)</u>	<u>11,070,602</u>

25.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2024	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<i>Non-derivative financial liabilities</i>							
Group							
Term loans	62,125,719	4.45 - 4.75	81,608,443	6,992,013	6,899,071	20,113,413	47,603,946
Hire purchase creditors	3,109,881	1.88 - 3.63	3,414,870	1,228,341	867,545	1,318,984	-
Lease liabilities	536,418	3.40 - 3.60	624,900	227,700	157,200	240,000	-
Bank overdrafts	2,270,351	6.70 - 8.14	2,270,351	2,270,351	-	-	-
Bankers' acceptances	10,255,000	4.86 - 5.43	10,255,000	10,255,000	-	-	-
Revolving credits	4,053,054	5.06 - 5.32	4,053,054	4,053,054	-	-	-
Trade and other payables	33,074,814	-	33,074,814	33,074,814	-	-	-
	<u>115,425,237</u>		<u>135,301,432</u>	<u>58,101,273</u>	<u>7,923,816</u>	<u>21,672,397</u>	<u>47,603,946</u>
Company							
Trade and other payables	377,433	-	377,433	377,433	-	-	-
Financial guarantees	-	-	83,651,099	83,651,099	-	-	-
	<u>377,433</u>		<u>84,028,532</u>	<u>84,028,532</u>	-	-	-

Notes to the Financial Statements

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

2023	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<i>Non-derivative financial liabilities</i>							
Group							
Term loans	65,956,980	4.45 - 4.75	87,972,958	6,765,425	6,939,329	20,266,080	54,002,124
Hire purchase creditors	2,971,831	1.88 - 3.63	3,231,034	1,167,658	951,537	1,111,839	-
Lease liabilities	710,790	3.40 - 3.60	767,700	196,800	173,700	397,200	-
Bank overdrafts	416,448	6.70	416,448	416,448	-	-	-
Bankers' acceptances	8,658,000	5.17 - 5.34	8,658,000	8,658,000	-	-	-
Revolving credits	2,000,000	5.02 - 5.12	2,000,000	2,000,000	-	-	-
Trade and other payables	29,295,233	-	29,295,233	29,295,233	-	-	-
	<u>110,009,282</u>		<u>132,341,373</u>	<u>48,499,564</u>	<u>8,064,566</u>	<u>21,775,119</u>	<u>54,002,124</u>
Company							
Trade and other payables	329,014	-	329,014	329,014	-	-	-
Financial guarantees	-	-	81,911,919	81,911,919	-	-	-
	<u>329,014</u>		<u>82,240,933</u>	<u>82,240,933</u>	-	-	-

Notes to the Financial Statements

25. Financial instruments (continued)

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

25.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

It is generally the Group's practice not to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was :

	Group	
	2024	2023
	RM	RM
Denominated in USD		
Trade and other receivables (excluding prepayments)	635,545	-
Cash and cash equivalents	2,801,626	2,403,980
Trade and other payables	(1,533,887)	(1,418,138)
Net exposure	<u>1,903,284</u>	<u>985,842</u>

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a Ringgit Malaysia ("RM") functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2023 : 10%) strengthening of the RM against USD at the end of the reporting period would have increased (2023 : increased) post-tax profit or loss by RM144,650 (2023 : RM74,924). This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

A 10% (2023 : 10%) weakening of the RM against USD at the end of the reporting period would have had equal but opposite effect on USD to the amount shown above, on the basis that all other variables remained constant.

Notes to the Financial Statements

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group manages their interest rate risk by having a combination of borrowings with floating and fixed rates.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed rate instruments				
Financial liabilities	(17,954,353)	(14,340,621)	-	-
Floating rate instruments				
Financial assets	38,014,696	18,359,517	25,602,075	18,359,517
Financial liabilities	(64,396,070)	(66,373,428)	-	-
	<u>(26,381,374)</u>	<u>(48,013,911)</u>	<u>25,602,075</u>	<u>18,359,517</u>

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

Notes to the Financial Statements

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) *Cash flow sensitivity analysis for variable rate instruments (continued)*

	Profit or loss	
	50 bp increase RM	50 bp decrease RM
Group		
2024		
Floating rate instruments	<u>(100,249)</u>	<u>100,249</u>
2023		
Floating rate instruments	<u>(182,453)</u>	<u>182,453</u>
Company		
2024		
Floating rate instruments	<u>97,288</u>	<u>(97,288)</u>
2023		
Floating rate instruments	<u>69,766</u>	<u>(69,766)</u>

Notes to the Financial Statements

25. Financial instruments (continued)

25.7 Fair value information

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

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM		
2024								
Term loans	-	-	-	-	-	(62,126,000)	(62,126,000)	(62,125,719)
Hire purchase creditors	-	-	-	-	-	(3,110,000)	(3,110,000)	(3,109,881)
	-	-	-	-	-	(65,236,000)	(65,236,000)	(65,235,600)
2023								
Term loans	-	-	-	-	-	(65,957,000)	(65,957,000)	(65,956,980)
Hire purchase creditors	-	-	-	-	-	(2,972,000)	(2,972,000)	(2,971,831)
	-	-	-	-	-	(68,929,000)	(68,929,000)	(68,928,811)

Notes to the Financial Statements

25. Financial instruments (continued)

25.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (2023 : no transfer in either directions).

Level 3 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The fair value of the loans and borrowings is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

26. 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 investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determined to maintain an optimal debt-to-equity ratio that complied with debt covenants and regulatory requirements.

The debt-to-equity ratios were as follows :

	Group	
	2024	2023
	RM	RM
Loans and borrowings (Note 14)	81,814,005	80,003,259
Lease liabilities	536,418	710,790
Less : short-term deposits placed with financial institutions (Note 10)	(38,014,696)	-
Less : cash and cash equivalents (Note 11)	(5,389,564)	(24,326,711)
Net debt	<u>38,946,163</u>	<u>56,387,338</u>
Total equity	<u>132,412,856</u>	<u>115,552,776</u>
Debt-to-equity ratio	<u>0.29</u>	<u>0.49</u>

There were no changes in the Group's approach to capital management during the financial year.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 49 to 91 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 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 :

.....
Sin Kheng Lee
Director

.....
Sin Siew Huey
Director

Penang,

Date : 25 October 2024

Statutory declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Sin Siew Huey**, the Director primarily responsible for the financial management of SKB Shutters Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 91 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Sin Siew Huey**, NRIC: 820805-10-5402, MIA CA30773, at George Town in the State of Penang on 25 October 2024.

.....
Sin Siew Huey

Before me :
Goh Suan Bee
(No. P125)
Commissioner for Oaths
Penang



Independent Auditors' Report

to the members of SKB Shutters Corporation Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SKB Shutters Corporation Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 49 to 91.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of trade receivables	
Refer to Note 1(d) (<i>basic of preparation - use of estimates and judgements</i>) and Note 8 (<i>trade and other receivables</i>)	
The key audit matter	How the matter was addressed in our audit
<p>The Group has trade receivables amounting to RM25.1 million, representing 10.13% of the Group's total assets as at 30 June 2024.</p> <p>Due to the Group's business nature, the Group has significant trade receivables mainly from project-based customers. Some of these customers have long outstanding debts. This may lead to a heightened risk that certain trade receivables may not be recoverable. With the significance of the balance and the level of judgement required to assess the amount of impairment loss required for trade receivables, valuation of trade receivables has been identified as one of the key audit matters.</p>	<p>Our audit procedures included, amongst others :</p> <ul style="list-style-type: none"> • Tested the accuracy of trade receivables' ageing reports by testing outstanding invoices to their respective age brackets on a sampling basis; • Assessed the recoverability of the past due trade receivables on sampling basis by testing the receipts of cash after year end; and • Assessed the adequacy of the Group's allowance for impairment loss including expected credit loss ("ECL") against the doubtful trade receivables by challenging the key assumptions/judgement applied by Directors in determining the allowance for impairment loss on any residual balances of significant past due debts net of subsequent receipts, taking into consideration past payment trends, and bad debts record for debts deemed doubtful.

Independent Auditors' Report

to the members of SKB Shutters Corporation Berhad

Key Audit Matters (continued)

Valuation of inventories	
Refer to Note 1(d) (<i>basic of preparation - use of estimates and judgements</i>) and Note 9 (<i>Inventories</i>)	
The key audit matter	How the matter was addressed in our audit
<p>The Group has inventories amounting to RM51.2 million, representing 43.66% of the Group's total current assets as at 30 June 2024.</p> <p>The Group made the write-down of inventories, if necessary, based on the analysis of the aging of inventories. With the significance of the balance and the level of judgement required to assess the amount of allowance needed for the slow moving and obsolete inventories, valuation of inventories has been identified as one of the key audit matters.</p>	<p>Our audit procedures included, amongst others :</p> <ul style="list-style-type: none"> • Tested the accuracy of inventories ageing reports by testing the goods received notes, production records and other relevant underlying documentation to their respective age brackets on a sampling basis; • Assessed the Directors' procedures and challenged the key assumptions made in identifying and writing down the slow moving and obsolete inventories and evaluated the adequacy of write down based on the past trends; • Assessed whether any significant items identified as damage, slow moving or obsolete during the inventory count observation were written down; and • Assessed whether the inventories were carried at the lower of cost and net realisable value by comparing their carrying amounts against the selling prices after year end less estimated selling expenses.

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

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 annual report 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 annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, 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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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



Independent Auditors' Report

to the members of SKB Shutters Corporation Berhad

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' 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 subsidiary of which we have not acted as auditors is disclosed in Note 6 to the financial statements.

Independent Auditors' Report

to the members of SKB Shutters Corporation Berhad

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date : 25 October 2024

Lee Phaik Im
Approval Number : 03177/05/2025 J
Chartered Accountant



List of Properties

at as 30 June 2024

No.	Description/Address	Date Revaluation	Tenure	Area	Existing Use	Carrying amount 30.06.24 RM
LAND						
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/06/2011	Leasehold - 99 years expiring 2106	48,637 sq.m.	Factory	56,917,446
2	PT 10562, Mukim of Ijok District of Kuala Selangor Selangor Darul Ehsan		Leasehold - 99 years expiring 2101	474,900 sq.m.	Vacant	35,510,318
BUILDING						
1	Lot 22, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya	28/06/2011	Leasehold - 99 years expiring 2106	336,263 sq.ft.	Factory	19,389,437
2	Corporate Tower Subang Square CT-01-17, Jln SS 15/4G 47500 Subang Jaya, Selangor	28/06/2011	Freehold	810 sq.ft.	Rent	181,496
3	Kota Point Shopping Complex, Lot LG-20 Grant No.: 15702, Lot 346 Jalan Lombong Kota Tinggi Johor	Not Applicable	Freehold	28 sq.m.	Vacant	1
4	Kiambang Apartment C-1-12, Jln Putra Perdana 5F Taman Putra Perdana 47100 Puchong, Selangor	28/06/2011	Leasehold - 99 years expiring 2093	790 sq.ft.	Vacant	63,718
Total						112,062,423

* On 19 January 2016, the Group acquired 99 years leasehold land which was previously leased for 30 years.

Analysis of Shareholdings

as at 30 September 2024

ISSUED AND FULLY PAID-UP CAPITAL	: RM48,455,729
CLASS OF SHARE	: Ordinary shares of RM1 each fully paid
VOTING RIGHTS	: On a show of hands - one vote for every shareholder On a poll - one vote for every ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of shareholders	% of shareholders	No. of shares	% of shares
Less than 100	9	0.4870	245	0.0002
100 - 1,000	191	10.3355	116,200	0.0843
1,001 - 10,000	1,027	55.5736	5,330,600	3.8667
10,001 - 100,000	538	29.1126	16,071,400	11.6577
100,001 - 6,893,044*	81	4.3831	38,001,634	27.5652
6,893,045 - 137,860,900**	2	0.1082	78,340,821	56.8260
Total	1,848	100.0000	137,860,900	100.0000

Remark : * Less than 5% of issued Shares
: ** 5% and above of issued Shares

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	% of Issued Capital	Indirect Interest	% of Issued Capital
1 SKB Glory Sdn. Bhd.	68,542,821	49.7188	-	-
2 Sin Kheng Lee	9,798,000	7.1072	68,572,821 *	49.7406
3 Chou Lee Sin	30,000	0.0218	78,340,821 #	56.8260
4 Sin Ching San	30,000	0.0218	68,542,821 ^	49.7188

* Deemed interest via SKB Glory Sdn. Bhd. and spouse
Deemed interest via spouse
^ Deemed interest via SKB Glory Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS

	Direct Interest	%	Indirect Interest	%
The Company				
1 Sin Kheng Lee	9,798,000	7.1072	68,572,821 *	49.7406
2 Chou Lee Sin	30,000	0.0218	78,340,821 #	56.8260
3 Sin Ching San	30,000	0.0218	68,542,821 ^	49.7188
4 Sin Siew Huey	-	-	-	-
5 Sin Tze Yi	-	-	-	-
6 Ng Swee Weng	-	-	-	-
7 Amnah Apasra Emir Binti Moehamad Izat Emir	-	-	-	-
8 Yeoh Yen Shiong	-	-	-	-
Holding Company - SKB Glory Sdn. Bhd.				
1 Sin Kheng Lee	1,394,000	68.0000	153,750 @	7.5000
2 Sin Ching San	502,250	24.5000	-	-
3 Chou Lee Sin	-	-	1,547,750 #	75.5000

* Deemed interest via SKB Glory Sdn. Bhd. and spouse
Deemed interest via spouse
^ Deemed interest via SKB Glory Sdn. Bhd.
@ Deemed interest via Lembah Segar Sdn. Bhd.

Note: By virtue of their interest of more than 20% in the Ordinary Shares of the Company, Messrs Sin Kheng Lee and Sin Ching San are also deemed to have interest in the Ordinary Shares of all the subsidiaries to the extent that the Company has an interest.

Analysis of Shareholdings

as at 30 September 2024

LIST OF 30 LARGEST SHAREHOLDERS

NO.	NAME	HOLDINGS	%
1	SKB GLORY SDN BHD	68,542,821	49.72
2	SIN KHENG LEE	9,768,000	7.09
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	4,519,400	3.28
4	DAUD BIN DAROS	2,955,717	2.14
5	MOHD HAFIZ BIN HASHIM	2,955,717	2.14
6	LEE CHEE BENG	2,519,700	1.83
7	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE FLEXI INVEST FUND	1,652,200	1.20
8	OOI SAY TUAN	1,500,000	1.09
9	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS PLUS FUND	1,357,300	0.98
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT - ML FLEXI FUND (250283)	1,137,800	0.83
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE CHEE PENG	1,013,000	0.73
12	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT GROWTH FUND (4074)	895,100	0.65
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN. BHD. (GROWTH FUND)(445788)	734,200	0.53
14	YEOH YEW CHOO	731,800	0.53
15	LEE LAM KEIONG	614,000	0.45
16	LEE BENG YONG	530,000	0.38
17	CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR PHEIM SICAV-SIF	511,000	0.37
18	HEE YAU SING	500,000	0.36
19	LIM POH BOON	462,000	0.34
20	LAU SAM SIONG	460,000	0.33
21	SYARIKAT RIMBA TIMUR (RT) SDN BHD	450,000	0.33
22	TAN AIK CHOON	436,900	0.32
23	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	410,000	0.30
24	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	405,300	0.29
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA RAY-MEN	400,000	0.29
26	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	379,400	0.28
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE JEN TONG (7003685)	379,000	0.27
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KEAN BOON	361,000	0.26
29	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	320,500	0.23
30	LOOI ENG KEONG	300,000	0.22
		107,201,855	77.76

Analysis of Warrant Holdings

as at 30 September 2024

3-YEAR WARRANTS 2022/2025

Total Number of Warrant Issued	: 65,999,996
Outstanding	: 60,139,096
Voting Rights	: The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new SKB Shutters Corporation Berhad ordinary shares

DISTRIBUTION OF WARRANT HOLDINGS

Size of Shareholding	No. of warrant holders	% of warrant holders	No. of warrant	% of warrant
Less than 100	61	6.9555	2,698	0.0045
100 - 1,000	72	8.2098	28,972	0.0482
1,001 - 10,000	409	46.6363	1,793,950	2.9830
10,001 - 100,000	282	32.1551	9,504,550	15.8043
100,001 - 3,006,953*	51	5.8153	19,638,516	32.6552
3,006,954 - 60,139,096**	2	0.2281	29,170,410	48.5049
Total	877	100.00	60,139,096	100.0000

Remark : * Less than 5% of issued Warrants
: ** 5% and above of issued Warrants

SUBSTANTIAL WARRANT HOLDERS

Name	Direct Interest	% of Issued Warrants	Indirect Interest	% of Issued Warrants
1 SKB Glory Sdn. Bhd.	24,271,410	40.3588	-	-
2 Sin Kheng Lee	4,899,000	8.1461	24,286,410 *	40.3837
3 Chou Lee Sin	15,000	0.0249	29,170,410 #	48.5049
4 Sin Ching San	15,000	0.0249	24,271,410 ^	40.3588

* Deemed interest via SKB Glory Sdn. Bhd. and spouse

Deemed interest via spouse

^ Deemed interest via SKB Glory Sdn. Bhd.

DIRECTORS' WARRANT HOLDINGS

	Direct Interest	%	Indirect Interest	%
The Company				
1 Sin Kheng Lee	4,899,000	8.1461	24,286,410 *	40.3837
2 Chou Lee Sin	15,000	0.0249	29,170,410 #	48.5049
3 Sin Ching San	15,000	0.0249	24,271,410 ^	40.3588
4 Sin Siew Huey	-	-	-	-
5 Sin Tze Yi	-	-	-	-
6 Ng Swee Weng	-	-	-	-
7 Amnah Apasra Emir Binti Moehamad Izat Emir	-	-	-	-
8 Yeoh Yen Shiong	-	-	-	-

* Deemed interest via SKB Glory Sdn. Bhd. and spouse

Deemed interest via spouse

^ Deemed interest via SKB Glory Sdn. Bhd.

Analysis of Warrant Holdings

as at 30 September 2024

LIST OF 30 LARGEST WARRANT HOLDERS

NO.	NAME	HOLDINGS	%
1	SKB GLORY SDN BHD	24,271,410	40.36
2	SIN KHENG LEE	4,884,000	8.12
3	GO HOOI MENG	2,750,000	4.57
4	DAUD BIN DAROS	1,477,858	2.46
5	MOHD HAFIZ BIN HASHIM	1,477,858	2.46
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE JEN TONG (7003685)	1,209,200	2.01
7	LIM WEN PING	878,500	1.46
8	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG JEE ENG	850,000	1.41
9	OOI SAY TUAN	750,000	1.25
10	LEE CHEE BENG	696,800	1.16
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE CHEE CHIANG (8073610)	551,000	0.92
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN. BHD. (GROWTH FUND)(445788)	493,000	0.82
13	LOK WEI SEONG	400,000	0.67
14	YOU CHIN FAT	400,000	0.67
15	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG PEY CHEE	379,000	0.63
16	LEE SIEW PENG	317,800	0.53
17	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE JEN TONG (STA1)	310,000	0.52
18	FOO YONG BOON	300,000	0.50
19	TEO QUEK SIANG	300,000	0.50
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	299,200	0.50
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG KAY JEONG	288,400	0.48
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALWYN TAN (8070782)	286,200	0.48
23	TAN TOO SENG	250,000	0.42
24	TAN MING JUN	235,300	0.39
25	LAW JIA MING	232,200	0.39
26	LIM POH BOON	231,000	0.38
27	LOW SOOK TIN	230,000	0.38
28	DAVID KHOO CHONG BENG	200,000	0.33
29	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAN LAI MING	200,000	0.33
30	TEE CHEE CHIANG	200,000	0.33
		45,348,726	75.41

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Seventh (“27th”) Annual General Meeting (“AGM”) of the Company will be held on a fully virtual basis through the online meeting platform at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain registration number D1A119533), on 28th day, November 2024 at 2:00 p.m. to transact the following business: -

As Ordinary Business:

1. To receive and adopt the Financial Statements for the year ended 30 June 2024 and (Please refer to Explanatory Note (B)(1))
the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors who are due to retire in accordance with Clause 88 of the Company’s Constitution and being eligible, had offered themselves for re-election: -
 - 2.1 Mr Sin Kheng Lee Ordinary Resolution 1
 - 2.2 Mr Sin Ching San Ordinary Resolution 2
 - 2.3 Ms Chou Lee Sin Ordinary Resolution 3
 - 2.4 Ms Sin Siew Huey Ordinary Resolution 4
 - 2.5 Ms Sin Tze Yi Ordinary Resolution 5
 - 2.6 Mr Ng Swee Weng Ordinary Resolution 6
 - 2.7 Puan Amnah Apasra Emir Binti Moehamad Izat Emir Ordinary Resolution 7
 - 2.8 Ir Yeoh Yen Shiong Ordinary Resolution 8
3. To approve Directors’ Fees of RM280,000.00 for the year ended 30 June 2024. Ordinary Resolution 9
4. To re-appoint Messrs KPMG PLT as auditors of the Company to hold office until the conclusion of the next AGM and to authorise the directors to fix their remuneration. Ordinary Resolution 10

As Special Business

To consider and if thought fit, to pass the following Resolutions with or without modification: -

5. Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights Ordinary Resolution 11

“THAT subject always to the Companies Act 2016 (the “Act”), the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons 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 does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 56 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

6. To transact any other business of which due notice shall have been given.

Notice of Annual General Meeting

By Order of the Board

Teoh Wei Yee
Company Secretary
SSM PC No.: 201908000052
MAICSA7066750
Penang, 30 October 2024

Notes:

(A) Appointment of Proxy: -

1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 (“SICDA”), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account its holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. The instrument appointing a proxy may be made in hardcopy form or by electronic means in the following manner not less than 48 hours before the time for holding the meeting or any adjournment thereof:
 - (i) In hardcopy form: The proxy form shall be deposited at the office of the Poll Administrator at Plantation Agencies Sdn. Berhad, 3rd Floor, No. 2 Lebu Pantai, 10300 Georgetown, Pulau Pinang.
 - (ii) By electronic means: The proxy form can be electronically lodged with the Company at support@digerati.com.my
 - (iii) Through online meeting platform: E-proxy form can be submitted at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain Registration No. D1A119533).
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), all resolutions set out in the Notice of the 27th AGM will be put to vote on a poll.
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 68 of the Company’s Constitution and Paragraph 7.16(2) of the MMLR of Bursa Securities, a Record of Depositors (“ROD”) as at 21 November 2024. Only Depositor whose name appears on such ROD or the appointed proxy holder/representative shall be entitled to attend, speak and vote at the AGM.

Notice of Annual General Meeting

(B) Explanatory Notes on Ordinary Business: -

1. The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.
2. Resolutions 1, 2, 3, 4, 5, 6, 7 and 8 – Re-election of Directors

Clause 88 of the Company's Constitution states that all Directors shall retire from office every year, but shall be eligible for re-election.

Mr Sin Kheng Lee, Mr Sin Ching San, Ms Chou Lee Sin, Ms Sin Siew Huey, Ms Sin Tze Yi, Mr Ng Swee Weng, Puan Amnah Apasra Emir Binti Moehamad Izat Emi and Ir Yeoh Yen Shiong who retire in accordance with Clause 88 of the Company's Constitution, being eligible, have offered themselves for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nominating Committee ("NC") has assessed and recommend to the Board the re-election of retiring Directors based on the following considerations: -

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) level of independence demonstrated by the independent director; and
- (iii) their ability to act in the best interest of the Company in decision-making.

The Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to Clause 88 of the Company's Constitution at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NC and Board meetings.

3. Resolution 9 – Proposed payment of Directors' Fee

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors in respect of the year ended 30 June 2024.

The fees payable to each Director pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of Directors of the Company, all of whom have recognized that the fees payable are in the best interest of the Company.

4. Resolution 10 – Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2025. The current auditors, Messrs. KPMG PLT has expressed their willingness to continue in office.

The Board and Audit Committee of the Company have considered the re-appointment of Messrs. KPMG PLT as auditors of the Company and collectively agreed that Messrs. KPMG PLT has met the relevant criterias prescribed by Paragraph 15.21 of the Listing Requirements.

The Board of Directors recommends the re-appointment of Messrs. KPMG PLT as External Auditors of the Company to hold the office until the conclusion of the next AGM.



Notice of Annual General Meeting

(C) Explanatory Notes to Special Business: -

1. Ordinary Resolution 11 – Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights

The proposed Ordinary Resolution 11 is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time to such persons in their absolute discretion for such purposes as the Board considers to be in the best interests of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a general mandate by its shareholders at the last AGM held on 28 November 2023 of which will lapse at the conclusion of the 27th AGM (hereinafter referred to as the “Previous Mandate”).

The Previous Mandate granted by the shareholders had not been utilised and therefore, no proceed been raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company’s future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

(D) The Annual Report 2024 and Corporate Governance Report 2024 are available for download at www.skb-shutters.com

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.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 27th AGM of the Company.

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Reg. Trademark No. 85/B03843

SKB SHUTTERS CORPORATION BERHAD
199701014865 (430362-U)

PROXY FORM

No. of shares held	CDS account no.

I/We..... (Tel.....)
(Full name as per NRIC and NRIC No./Company No. in BLOCK LETTERS)

of..... (Email address:.....)
(Full address in BLOCK LETTERS)

being a member/members of **SKB Shutters Corporation Berhad**, hereby appoint

Full name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

*and/or

Full name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing him/her, the Chairman of the meeting as my/our proxy, to vote for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on a fully virtual basis through the online meeting platform at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain registration number D1A119533) on 28th day, November 2024 at 2:00 p.m. and at any adjournments thereof.

No.	Ordinary Resolutions	For	Against
1	To re-elect Mr Sin Kheng Lee as a Director of the Company		
2	To re-elect Mr Sin Ching San as a Director of the Company		
3	To re-elect Ms Chou Lee Sin as a Director of the Company		
4	To re-elect Ms Sin Siew Huey as a Director of the Company		
5	To re-elect Ms Sin Tze Yi as a Director of the Company		
6	To re-elect Mr Ng Swee Weng as a Director of the Company		
7	To re-elect Puan Amnah Apasra Emir Binti Moehamad Izat Emir as a Director of the Company		
8	To re-elect Ir Yeoh Yen Shiong as a Director of the Company		
9	To approve Directors' Fees of RM280,000.00 for the year ended 30 June 2024		
10	To re-appoint Messrs KPMG PLT as auditors of the Company		
11	Authority to Issue Shares Pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		

(Please indicate with "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion).

[Please note that the short description given above on the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. Shareholders are encouraged to refer to the Notice of 27th AGM for the full purpose and intent of the Resolutions to be passed.]

Signed this day of 2024.

.....
Signature(s)/ Common Seal of Shareholder(s)

Notes:

- A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a Member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account its holds.
An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy may be made in hardcopy form or by electronic means in the following manner not less than 48 hours before the time for holding the meeting or any adjournment thereof:
 - In hardcopy form: The proxy form shall be deposited at the office of the Poll Administrator at Plantation Agencies Sdn. Berhad, 3rd Floor, No. 2 Lebu Pantai, 10300 Georgetown, Pulau Pinang
 - By electronic means: The proxy form can be electronically lodged with the Company at support@digerati.com.my.
 - Through online meeting platform: E-proxy form can be submitted at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain Registration No. D1A119533).
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), all resolutions set out in the Notice of the 27th AGM will be put to vote on a poll.

7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 68 of the Company's Constitution and Paragraph 7.16(2) of the MMLR of Bursa Securities, a ROD as at 21 November 2024. Only Depositor whose name appears on such ROD or the appointed proxy holder/representative shall be entitled to attend, speak and vote at the AGM.

Personal data privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 27th AGM of the Company and any adjournment thereof.

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Stamp

To,

The Poll Administrator
SKB SHUTTERS CORPORATION BERHAD
Registration No.: 199701014865 (430362-U)
Plantation Agencies Sdn. Berhad,
3rd Floor, No. 2 Lebu Pantai,
10300 Georgetown, Pulau Pinang

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Administrative Guide for the Fully Virtual Twenty Seventh Annual General Meeting (“27th AGM”)

Day & Date : Thursday, 28 November 2024
Time : 2:00 p.m.
Venue : Online meeting platform at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain registration number D1A119533)

The 27th AGM of the Company will be conducted fully virtual through live streaming and online participating and voting using the Remote Participation and E-Voting (“RPV”) facilities.

Please take note that the quality of the live streaming and online voting is highly dependent on the bandwidth and stability of the internet connection of the attendees (shareholders and proxies). Hence, you are to ensure your internet connectivity throughout the duration of the 27th AGM is maintained.

Members entitled to participate in the 27th AGM

Only a depositor whose name appears on the Record of Depositors as at 21 November 2024 shall be entitled to participate or appoint a proxy to participate, speak and/or vote on his/her behalf.

Proxy

A member shall not be entitled to appoint more than two (2) proxies to participate the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

The instrument appointing a proxy must be deposited physically or by electronic means in the following manner, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof:

- a) In hard copy form
The proxy form shall be deposited at the office of the Poll Administrator at Plantation Agencies Sdn. Berhad, 3rd Floor, No. 2 Lebu Pantai, 10300 Georgetown, Pulau Pinang.
- b) By electronic means
The proxy form can be electronically lodged with the Company at support@digerati.com.my.
- c) Through online meeting platform
E-proxy form can be submitted at <https://pasb-online.digerati.com.my> provided by Digerati Technologies Sdn. Bhd. in Malaysia (Domain Registration No. D1A119533).

Revocation of Proxy

The lodging of the Proxy Form shall not preclude you from participating in the 27th AGM should you subsequently wish to do so. If you have submitted your Proxy Form and subsequently decide to appoint another proxy(ies) or you wish to participate in the 27th AGM, please write in to corpsec@skb.com.my to revoke the earlier appointed proxy 48 hours before the date and time fixed for the 27th AGM or any adjournment thereof.

Poll voting


The resolutions to be tabled at the 27th AGM will be voted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to Procedures for RPV Facilities for poll voting. Upon completion of the voting session, the scrutineers will verify the poll results after which the Chairman will announce the results of the resolution.

Administrative Guide for the Fully Virtual Twenty Seventh Annual General Meeting (“27th AGM”)

Remote Participation and E-Voting (RPV)

Members who wish to participate the 27th AGM remotely using RPV, must follow the following procedures:

Step	Action	Procedure
A	To register as a user at website: https://pasb-online.digerati.com.my 	<ul style="list-style-type: none"> • Click ‘Register’ to sign up as a new user. • Upload your identity documents. • Complete and submit your registration. • Verify your email in your mailbox to complete the registration. • You will be notified upon successful or rejected registration. • You may pose any questions to the Chairman/Board using the website. <p>*Note:</p> <ul style="list-style-type: none"> ❖ Please check your spam mailbox if you do not receive emails from us. ❖ Registered users and proxies may skip this step. ❖ Identity documents will be deleted after registration.
B1	To virtually attend the AGM	<ul style="list-style-type: none"> • Within three (3) days before the AGM, you will receive login credentials to join the meeting upon approval.
B2	To appoint proxy or corporate representative at website (optional)	<ul style="list-style-type: none"> • Log in to your registered account on the website. • Select “SKB SHUTTERS CORPORATION BERHAD 27th AGM” • Fill in the information to appoint proxy(s). • Closing time for appointment is 48 hours prior to the meeting. No request will be entertained after closing time. • Within three (3) days before the AGM, you and your proxy(s) will be notified upon the approval or rejection of RPV.
C	On the day of AGM	<ul style="list-style-type: none"> • Access the meeting through the link on the website or received in the email. • If you have any questions for the Chairman/Board, utilize the Q&A section to submit your questions. • Submit your vote within a specified period once the Chairman announces that the voting is open. • Voting will close upon the expiry of the voting period. • The broadcast will terminate upon the Chairman’s announcement of the poll results.



Administrative Guide for the Fully Virtual Twenty Seventh Annual General Meeting (“27th AGM”)

Digital Copies of 27th AGM Documents

As part of the Company’s dedicated commitment to sustainable practices, the following documents of the Company are available and can be downloaded from the Company’s website at www.skb-shutters.com and on Bursa Malaysia Securities Berhad’s website at www.bursamalaysia.com: (a) Notice of 27th AGM and Proxy Form (b) Administrative Guide of the 27th AGM.

RPV for Authorised Nominee and Exempt Authorised Nominee

Write in to support@digerati.com.my by providing the name of Member, CDS Account Number accompanied with the Proxy Form to submit the request.

No door gifts/vouchers

There will be no distribution of door gifts/vouchers this year to shareholder(s)/proxy(ies)/corporate representative(s)/attorney(s) who participate in the 27th AGM.

No recording or photography

Please note that recording or photography of the 27th AGM proceedings is strictly prohibited.

Technical Enquiry

If you have any enquiry in meeting registration, system access, please contact the Technical Support:

Digerati Technologies Sdn. Bhd.
Tel No.: +6011-6338 8316
Email : support@digerati.com.my

OR

Poll Administrator Enquiry

If you have any enquiry in share and proxy related matters, please contact the Poll Administrator:

Plantation Agencies Sdn. Berhad
Tel No.: +604-2625333
Email : sharereg@plantationagencies.com.my

Personal Data Privacy

By lodging and subscribe for a user account with Digerati Technologies Sdn Bhd in Malaysia Portal to participate and vote remotely at the 27th AGM using the RPV Facility, the shareholder(s)/proxy(ies)/corporate representative(s)/attorney(s) accepts and agrees to the personal data privacy terms.

SKB SHUTTERS CORPORATION BERHAD

199701014865 (430362-U)

Registered Office:

Lot 22, Jalan Teknologi,
Taman Sains Selangor 1,
47810 Kota Damansara,
Petaling Jaya, Selangor,
Malaysia

